MaiScope Topco ApS

Trehuse 14, 7400 Herning

CVR no. 43 93 35 90

Annual report 2023

(As of the establishment of the Company 16 March - 30 June 2023)

Approved at the Company's annual general meeting on 15 December 2023

Chair of the meeting:

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Fredrik E. Oweson

Content

Statement by the Board of Directors and the Exectuive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of MaiScope Topco ApS for the financial year 16 March – 30 June 2023.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of their operations and consolidated cash flows for the financial year 16 March – 30 June 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Herning, 15 December 2023

Executive Board:

Lars Ragnar Eriksson, CEO

Board of directors

Kishan Smmani, Chair	Fredrik Eugen Oweson	Lars Ragnar Eriksson

Independent auditor's report

To the shareholders of MaiScope Topco ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of MaiScope Topco ApS for the financial year 16 March – 30 June 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 16 March – 30 June 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 Parent Company'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 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 Parent Company'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 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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.

Copenhagen, 15 December 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised Public Accountant
mne33732

Management's review

(In DKK'000)

Financial highlights

	16 March - 30 Jun 2023
Consolidated Statement of Profit or Loss	
Revenue from sale of goods	44,163
Product profit	6,422
Gross profit	(1,768)
Operating profit before depreciation, amortisation and special items	(10,040)
Profit (loss) after income tax	(30,658)
Consolidated Statement of Financial Position	
Non-current assets	752,116
Total assets	973,566
Investments in property, plant & equipment	900
Share capital	48,360
Equity	425,340
Non-current liabilities	514,946
Current liabilities	33,280
Cash flow	
Net cash flows from operating activities	(30)
Net cash flows from investing activities	(446,319)
Net cash flows from financing activities	482,748
Total cash flows	36,399
Ratios	
Product margin	14.5 %
Gross margin	-4.0 %
Equity/assets ratio	43.7 %
Other	
Average number of full-time employees	51

The financial ratios stated under "Financial highlights" have been calculated as follows:

Product margin	$\frac{\text{Product profit x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities}}$

Principal activities of the Parent Company and the Group
MaiScope TopCo ApS, parent company is only holding shares in subsidiaries. The main activity of the Group is running a business with design, manufacture and trade in toys and decorative items, as well as other related business.

Development in activities and financial matters
MaiScope TopCo ApS was established 16 March 2023. At 12 April 2023 the company acquired 57% of the subsidiary MaiScope ApS, and MaiScope ApS acquired 100% of Maileg ApS. Acquisitions has been made through equity injectiosn and shareholder loans. Maileg ApS operates within design, manufacture and trade in toys and decorative items, as well as other related business.

From the 12 April 2023, Maileg ApS is consolidated into MaiScope TopCo ApS. MaiScope TopCo ApS prepare its financial statements in accordance with IFRS as adopted by EU including requirements in the Danish Financial Statements Act.

The profit expectation for the financial year 16 March 2023 - 30 June 2023 was a result in line with last year. The target was achieved despite significantly increasing freight costs. There has been satisfactory revenue growth.

The financial statement covers the period from 16 March 2023. In respect of the acquisition the operating activities from Maileg ApS are included from 12 April 2023.

The result before tax amounts to negatively DKK 35 million, which is negatively affected by fair value adjustments and amortization of total DKK 30 million and acquisition costs of DKK 15 million.

The result for the period is as expected for both the parent company and the Group.

Financing
The Group is financed through equity and shareholder loans. The Groups equity at 30 June 2022 amounted to DKK 425 million, corresponding to a solvency ratio of 43.7 %.

Investments
Main investment is the acquisition for Maileg ApS on 12 April 2023 through the subsidiary MaiScope ApS. No other significant investments are made during the period.

Events after the balance sheet date

No further have occurred after the balance sheet date to this date which could influence the evaluation of these financial statements as per 30 June 2023.

Outlook
Management expects continued internationalization of Maileg's business activities in 2023/24, which expect to have positive impact on the revenue and earnings. The development in freight costs can have a significant impact on the result.
It is expected that the revenue in Maileg's activites for full year will increase from DKK 275 million to DKK 281 - 289 million and profit before financial items in the range of DKK 2-7 million negatively impacted by amortization of intangible assets and fair value adjustments on inventories of total DKK 106 million.

Financial risks

General
The Group is exposed to financial risks, including market risks (currency and credit risks), which may affect the Group's results of operations and financial position. The Group's risks are managed centrally in the Group's finance function. It is the Group's policy not to engage in active speculation in financial risks.
The Group's financial management is aimed at managing the financial risks directly attributable to the Group's operations.

Price risks
The Group has limited exposure to changes in purchase prices, as these can be imposed to a significant extent on the value of the products, however freight costs can have a negative impact on the earnings.

