Deloitte.

Bluemind Holding ApS

Hvidkildevej 60
8240 Risskov
CVR No. 43771221

Annual report 2022

The Annual General Meeting adopted the annual report on 30.06.2023

Jakob Høy Biegel
Chairman of the General Meeting

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Entity details

Entity

Bluemind Holding ApS

Hvidkildevej 60

8240 Risskov

Business Registration No.: 43771221

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

Executive Board

Jakob Høy Biegel

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Bluemind Holding ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Risskov, 30.06.2023

Executive Board

Jakob Høy Biegel

Independent auditor's report

To the shareholders of Bluemind Holding ApS

Opinion
We have audited the consolidated financial statements and the parent financial statements of Bluemind Holding ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements
Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz
State Authorised Public Accountant
Identification No (MNE) mne34145

Anders Larsen
State Authorised Public Accountant
Identification No (MNE) mne47818

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Revenue	421,466	748,676	632,218	325,200	206,453
Gross profit/loss	43,037	173,892	161,451	75,342	41,723
Operating profit/loss	(30,919)	58,923	73,996	24,449	2,707
Net financials	(5,172)	(1,558)	969	(505)	(211)
Profit/loss for the year	(20,786)	51,668	57,198	18,766	2,339
Profit for the year excl. minority interests	(372)	15,447	35,108	11,370	1,624
Balance sheet total	394,392	488,593	235,387	127,849	91,218
Investments in property, plant and equipment	1,105	2,696	597	829	558
Equity	133,444	155,660	113,841	62,119	36,783
Equity excl. minority interests	40,832	83,531	75,009	42,901	24,961
Ratios					
Gross margin (%)	10.21	23.23	25.54	23.17	20.21
Net margin (%)	(4.93)	6.90	9.05	5.77	1.13
Return on equity (%)	(0.60)	19.49	59.55	33.51	6.09
Equity ratio (%)	10.35	17.10	31.87	33.56	27.36

Financial highlights regarding the financial years 2018-2021 are conducted from the previous Group called Høy Biegel Holding ApS as that was part of a division of the company.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Primary activities

The primary activity consists of selling leisure equipment within action sport as well as related activities within B2B and B2C segments, mainly in Europe and North America. We are a significant player in the action sport market and want to provide a wide range of action sport products for both B2C and B2B.

We buy products from vendors/brands and focus on sale, distribution, and excellent customer service. We primarily sell through our websites. We have more than 100 full-time employees. We are located in Søften, Denmark.

We pick and pack from our own warehouse in Denmark as well as an additional warehouses outside Denmark. Our products are mainly manufactured in Asia and Europe.

Development in activities and finances

Profit for the year is not as expected. In all markets the demand for Action Sports products declined dramatically throughout 2022 and the revenue ended at 421 mill DKK. This is a drop of 43,8% compared to 2021. This low activity level is the main reason for the loss in 2022.

The main reason for the low activity level was the impact of the war in Ukraine and the economic climate created by the war. This meant suddenly low consumer confidence, increasing energy prices, higher interest rates, and rising inflation. This has led to a dramatic decline in retail generally and especially in the leisure and action sports segments. E-commerce, which has had a significant growth under Covid-19, has been severely affected.

As a result of the falling turnover, we decided to cancel certain purchase orders already placed, which resulted in the loss of advance payments. Besides this we experienced losses on customers going into bankruptcy.

Furthermore, we closed down all sales to Russia, after the outbreak of the war. Besides this we lost all sales to Ukraine. The loss of these two markets contributed negatively on the revenue and costs.

Freight costs went up for all markets, due to increased fuel prices. Besides this the post-covid effect resulted in overstock in many markets, so the action sport retail industry had a tough year with declining margins. Because of increased stock we have also been forced to rent extra warehouse spaces.

Despite all the negative circumstances, resulting in a significant loss for the year, our equity including minorities was 133,444 mill DKK, corresponding to a solvency ratio of 10.35% per 31. December 2022.

Profit/loss for the year in relation to expected developments

The result of 2022 was very unsatisfying. We expected a post-covid drop in revenue of around 20%, but due to all the circumstances set out above, the drop was more than 40%.

Throughout the year we adapted our organization and operations to the falling turnover and earnings, but unfortunately - as is often the case in times of significant decline in consumer confidence and market demands - we were constantly behind the actual development.

This resulted in an unexpected operating loss, which was not foreseeable in the beginning of year.

Financial risks:
Our risk management program seeks to identify, assess, and elude risks in order to minimize potential unfavorable effects on our financial performance.

Operational risk:
The operational risks are in general related to the development of the different markets. Throughout 2022 and the first half of 2023 we are adapting to the lower demand.

Currency risks:
We work with 15 different currencies. Many of our purchases are settled in USD and there is a minor risk that currency rates change after placing the orders. The number of purchases for 2023 will be minor and deals are made in EUR and DKK, so the currency risk is considered minor.

Credit risks:
The majority of our sales are made through prepayment, credit cards or similar payment upfront methods. In 2022 we had some losses on customers with Credit or credit card fraud. We have limited the risks by not giving so many customers credit and changed our fraud algorithmic to minimize the loss.

Liquidity risks:
Our liquidity management's objective is to provide sufficient cash and cash equivalents to enable us to meet our payment obligations. We maintain a good bank relationship, and in a market with increasing interest rates, we focus on reducing our debt. The debt has been reduced with more than 20% since 31.12.2022. Our cashflow and financing is under control, and we expect positive cashflow throughout the year.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances.

Outlook

2023 will be a year where everything is going more and more back to normal. After a very tough 2022, we have found the right activity level, matching the actual and for the remainder of the year expected markets and circumstances. We expect a positive EBITDA for the current financial year, with a revenue around 300 million DKK.

The debt has been reduced with more than 20% since 31.12.2022. Our cashflow and financing is under control and we expect positive cashflow throughout the year.

Environmental performance

We strive to always run an economically responsible company with respect to the climate. We want to sell quality products with a long product lifetime and thereby limit our CO_2 footprint. The most significant risks for us are:

- Consumption of packing material.
- The distribution of parcels to customers has CO_2 impact.
- Within the manufacturing of our products, where we have risk of negative impact on the environment.

The goals for handling of packing material in 2023 are:

- We will work on decreasing our return rate to avoid double packing material usage.
- The boxes should be minimized and fit the product to avoid “air” shipment.

- Necessary fill material should mainly consist of air.

In 2022 we continued to develop sizing guides and worked more on data specifications to decrease the return rate and hereby limit the CO-2 Footprint.

The goals for minimizing CO-2 impact for 2023 are:

- We will work on decreasing our return rate and minimize CO2 impact.
- We will minimize the distance the parcels are transported by running warehouse(s) closer to our customers.
- The shipment boxes will be optimized to fit products, so the number of parcels pr. Pallet / cage will increase.

In 2022 we continued with limited traveling to customers and partners and used online meetings. In 2022 Q3 we also invested in solar panels. In 2022 the energy produced summed up to 5,71 MWh. The expectations for 2023 is that > 40% of our energy consumptions will be generated from the solar panels.

The goals for minimizing the impact on the environment at manufacturing in 2023:

- Containers should be filled to an absolute maximum.
- Manufacturers should minimize the use of plastic for packing.
- The manufacturing should happen with respect to an economical and environmental impact.
- We will have assessments for all major suppliers, including code of conducts

We only use cardboard and other freight material made of recycled materials.

Research and development activities

The Group does not participate in actual research and development activities.

Statutory report on corporate social responsibility

Business model

SkatePro consists of a strong ecommerce platform selling online to different markets in Europe and North America. We have more than 100 FTE's loving and enjoying action sports. Our action sport categories are Skates, Skateboards, BMX, Scooters, Winter, and Surf products.

Human Rights

At SkatePro we follow the rules and guidelines set-out for Human-rights based on the Danish regulations. In 2022 we have not identified any breaches. We monitor on an ongoing basis any potential risks on human-rights. There's a potential that a supplier / manufacturer doesn't follow the human-rights.

In 2023 we will perform a supplier conduct for our major suppliers, to make sure they also follow the human-rights.