Currency risks
The Group's foreign entities are not immediately impacted by exchange rate fluctuations, as income and costs are settled in local currencies. Activities carried out by Danish group entities are affected by exchange rate fluctuations, as part of the sales and goods purchased are settled in foreign currencies, whereas costs, including wages and salaries, are settled in Danish kroner.
Moreover, the Group is affected by changes in exchange rates, as the foreign subsidiaries' results at year end are translated into DKK based on average exchange rates.
The Group's currency risks are primarily hedged by means of distribution of income and costs in the same currency. No hedging is performed.

Interest rate risks
Interest rate risks are limited. Shareholder debt carries a fixed interest rate and interests on leasing debt are limited to few contracts. Changes in interests' rates will not have any significant impact on the Group.

Credit risks
The Group has no significant risks relating to one individual customer or business partner. All major customers and other business partners are credit-rated on an ongoing basis.

Management's review

Company details

Name	MaiScope Topco ApS
Address, zip code, city	Trehuse 14, Lind, DK-7400 Herning
CVR no.	43 93 35 90
Established	16 March 2023
Registered Office	Herning, Denmark
Financial year	16 March - 30 June
Website	www.maileg.com
Board of directors	Lars Regnar Eriksson, CEO
Executive Board	Kishan Sammani, Chair Fredrik Eugen Oweson Lars Ragner Eriksson
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 DK-2000 Frederiksberg

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period begining 16 March 2023 (date of inception) and ended 30 June 2023.
(In DKK'000)

	Notes	16 Mar 2023 - 30 Jun 2023
Revenue from sale of goods	1	44,163
Cost of goods sold		(37,741)
Product profit		6,422
Other external expenses	2	(8,190)
Gross profit		(1,768)
Staff costs	3	(8,272)
Operating profit before depreciation, amortisation and special items		(10,040)
Depreciation, amortisation and impairment losses	4	(9,380)
Operating profit before special items		(19,420)
Special items	5	(14,713)
Operating profit (loss)		(34,133)
Financial income	6	851
Financial costs	7	(2,192)
Profit (loss) before income tax		(35,474)
Income tax expenses	8	4,816
Profit (loss) after income tax		(30,658)
Attributable to		
Equity holders of the parent		(20,229)
Non-controlling interests		(10,429)
Total		(30,658)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations		68
Total comprehensive income (loss) for the year, net of tax		(30,590)
Attributable to		
Equity holders of the parent		(20,188)
Non-controlling interests		(10,402)
Total		(30,590)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023
(In DKK'000)

Assets	Notes	30 Jun 2023	16 Mar 2023
Non-current assets			
Intangible assets	9		
Goodwill		321,856	-
Acquired rights		1,547	-
Brand		247,463	-
Customer relationships		154,524	-
Total intangible assets		725,390	-
Right of use assets	11	23,987	-
Property, plant and equipment	10		
Other fixtures and fittings, tools and equipment		2,739	-
Total property, plant and equipment		2,739	-
Deferred tax asset	8	-	-
Other non-current assets		3,029	-
Total non-current assets		755,144	-
Current assets			
Inventories	12		
Raw materials and consumables		79,995	-
Manufactured goods and goods for resale		73,945	-
Prepayments inventories		7,326	
Total Inventories		161,266	-
Receivables			
Trade receivables	13	14,972	-
Income tax receivable	8	3,745	-
Prepayments	14	1,081	-
Other receivables		2,537	-
Total Receivables		22,334	-
Cash	-	34,821	40
Total current assets		218,422	40
Total assets		**973,566**	**40**

Consolidated Statement of Financial Position
As at 30 June 2023
(In DKK'000)

Equity and liabilities	**Notes**	**30 Jun 2023**	**16 Mar 2023**
Equity			
Share capital	16	48,360	40
Foreign currency transalation reserve		42	-
Share premium		0	-
Retained earnings		28,132	-
Equity attributable to equity holders of the parent		76,534	40
Non-controlling interests		348,806	-
Total equity		**425,340**	**40**
Non-current liabilities			
Deferred tax liability	8	106,787	-
Lease liabilities	11	19,559	-
Shareholder loans, long term	17	388,599	-
Total non-current liabilities		**514,946**	**-**
Current liabilities			
Trade payables	18	2,891	-
Bank loans, short term	17	88	-
Current portion of long-term lease liabilities	11	4,843	-
Income tax payable	8	20,165	-
Other current liabilities	17	5,293	-
Total current liabilities		**33,280**	**-**
Total liabilities		**548,226**	**-**
Total liabilities and equity		**973,566**	**40**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023
(In DKK'000)