Identified Risks: There's a that some suppliers don't follow the human rights.
Preventive actions: We will perform a supplier conduct on major suppliers.
Assessment: We assess the risk to be minor.

Social & Employee Relations
Special needs

We want to be inclusive and embrace people with special needs. Together with Job centers and employment agencies we facilitate this and have currently 4 employees with special needs.

Trainees and interns
We want to have trainees and interns, because it is important to help build and coach young people for the future. We currently have 5 trainees and 2 interns.

Social responsibility for action sport
We want to take social responsibility through action sport in the different communities. We want to support, inspire, and grow action sports giving people an active lifestyle ensuring their wellbeing.
In 2022, we sponsored over 40 SkatePro team riders, supported 420 events (combined with Centrano), and gave back 5% of revenue on Black Friday. In 2023, we are staying committed to the same path, with 45 sponsored riders and a goal of supporting 500 events. Our aim is to continue supporting riders and events, giving back to the rider communities, collaborating with charities and organizations, and doing everything we can to strengthen people and their wellbeing through action sports.

Employment terms
We want to ensure all contracts and contractual terms are compliant with the collective agreement for all our employees. We offer pension schemes and health insurance to all employees above 18 years. All employees have an employment contract, and all are informed about benefits and our collective agreement. We ensure all employees are hired under collective agreement including minimum wages, etc. and included in pension scheme and health insurance when eligible.

Leadership skills
We consider leadership as a vital skill set and want to educate and develop our leaders. All leaders have participated in our internal developed leader program.

Development and skill set upgrade
We want to ensure that employees have knowledge and information to provide their job function and understand our business. We emphasize job rotation and help people fulfill their career dreams, offering them trainee positions / other job functions within the company.

Well-being
We want our employees to be healthy and well. Goal for 2023 Sickness to be maximum 2%. We are currently at a Sickness percentage of 3,88% and we did not meet the goal for 2022. We will promote our health insurance services even more before and focus more on the dialogue between leaders and employees.

Discrimination
We want to ensure that our employment practices are ethically sound, and we want to avoid discrimination when hiring, promoting, and offboarding people. We treat all employees with respect and dignity. Our goal for 2023 is 0 cases. In 2022 we had no cases of discrimination reported.

Harrasment
We want to be preventive and stop any harassment from taking place. We had one minor issue in 2022. Our goal for 2023 is 0 cases. We encourage Leaders and HR to communicate to avoid any harassment.

Safety and security
We want to ensure that SkatePro is a safe workplace. Our goal for 2023 is 0 injuries. In 2022 we had 0 work related injuries.

In 2022 we invested in storage machines which will lead to more correct ergonomic picking routines. In 2023 we are looking into a better and safer environment emptying container.

Company values and culture
We want to be true to our company values in everything we do. Our current company values are Passionate, User focus, Team, Smart and Trustworthy.

Our goal for 2023 is that all employees live by our values. We aim to hire for values and then train people to have the correct skill set.

Supplier code of conduct
We want all our partners and suppliers to follow our ethical guidelines and the required certificates on the different products. In 2023 we want to develop a supplier conduct requiring our suppliers to commit to these, making sure they follow ethical guidelines regarding labor, human rights, and environment.

Identified Risks: Attracting the right people could be a challenge. The salary level might increase, so we cannot afford to run our logistic operation in Denmark. High sickness rate in warehouse, hence work can be physically hard, temperature can vary a lot and the work can be monotonous.
Preventive actions: We offer people to be hired with subsidies, internship for primary school student and other young people (either personal and/or social challenged). We focus on well-being including close dialogue between leaders and employees and we offer a health insurance scheme where employees can get any needed treatments including rehabilitation, chiropractor, physiotherapist, psychologist, stress counselling, etc.
Assessment: We assess this area to be of low risk and will need to pay close attention to the balance between running a sound business and cost.

Anti Corruption & Bribery
SkatePro is located in Denmark. Corruption and bribery are illegal in Denmark, and corruption and bribery are therefore considered a minor risk within Denmark. All Employees and Company Representative of SkatePro are strictly forbidden to use their job position or job influence to gain any advantage for themselves or for those close to them. SkatePro is against any payment of bribes and all other illegal forms of payment to civil servants, government members or any other public officer, as well as any kind of private law entity. Any act of corruption will be sanctioned. SkatePro has a whistleblower scheme where it is possible to report anonymously any issues or concerns.

Whistleblower scheme
We want to prevent any unethical behavior and for employees to report any issues and feel safe in the process. Our goal for 2023 is to handle all whistleblower cases within deadlines and take the necessary action immediately. If there are any cases, they will be reported to C-level and/or board. So far, the whistleblower scheme has not been used since the launch.

Identified Risks: IT security, especially ransomware, is always a risk. There is a risk that some suppliers don't follow the ethical and legal rules.
Preventive actions: We are running internal Cybersecurity training for staffs. We have on a regular basis a security consultant analyzing and identifying risks in our IT infrastructure. We have invested in extensive and secure backup routines. During 2023 we will implement ESG analysis and code of conduct towards major suppliers and brands.
Assessment: We acknowledge the increasing risks, but in our assessment we have a sufficient safety setup for our IT Security.

Statutory report on the underrepresented gender

In Bluemind Holding ApS there is only one employee.

In Skatepro the board level is 100% male. The target is that we want to have a female in the board within the next 3 years.

The C-level is 50% female and 50% male. The goal is 40% female and 60% male, so the goal is achieved.

In the leader team we are 20% female and 80% male. The goal is 30% female and 70% male. To meet the goal, we will focus on our recruitment, and we have two candidates with equal competencies, we will give females preferences. The deadline is within the next 3 years.

We are currently at 32% female and 68% male. The goal is still 40% female and 60% male and we managed to get a bit closer in 2023. To meet the goal, we will continue to focus on gender in our recruitment.

Statutory report on diversity

We want to be an attractive company with an international work environment and the company language is English. We are currently 28 nationalities. We provide a relocation support setup including Skatepro apartments and communicate in English for everybody to feel included.
We want to attract employees of all ages (junior and senior). Our average age is 32 years, and we have a split from 15 to 63 years. We cover all ages but also want to make sure to have a set of young people that match and understand our customers' demands.

Statutory report on data ethics policy

We have not bought or developed any AI, machine learning or similar technologies. We use analytics data from our partners to predict customers behavior. As we do not handle any data   directly, we have not deemed it necessary to establish a data ethics policy.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	421,465,854	748,675,744
Other operating income		1,589,115	1,996
Cost of sales		(319,452,798)	(506,404,766)
Other external expenses	2	(60,565,562)	(68,380,671)
Gross profit/loss		**43,036,609**	**173,892,303**
Staff costs	3	(72,724,439)	(113,990,257)
Depreciation, amortisation and impairment losses	4	(1,230,988)	(979,124)
Operating profit/loss		**(30,918,818)**	**58,922,922**
Income from investments in associates		7,554,148	6,083,390
Income from other fixed asset investments		(65,237)	0
Other financial income	5	218,751	681,928
Other financial expenses	6	(5,325,296)	(2,240,016)
Profit/loss before tax		**(28,536,452)**	**63,448,224**
Tax on profit/loss for the year	7	7,750,596	(11,780,393)
Profit/loss for the year	8	**(20,785,856)**	**51,667,831**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired patents		75,780	120,743
Intangible assets	9	**75,780**	**120,743**
Other fixtures and fittings, tools and equipment		2,314,761	2,211,752
Leasehold improvements		768,699	952,650
Property, plant and equipment	10	**3,083,460**	**3,164,402**
Investments in associates		24,401,183	16,847,035
Other investments		6,279,868	6,070,237
Deposits		3,199,417	2,843,133
Financial assets	11	**33,880,468**	**25,760,405**
Fixed assets		**37,039,708**	**29,045,550**
Manufactured goods and goods for resale		321,913,382	391,519,986
Prepayments for goods		17,439,874	34,259,460
Inventories		**339,353,256**	**425,779,446**
Trade receivables		4,000,579	8,068,798
Deferred tax	12	8,072,000	0
Other receivables		2,588,745	2,018,782
Tax receivable		28,461	735,906
Joint taxation contribution receivable		12,845	0
Prepayments	13	568,161	422,406
Receivables		**15,270,791**	**11,245,892**