	Notes	16 Mar 2023 - 30 Jun 2023
Operating activities		
Profit (loss) before income tax		(35,474)
Adjustments for non cash operations	21	33,768
		(1,706)
Taxes paid		-
Interest paid		(153)
Interest received		123
Cash flow from operating activities		(30)
Investing activities		
Purchase of property, plant and equipment	10	(900)
Acquisition of subsidiaries, net of cash acquired	22	(445,401)
Change in deposits		(18)
Cash flow from investing activities		(446,319)
Net cash flow from operating and investing activities		(446,349)
Financing activities		
Proceeds from borrowings	17	386,880
Payment of principal portion of lease liabilities	11	(814)
Capital increase		96,682
Cash flow from financing activities		482,748
Net increase/decrease in cash and cash equivalents		
Cash and cash equivalents, beginning of the year		40
Available fund (Opening)		40
Cash and cash equivalents, end of the year		34,733

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

(In DKK'000)	Note	Share capital	Share premium	Retained earnings	Foreign currency transalation reserve	Total	Non-controlling interests	Total equity
		Attributable to the equity holders of the Group						
Balance at March 16, 2023		**40**	**-**	**-**	**-**	**40**		**40**
Profit/loss for the year, attributable to shareholders		-	-	(20,230)		(20,230)	(10,429)	(30,658)
Exchange rate adjustments		-	-	-	42	42	26	68
Total comprehensive income/loss		-	-	(20,230)	42	(20,188)	(10,403)	(30,590)
Transactions with owners		-	-	-	-	-		-
Issue of share capital		48,320	48,362	-	-	96,682	-	96,682
Transfer to retained earnings		-	(48,362)	48,362	-	-	-	-
Acccquisition of a non-controlling interests		-	-	-	-	-	359,208	359,208
Total transactions with shareholders		48,320	0	48,362	-	96,682	359,208	455,891
Balance at June 30, 2023		48,360	0	28,132	42	76,535	348,806	425,340

Note 1 Revenue

Note 1.1 Disaggregated revenue information

Revenue break down according to the following regions and segments:

Segments	**16 Mar 2023 - 30 Jun 2023**
Geographical markets:	
North America	(16,015)
Europe	(28,149)
Others	-
Total revenue from contracts with customers	(44,163)

At 30 June 2023, the value of products expected to be returned is considered insignificant based on historical experience.

Note 1.2 Contract Balances

	30 Jun 2023
Trade receivables	14,972
Contract liabilities	-

Note 2 Other external expenses

Other external expenses relates to administration costs, IT expenses. marketing costs and insurance etc.

Note 3 Staff costs

	16 Mar 2023 - 30 Jun 2023
Wages and salaries	6,978
Other social security costs	484
Pension	703
Other staff costs	108
Total staff costs	8,272

The details of the employees headcount is as follows:

Average number of full-time employees during the year	51
Headcount end of year	49

Executive Board and Board of Directors of MaiScope TopCo ApS do not receive any remuneration from the company. The Group has in the financial year paid DKK 825 thousand to cover some of the costs to the Executive Board and Board of Directors.

The Executive Board and Board of Directors are not eligible for any remuneration agreements or bonuses. Executive Board in Maileg ApS obtain an fixed remuneration.

Note 4 Depreciation, amortization and impairment

	16 Mar 2023 - 30 Jun 2023
Intangible assets, amortization	8,228
Property, plant and equipment, depreciation	132
Right-of-use assets, depreciation	1,020
Total depreciation, amortization and impairment	9,380
Included in the income statement under the following headings:	
Depreciation	1,152
Amortisation and impairment losses	8,228
Total depreciation, amortization and impairment	9,380

Note 5 Special items

	16 Mar 2023 - 30 Jun 2023
Transaction costs related to acquisition	14,713
Total special items	14,713

Note 6 Financial income

	16 Mar 2023 - 30 Jun 2023
Foreign exchange gains	728
Interest income, bank	93
Interest income on security deposits	17
Other financial income	13
Total financial income	851
Total finance income related to financial assets at amortised cost	-

Note 7 Financial costs

	16 Mar 2023 - 30 Jun 2023
Foreign exchange losses	108
Interest on shareholder loans	1,719
Interest on lease liabilities	212
Other financial costs	154
Total financial costs	2,193

Interest on shareholder loans has been rolled up on the loans and will be paid upon exit.