Other investments	75,960	2,095,262
Investments	**75,960**	**2,095,262**
Cash	**2,652,079**	**20,426,465**
Current assets	**357,352,086**	**459,547,065**
Assets	**394,391,794**	**488,592,615**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		40,000	40,000
Retained earnings		40,732,744	81,990,984
Proposed dividend for the financial year		58,900	1,500,000
Equity belonging to Parent's shareholders		**40,831,644**	**83,530,984**
Equity belonging to minority interests		**92,612,376**	**72,129,021**
Equity		**133,444,020**	**155,660,005**
Deferred tax	12	0	88,000
Provisions		**0**	**88,000**
Bank loans		194,682,321	190,215,956
Deposits		81,271	94,136
Prepayments received from customers		13,157,937	11,491,288
Trade payables		35,314,549	95,733,733
Payables to owners and management		112,540	109,262
Tax payable		124,100	149,926
Other payables		17,475,056	35,050,309
Current liabilities other than provisions		**260,947,774**	**332,844,610**
Liabilities other than provisions		**260,947,774**	**332,844,610**
Equity and liabilities		**394,391,794**	**488,592,615**
Unrecognised rental and lease commitments	15		
Assets charged and collateral	16		
Transactions with related parties	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK
Equity beginning of year	40,000	81,990,984	1,500,000	83,530,984	72,129,021
Effect of mergers and business combinations	0	(40,932,093)	0	(40,932,093)	40,932,093
Ordinary dividend paid	0	0	(1,500,000)	(1,500,000)	(735,000)
Exchange rate adjustments	0	8,343	0	8,343	59,816
Other entries on equity	0	95,970	0	95,970	640,742
Profit/loss for the year	0	(430,460)	58,900	(371,560)	(20,414,296)
Equity end of year	**40,000**	**40,732,744**	**58,900**	**40,831,644**	**92,612,376**

	Total DKK
Equity beginning of year	155,660,005
Effect of mergers and business combinations	0
Ordinary dividend paid	(2,235,000)
Exchange rate adjustments	68,159
Other entries on equity	736,712
Profit/loss for the year	(20,785,856)
Equity end of year	**133,444,020**

The group's equity statement is affected by the intra-group restructuring in 2022, which is why the amount of the effect of mergers and business combinations consists of effect from the division of Høy Biegel Holding ApS.

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		(30,918,818)	58,922,922
Amortisation, depreciation and impairment losses		1,230,988	979,124
Working capital changes	14	15,008,311	(191,859,745)
Cash flow from ordinary operating activities		**(14,679,519)**	**(131,957,699)**
Financial income received		218,751	862,035
Financial expenses paid		(5,316,688)	(2,420,123)
Taxes refunded/(paid)		564,685	(28,565,674)
Cash flows from operating activities		**(19,212,771)**	**(162,081,461)**
Acquisition etc. of property, plant and equipment		(1,105,083)	(2,696,198)
Sale of property, plant and equipment		0	155,000
Acquisition of fixed asset investments		(482,448)	(6,721,466)
Cash flows from investing activities		**(1,587,531)**	**(9,262,664)**
Free cash flows generated from operations and investments before financing		**(20,800,302)**	**(171,344,125)**
Dividend paid		(1,500,000)	(9,800,000)
Short term bank debt raised or repayments		4,466,365	185,727,271
Cash flows from financing activities		**2,966,365**	**175,927,271**
Increase/decrease in cash and cash equivalents		**(17,833,937)**	**4,583,146**
Cash and cash equivalents beginning of year		20,426,465	15,843,319
Currency translation adjustments of cash and cash equivalents		59,551	0
Cash and cash equivalents end of year		**2,652,079**	**20,426,465**
Cash and cash equivalents at year-end are composed of:			
Cash		2,652,079	20,426,465
Cash and cash equivalents end of year		**2,652,079**	**20,426,465**

Notes to consolidated financial statements

1 Revenue

	2022 DKK	2021 DKK
EU countries	277,919,910	440,806,193
None-EU countries	143,545,944	307,869,551
Total revenue by geographical market	**421,465,854**	**748,675,744**

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK	2021 DKK
Statutory audit services	255,000	252,000
Tax services	130,000	77,000
Other services	663,131	172,416
	1,048,131	**501,416**

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	61,995,485	102,203,842
Pension costs	8,067,366	9,993,155
Other social security costs	1,440,660	1,029,758
Other staff costs	1,220,928	763,502
	72,724,439	**113,990,257**

Number of employees at balance sheet date	**157**	**219**

With reference to the Annual Accounts Act § 98 b, subsection 3. management remuneration is not disclosed.

4 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	44,963	51,917
Depreciation on property, plant and equipment	1,186,025	927,207
	1,230,988	**979,124**

5 Other financial income

	2022 DKK	2021 DKK
Other interest income	33,861	127,266
Fair value adjustments	0	522,343
Other financial income	184,890	32,319
	218,751	**681,928**

6 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	4,991,565	2,212,725
Fair value adjustments	330,453	0
Other financial expenses	3,278	27,291
	5,325,296	**2,240,016**

Fair value adjustments consist of an unrealized loss of DKK 8,608.

7 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	408,931	12,464,167
Change in deferred tax	(8,160,000)	45,000
Adjustment concerning previous years	473	(728,774)
	(7,750,596)	**11,780,393**

8 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	58,900	1,500,000
Retained earnings	(430,460)	13,946,702
Minority interests' share of profit/loss	(20,414,296)	36,221,129
	(20,785,856)	**51,667,831**

9 Intangible assets

	Acquired patents DKK
Cost beginning of year	763,163
Cost end of year	**763,163**
Amortisation and impairment losses beginning of year	(642,420)
Amortisation for the year	(44,963)
Amortisation and impairment losses end of year	**(687,383)**
Carrying amount end of year	**75,780**

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,411,599	2,782,615
Additions	914,400	190,683
Cost end of year	**4,325,999**	**2,973,298**
Depreciation and impairment losses beginning of year	(1,199,847)	(1,829,965)
Depreciation for the year	(811,391)	(374,634)
Depreciation and impairment losses end of year	**(2,011,238)**	**(2,204,599)**
Carrying amount end of year	**2,314,761**	**768,699**

11 Financial assets

	Investments in associates DKK	Other investments DKK	Deposits DKK
Cost beginning of year	5,955,577	8,505,000	2,829,133
Additions	0	274,868	482,448
Disposals	0	0	(112,164)
Cost end of year	**5,955,577**	**8,779,868**	**3,199,417**
Revaluations beginning of year	10,891,458	0	0
Amortisation of goodwill	(17,134)	0	0
Share of profit/loss for the year	7,571,282	0	0
Revaluations end of year	**18,445,606**	**0**	**0**
Impairment losses beginning of year	0	(2,434,763)	0
Impairment losses for the year	0	(65,237)	0
Impairment losses end of year	**0**	**(2,500,000)**	**0**
Carrying amount end of year	**24,401,183**	**6,279,868**	**3,199,417**
Goodwill or negative goodwill recognised during the financial year	85,670		

Associates	**Registered in**	**Ownership %**
Carbie Omega A/S	Hinnerup, Denmark	50.00
WePadel ApS	Harlev J, Denmark	20.00

12 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	1,000	2,000
Property, plant and equipment	(55,000)	(90,000)
Tax losses carried forward	8,126,000	0
Deferred tax	**8,072,000**	**(88,000)**

Changes during the year	2022 DKK	2021 DKK
Beginning of year	(88,000)	(43,000)
Recognised in the income statement	8,160,000	(45,000)
End of year	**8,072,000**	**(88,000)**

Deferred tax has been recognised in the balance sheet as follows	2022 DKK	2021 DKK
Deferred tax assets	8,072,000	0
Deferred tax liabilities	0	(88,000)
	8,072,000	**(88,000)**

Deferred tax assets

The company's tax losses carried forward is recognized as a deferred tax asset, since this is expected to be used within the foreseeable future.

13 Prepayments

Prepayments recognized as receivables comprises prepaid expenses.