Total finance costs related to financial assets at amortised cost	1,931

Note 8 Tax

Note 8.1 Income taxes in statement of profit or loss and reconciliation

	16 Mar 2023 - 30 Jun 2023
Tax on the profit for the year is specified as follows:	
Tax on profit/loss for the year	4,816
Tax on other comprehensive income	-
Total tax	4,816

Tax on the profit for the year has been calculated as follows:	
Current income taxes	-2,525
Deferred income taxes	7,341
Total income taxes as per profit & loss account	4,816

Effective tax rate can be calculated as follows:	16 Mar 2023 - 30 Jun 2023
Danish tax rate, 22%	7,805
Deviation in tax in foreign companies in relation to Danish tax rate	22
Non-taxable income and non-deductible expenses	(3,010)
Other, including adjustments regarding previous years	-
Total taxes	4,817
Effective tax rate	14%

Deferred tax related to items recognised in OCI during the year:	16 Mar 2023 - 30 Jun 2023
Exchange differences on translation of foreign operations:	-
Deferred tax charged to OCI	-

Corporation tax movement	16 Mar 2023 - 30 Jun 2023
Corporation tax receivable/payable at 16 Mar 2023	-
Addition through business combinations	(13,918)
Tax on taxable income for the year	(2,524)
Corporation tax paid during the year	-
Foreign exchange adjustment	22
Corporation tax payable at 30 Jun 2023	(16,420)
Included in assets	3,745
Included in liabilities	(20,165)
Corporation tax payable at 30 Jun 2023	(16,420)

DKK 17,753 thousand of the payabales relates to the prior period joint taxation.

Note 8.2 Deferred taxes

Deferred tax liabilities	16 Mar 2023 - 30 Jun 2023
Opening Balance	-
Addition through business combinations	(114,128)
Deferred tax recognised in profit and loss account	7,341
Deferred tax recognised in equity	-
Closing balance	(106,787)

Breakdown of deferred tax	30 Jun 23
Intangible assets	(104,877)
Property, plant and equipment	(4,905)
Inventories	(1,892)
Liabilities other than provisions	4,887
Deferred tax liabilities	(106,787)

Reflected in the statement of financial position as follows:	30 Jun 2023
Deferred tax asset	-
Deferred tax liability	(106,787)
Net deferred tax assets/liabilities	**(106,787)**

Opening balance at start of the year	30 Jun 2023
Tax expense during the period recognised in profit or loss	7,341
Tax income/expense during the period recognised in OCI	-
Deferred taxes acquired in business combinations	(114,128)
Closing balance at end of the year	(106,787)

Note 9 Intangible assets

	Goodwill	Brand	Customer Relationships	Acquired rights	Total
Cost or valuation					
Balance as at 16 Mar 2023	-	-	-	-	-
Addition through business combination	321,856	251,657	158,487	1,619	733,619
Balance as at 30 Jun 2023	321,856	251,657	158,487	1,619	733,619
Amortization and impairment					
Balance as at 16 Mar 2023					
Amortization	-	(4,194)	(3,962)	(72)	(8,228)
Balance as at 30 Jun 2023	-	(4,194)	(3,962)	(72)	(8,228)
Net book value					
At 16 Mar 2023	-	-	-	-	-
At 30 Jun 2023	321,856	247,463	154,525	1,547	725,391
Useful lives	N/A	15 years	10 years	10 years	
Amortization method	Tested for impairment annually	Straightline basis	Straightline basis	Straightline basis	

Acquisition during the year
Goodwill and other intangible assets include brand, customer relationships, and acquired rights were acquired through a business combination. The details of the business combination during the year are disclosed in Note 22 Business combinations.

Impairment
As at 30 June 2023 goodwill was tested for impairment.
The management of MaiScope Topco ApS has tested the carrying amounts of goodwill in the Group. In the test performed, the senior management estimated the expected free cash flow in a ten-year budget and forecast period (2023-2032).

The impairment test estimates the present value of goodwill (value-in-use principle) by discounting expected free cash flows using an estimated discount rate to assess the Group's total value and related goodwill, which is subsequently compared with the carrying amount recognized in the MaiScope Topco ApS consolidated financial statements. The rate of growth post the forecast period, the so-called terminal growth, is based on general long-term growth forecasts for the individual markets. The expected terminal growth rate used is 2.5 %.

At 30 June 2023, capitalized goodwill in relation to the Maileg acquisation amounted to DKK 322 million.

The discount rate (WACC) was estimated on the basis of available market data and an assessment of the risk profile of the individual entities. Specifically, a risk-free interest rate based on the current yield of a 10-year government bond in the relevant geography plus an estimated market-risk premium are used to estimate the required rate of return on equity. Estimated risk premiums are then added, depending on industry, business model and geography. The required rate of return on debt is based on an estimated credit assessment of the entities and current interest rate levels. The required rates of return on debt and equity are weighted using a capital structure based on a group of Group peers.