14 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	86,426,190	(244,153,831)
Increase/decrease in receivables	5,371,803	10,636,202
Increase/decrease in trade payables etc.	(76,789,682)	41,657,884
	15,008,311	**(191,859,745)**

15 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	**5,575,162**	**7,979,022**

16 Assets charged and collateral

A floating charge of a maximum of DKK 125,000k secured on unsecured claims, inventories, operating equipment and intellectual property rights has been provided as security for the Group's bank commitments.

The carrying amount of unsecured claims provided as security at 31.12.2022 is DKK 4,001k.
The carrying amount of inventories provided as security at 31.12.2022 is DKK 321,913k.
The carrying amount of operating equipment provided as security at 31.12.2022 is DKK 3,083k.
The carrying amount of intellectual property rights provided as security at 31.12.2022 is DKK 76k.

An unlimited guarantee has been provided as security for Carbie Omega A/S, Central Business Reg. No. 34 89 35 86 and its bank commitment. The balance guaranteed at 31.12.2022 is a net deposit.

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Biegel Holding ApS	Risskov, Denmark	ApS	20.40
SKATEPRO ApS	Hinnerup, Denmark	ApS	60.00
SKATEPRO Inc.	USA	Inc.	100.00

Parent income statement for 2022

	Notes	2022 DKK
Other external expenses		(33,750)
Gross profit/loss		**(33,750)**
Income from investments in group enterprises		(337,810)
Profit/loss for the year	1	**(371,560)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Investments in group enterprises		40,867,383
Financial assets	2	**40,867,383**
Fixed assets		**40,867,383**
Cash		**561**
Current assets		**561**
Assets		**40,867,944**

Equity and liabilities

	Notes	2022 DKK
Contributed capital		40,000
Retained earnings		40,732,744
Proposed dividend for the financial year		58,900
Equity		**40,831,644**
Trade payables		17,550
Payables to group enterprises		18,750
Current liabilities other than provisions		**36,300**
Liabilities other than provisions		**36,300**
Equity and liabilities		**40,867,944**
Employees	3	
Contingent liabilities	4	
Related parties with controlling interest	5	
Transactions with related parties	6	

Parent statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Contributed upon formation	40,000	41,795,802	0	41,835,802
Ordinary dividend paid	0	0	(765,000)	(765,000)
Other entries on equity	0	(632,598)	765,000	132,402
Profit/loss for the year	0	(430,460)	58,900	(371,560)
Equity end of year	**40,000**	**40,732,744**	**58,900**	**40,831,644**

Dividends paid out are presented as other enties on equity, as the company was founded by division of Høy Biegel Holding ApS.

Notes to parent financial statements

1 Proposed distribution of profit and loss

	2022 DKK
Ordinary dividend for the financial year	58,900
Retained earnings	(430,460)
	(371,560)

2 Financial assets

	Investments in group enterprises DKK
Additions	42,602,791
Cost end of year	**42,602,791**
Exchange rate adjustments	(632,598)
Share of profit/loss for the year	(337,810)
Dividend	(765,000)
Impairment losses end of year	**(1,735,408)**
Carrying amount end of year	**40,867,383**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

3 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

4 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

5 Related parties with controlling interest

The company is owned 100% by Jakob Høy Biegel, thus exercising control.

6 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Non-comparability

This is the parent company's first financial year, while comparative figures have been included for the group, as it is an internal restructuring in connection with the division of the parent company. Based on this, there are no comparative figures for the parent company, while the group's comparative figures, as well as main and key figures for the comparative years, come from the consolidated financial statements for Høy Biegel Holding ApS in 2021.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
The parent company was founded by division of the former parent company. In the division, the participating companies are under the controlling interest of the same shareholders before and after the divising,and the uniting-of-interests method is used. In the consolidated accounts, the comparative figures are adjusted so that these derive from the former group before the division. In the parent company, the group enterprises are recognized per the founding date with retroactive effect to 01.01.2022, and no comparative figures are provided.

Profit or loss from divestment of enterprises
Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively.

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Income from other fixed asset investments
Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise acquired intellectual property rights and prepayments.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in associates.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Other investments
Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.