The table below shows the amounts for each Group:

	Test assumptions			Sensitivity analysis			
	Carrying amount of goodwill	Terminal revenue growth	WACC after tax	Allowed terminal revenue growth	Allowed WACC after tax increase	Allowed terminal revenue growth	Allowed EBITDA margin decrease
Maileg	321,856	2.5%	19.9%	-4.5%	1.1%	-2.6%	-2.2%

Note 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Total
Cost		
Cost at 16 Mar 2023	-	-
Addition through business combination	1,971	1,971
Additions	900	900
Cost at 30 Jun 2023	2,871	2,871
Depreciation and impairment		
Balance at 16 Mar 2023	-	-
Depreciation	132	132
Balance at 30 Jun 2023	132	132
Net book value 16 Mar 2023	-	-
Net book value 30 Jun 2023	2,739	2,739
Depreciated over	**5-10 years**	

Note 11 Leases

The Group has lease contracts for offices. Leases of offices generally have lease terms of 2-8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of photocopiers that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

		16 Mar 2023 30 Jun 2023
At cost	**Offices**	**Total**
Balance at the beginning	-	-
Exchange rate adjustments	(9)	(9)
Addition through business combination	24,998	24,998
Remeasurement of lease liabilities	-	-
Disposals of ROU assets	-	-
Right-of-use assets, depreciation	(1,020)	(1,020)
Balance at the end	23,969	23,969

Set out below are the carrying amounts of lease liabilities and the movements during the period:

		16 Mar 2023 30 Jun 2023
	Offices	**Total**
Balance at the beginning	-	-
Exchange rate adjustments	7	7
Addition through business combination	24,998	24,998
Interest on lease liabilities	212	212
Payments	(814)	(814)
Balance at the end	24,403	24,403

Lease liabilities included in the statement of financial position	
Current	4,843
Non Current	19,559
Total	24,402

Undiscounted lease liabilities maturity analysis	**30 Jun 2023**
Within 12 months	5,058
From 1 to 5 years	16,424
More than 5 years	6,515
Total undiscounted lease liabilities at 30 Jun 2023	27,997

The Group had total cash outflows for leases of DKK 0.8 million in 2023.

The following are the amounts recognised in profit or loss:	**16 Mar 2023 30 Jun 2023**
Depreciation expense of right-of-use assets	1,020
Interest expense on lease liabilities	212
Interest income on security deposits	(17)
Expense relating to short-term leases	-
Expense relating to leases of low-value assets	-
Total amount recognised in profit or loss	1,215

The Group had none non-cash additions to right-of-use assets of 30 June 2023.

Customer credit risks

The Group's exposure to credit risks is assesses to be low. The Group's customer portfolio is diversified in terms of geography and size. The Group is not exposed to credit risks related to significant individual customers.

Customer credit risks are managed both locally and at group level subject to the Group's established policy, procedures and controls relating to customer credit risk management. The credit quality of a customer is assessed based on credit rating and analysis, and individual credit limits are defined in accordance with this assessment. .

The credit risk is monitored by analysing the amount and the ageing of outstanding customer receivables that are past due. Outstanding customer receivables are monitored at country level as well as at group level, and allowances are updated for expected credit losses on a monthly basis. The allowance is based on actual historical data, ageing of receivables and relevant information about the current and expected macro-economic developments in each country that could impact the credit risk. Generally, the portfolio of trade receivables within each country is considered to share similar credit risk characteristics. The maximum exposure to credit risks at the reporting date is the carrying amount of each class of financial assets.

The Group considers the concentration of risk with respect to trade receivables low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Note 12 Inventories

	30 Jun 23	16 Mar 2023
Raw materials (at cost)	79,995	-
Finished goods (at lower of cost and net realizable value)	73,945	-
Prepayment inventories	7,326	-
Total inventories at the lower of cost and net realizable value	161,266	-

From the 14 April - 30 June 2023 no significant costs has been recognised in the statement of profit and loss related to damaged, obsolete and lost inventories.

Note 13 Trade receivables

	30 Jun 23	16 Mar 2023
Trade receivables	15,293	-
Allowance for expected credit losses	(321)	-
Trade receivables net of allowance for expected credit losses	14,972	-

Trade receivables are non-interest bearing and are generally on terms of 14-30 days.

Fair values of trade receivables - Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Set out below is the movement in the allowance for expected credit losses of trade receivables:	30 Jun 23	16 Mar 2023
Balance at the start of the year	0	0
Provision for expected credit loss	(321)	-
Write-off	-	-
Reversal of provision through profit and loss	-	-
Foreign exchange movement	-	-
Balance at the end of the year	(321)	-

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Days past due		
30 Jun 2023	**< 90 days**	**> 91 days**	**Total**
Expected credit loss rate	0%	17%	6%
Estimated total gross carrying amount at default	3,541	1,893	5,434
Expected credit loss	-	321	321

Note 14 Prepayments

	30 Jun 23	16 Mar 2023
Prepayments suppliers etc.	8,407	-
Total	8,407	-

Note 15 Cash and cash equivalents

	30 Jun 23	16 Mar 2023
Cash at bank and on hand	34,821	40
Bank loans, short term	(88)	-
Total	34,733	40

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at June 30, 2023

Note 16 Share capital and share premium

The share capital consists of 48,360 thousands shares with a nominal value of DKK 1.00 each. The shares consist of 46,872,000 A shares and 1,488,000 B shares. The share capital is fully paid.

Ordinary shares issued and fully paid up	16 Mar 2023 30 Jun 2023
Balance at the beginning of the year	40
Increase in capital during the year	48,320
Balance at the end of the year	48,360
Total	48,360

Share premium

	16 Mar 2023 30 Jun 2023
Balance at the beginning of the year	-
Increase during the year	48,362
Transfer to retained earnings	(48,362)
Balance at the end of the year	-
Total	-

Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 60% and 90%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	30 Jun 23	16 Mar 2023
Shareholder loan	388,688	-
Bank loans, short term	88	
Trade payables	2,891	-
Other liabilities	5,293	-
Less: Cash and cash equivalents	(34,821)	-
Net debt	362,138	-
Equity	425,340	-
Total capital		
Capital and net debt	787,478	-
Gearing ratio	85%	

Note 17 Loans and borrowings

Non-current borrowings	**30 Jun 23**	**16 Mar 2023**
Shareholder loan	388,599	
Total non-current borrowings	388,599	

Current borrowings	**30 Jun 23**	**16 Mar 2023**
Bank loans, short term	88	-
Total non-current borrowings	88	-

Other current liabilities	**30 Jun 23**	**16 Mar 2023**
VAT	392	-
Accrued salaries	2,706	-
Other payables	2,194	-
Total non-current borrowings	5,292	-

	Interest rate	**Maturity**
Shareholder loan	2%	**

**The shareholder loans are due upon the shareholder's exit of the investment or after 10 years.

Maturity analysis:	**Within 12 months**	**From 1 to 5 years**	**More than 5 years**	**Total**
Shareholder loans	-	-	388,599	388,599
Bank loans, short term	88	-	-	88
Total	88	-	388,599	388,687

Specified as follows:				
Current				88
Non-Current				388,599
Total	-	-	-	388,687

Shareholder loan:

At 23 March 2023, the Group obtained a loan facility from the shareholders amounting to DKK 388.6 million. The shareholder loans are due upon the shareholder's exit of the investment or after 10 years. The loans charge interest rate of 2%, which will be added to the loans and paid upon the exit.

Note 18 Trade payables

	30 Jun 23	**16 Mar 2023**
Trade payables	2,891	-

Trade payables are non-interest bearing and are normally settled on 8-30 day terms. Trade payables are measured at amortized cost. The carrying amounts of trade payables are considered to be the same as their fair values, due to their short-term nature.

Note 19 Changes in net working capital

	30 Jun 23
Changes in inventories	9,729
Changes in trade receivables	9,128
Change in trade payables	2,891
Change in other liabilities	626
Changes in net working capital	22,374

Note 20 Adjustment for non-cash operating items

	30 Jun 2023
Depreciation, amortisation and impairment	9,380
Finance income	(851)
Finance expenses	2,192
Changes in net working capital	22,374
Exchange rate adjustments	673
Adjustment for non-cash operating items	33,768

Note 21 Changes in liabilities arising from financing activities

	16 Mar 2023	Addition from business combination	Foreign exchange movement	Repayment	Roll-up interest	Other changes	30 Jun 2023
Lease liabilities	-	24,998	7	(603)	-	-	24,403
Shareholder loans	-	386,880	-	-	1,719	-	388,599
Total liabilities from financing activities	-	411,878	7	(603)	1,719	-	413,002

Note 22 Business combination

Acquisitions in 2023

On 12 April 2023, the Group acquired acquired 57% of the share capital in MaiScope ApS, a non-listed company based in Herning, Denmark and specialised in Danish toy products and decoration articles with an outspoken intrinsic design value, for a consideration of DKK 820.5m. The Group acquired MaiScope ApS because it significantly enlarges the range of Danish toy product segment that can be offered to its clients.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

The fair values of the identifiable assets and liabilities of Maileg ApS as at the date of acquisition were:

Assets	**Fair value recognized on acquisition**
Intangible assets	411,763
Property, plant and equipment	1,971
Right of use assets	24,998
Non-current financial assets	3,011
Inventories	170,995
Trade receivables	16,766
Tax receivables	3,834
Other receivables	10,952
Total assets	644,290
Liabilities	
Deferred tax liability	114,128
Lease liabilities	24,998
Corporation tax	17,744
Other payables	4,667
Total liabilities	161,537
Total identifiable net assets at fair value	482,753
Non-controlling interest measured at fair value	(359,208)
Goodwill arising on acquisition	321,856
Purchase consideration	445,401

The fair value of the trade receivables amounts to DKK 16,766 thousand. The gross amount of trade receivables is DKK 16,766 thousand and it is expected that the full contractual amounts can be collected.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

In connection with purchase price adjustments relating to the acquisition, goodwill of DKK 321,856 thousand was identified after recognition at fair value of identifiable assets, liabilities and contingent liabilities. Fair value adjustments were determined using discounted cash flows for identified assets. The intangible assets reflect the recognition of balanced expenditure on development work and the like work.

The goodwill of DKK 321,856 thousand comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The acquisition involved acquisition costs of DKK 14,713 thousand, which is recognized in special items in the income statement.

The fair value of the non-controlling interest in Maileg ApS, a non-listed company, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

• An assumed discount rate of 19.9%

• A terminal value, calculated based on long-term sustainable growth rates for the industry at 2.5%, which has been used to determine income for the future years

• A reinvestment ratio of 0.5% of earnings

The results of Maileg have been included in the consolidated financial statements from the acqusiton date 12 April 2023 to 30 June 2023. From the date of acquisition, Maileg ApS and subsidiaries contributed with DKK 44,163 thousand of revenue and DKK 12,119 thousand to profit before tax of the Group. Had Maileg been acquired at 1 July 2022, revenue would have been DKK 231,045 thousand higher and profit would have been DKK 89,262 thousand higher.

Note 23 Financial risk management and financial assets

The main purpose of the Group's financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group is exposed to foreign currency risk and credit risk that affect its earnings. Group Management oversees the management of these risks, including overseeing that the Group's financial risk activities are governed by the policies and procedures outlined by Management and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group´s policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks.

Note 23.1 Financial instrument by category

Financial instruments	**30 Jun 2023**	**16 Mar 2023**
Trade receivables	14,972	-
Prepayments	1,081	-
Cash	34,821	-
Financial assets measured at amortised cost	50,874	-
Shareholder loan	388,599	
Bank loans, short term	88	-
Trade payables	2,891	-
Financial liabilities measured at amortised cost	493,327	-

Note 23.2 Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities in USD.

Foreign currency sensitivity

A 10% change in USD, with all other variables held constant, would have impacted revenue and operating profit before special items with the amounts below.

	Revenue	**Operating profit before special items**
USD	1,601	106
Total	**1,601**	**106**

Note 23.3 Liquidity risks

The Group's objective is to maintain a balance between funding continuity and flexibility through the use of bank overdrafts, bank loans and bonds issue. The Management assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

Note 23.5 Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed for interest risk as the Shareholder loan is a fixed interest rate of 2%.

Note 23.6 Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The expected credit loss was calculated and the impact was immaterial.

Note 24 Related parties

Note 24.1 Group information

Below table provides information about the Group's structure, including details of the subsidiaries and the holding Group.

Subsidiaries

Name	Registered office	Ownership
MaiScope ApS	Denmark	57%
Maileg ApS	Denmark	100%
Maileg GmbH	Germany	100%
Maileg NA Inc	America	100%

The ultimate parent of the Group is Heraclea IV S.a.r.l.

Compensation of key management personnel

For compensation of key management personnel of the Group please refer to note 3.

The group has paid remuneration to management in Maileg ApS amounted to DKK 2.0 million. Management in Maileg ApS owns shares in MaiScope ApS.

Shareholder loan

The Group has received DKK 386.9 million from shareholders related to the loans. In 2023 interest of DKK 1.7 million has been rolled-up to the loan.

Note 25. Events after the balance sheet date

The Board of Directors of MaiScope Topco ApS has approved the issuance of the financial statements on 15 December 2023. As of this date, no material events after the reporting date have occurred.

Note 26. Information Regarding the Group

Note 26.1 Corporate information

The annual consolidated financial statements comprise the parent company MaiScope Topco ApS and its subsidiaries (the Group) for the year ended 30 June 2023. The Group's main operations consist of business within design, manufacturing and trade of Danish toys and related design articles.

The parent company is a limited liability company incorporated and domiciled in Denmark . The company's registered office address is Trehuse 14, 7400 Herning

Note 27 Commitments, coningencies and pledges

The parent company is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint several unlimited liability for Danish corporate income texes, etc. The Group as a whole is not liable to other parties.

Lease liabilities include operating leases for low value assets, totalling DKK 82 thousand, with remaining contract terms of 2-3 years. DKK 29 thousand is due within a year from the balance date.

The Group has usual obligations in relation to returns and guarantees regarding sold products.

The Group a few disputes, which are not expected to have any significant impact on the financial position of the Group as per 30 June 2023.

Note 28. Summary of Significant Accounting Policies

Note 28.1 Basis of preparation

The consolidated financial statements and separate parent financial statements for the year ended 30 June 2023 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and additional disclosure requirements in the Danish Financial Statements Act.

These financial statements, for the year ended 30 June 2023 are the first the Group and the Parent company have prepared in accordance with IFRS.

The Group has adopted all new, amended or revised accounting standards and interpretations (IFRS) as endorsed by the EU effective as of 16 March 2023.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements and separate parent financial statements are presented in DKK, the functional currency of the parent company, and all values are absolute, except when otherwise indicated.

Note 28.1.1 Going concern

The Board of Directors has a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future, having considered the Group's forecasts and projections, taking account of reasonably possible changes in operating performance and the current economic uncertainty. Accordingly, they have adopted the going concern basis of accounting in preparing the financial statements.

Note 28.1.2 Materiality in financial reporting

In the preparation of the financial statements, Management aims to focus on the information considered to be material and relevant for the understanding of the Company's performance in the reporting period.

If a line item is not individually material, it is aggregated with other items of a similar nature in the financial statements or in the notes. Management provides specific disclosures required by IFRS unless the information is not applicable or considered immaterial to the economic decision-making of the users of these financial statements.

Note 28.1.3 First time adoption

The financial statements for the year ended 30 June 2023 with comparative figures are the first set of financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and additional requirements in the Danish Financial Statements Act.

Since MaiScope TopCo ApS was incorporated 16 March 2023 and the first financial reporting period is 16 March – 30 June 2023, the Company has not previously prepared or presented financial statements for previous periods.

Note 28.2 Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the balance sheet date.

The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the income statement as financial income or financial expenses.

In the consolidated financial statements, the income statement and the statement of comprehensive income of entities with a functional currency other than Danish kroner are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions.

Foreign exchange differences arising on translation of the opening equity of such entities at the exchange rates at the balance sheet date and on translation of comprehensive income from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised in other comprehensive income in a separate reserve for foreign currency translation adjustments under equity. The foreign currency translation adjustment is allocated between the Parent Company's and the non-controlling interests' share of equity.

Foreign currency translation adjustments that are considered part of the total net investment in entities with another functional currency than Danish kroner are recognised in the consolidated financial statements in other comprehensive income under a separate reserve for foreign currency translation adjustments under equity.

Note 28.3 Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities are calculated in accordance with the indirect method based on profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments, dividends received and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, of intangible assets, property, plant and equipment and other non-current assets as well as securities that are not presented as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses as well as borrowings, repayment of interest-bearing debt, repayment of lease commitments, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand. Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the rates at the transaction date.

Note 28.4 Basis of consolidation

The consolidated financial statements comprise the parent company, MaiScope Topco ApS, and subsidiaries over which MaiScope Topco ApS exercises control. MaiScope Topco ApS is considered to exercise control over another entity when the company has the voting power in the subsidiary, the possibility or right to receive dividends from the subsidiary and possibility to use the voting power to influence the rate of dividends.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement(s) with the other vote holders of the investee

• Rights arising from other contractual arrangements

• The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the parent company. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively.

Note 28.5 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and interpretations not yet adopted

The IASB has issued new or amended standards and interpretations that have not yet become effective and have, consequently, not been implemented in the consolidated financial statements for 2023. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The amendments are not expected to have a material impact on the Group's financial statements.

Note 28.6 Critical accounting estimates and judgements

Note 28.6.1 Judgements

In preparation of the consolidated financial statements, Management makes various accounting estimates and judgments that form the basis of presentation, recognition and measurement of the Group's assets, liabilities, income and expenses. The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities within the next financial year.

The application of the Group's accounting policies may require Management to make judgments that can have a significant effect on the amounts recognized in the consolidated financial statements. Management judgment is required in particular when assessing the substance of transactions that have a complicated structure or legal form.

The accounting estimates and judgments made are based on historical experience and other factors that Management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect.

Specific accounting estimates and judgments are described in each of the following individual notes to the consolidated financial statements:

Principal accounting policies	Key accounting	Note	Estimation risk
Trade receivables	Estimates used over the measurement of the receivables	13	Low
Inventories	Estimates used over the measurement of the inventories	12	Low
Depreciation, amortization and impairment	Estimates of useful lives of other intangible asset and property, plant and equipment	4,9,11	Low
Intangible assets	Estimate over the measurement of intangible assets	9	Medium
Business combinations	Estimates over the measurement of purchase price allocation	22	Medium

Note 29 General Accounting Policies

Note 29.1 Revenue

Revenue recognition

Revenue is recognised when the Group fulfils its contractual performance obligations towards the buyer, and the transaction is related to the main activities.

Revenue from sale of goods

The Group is in the business of designing, manufacturing, and trading toys and decoration articles. Revenue from the sale of goods is recognised when control over the goods has been transferred to the customer. This condition is usually met at a point in time, typically when the products are delivered to the customer and legal title transfers. Payment is generally due within 14 to 30 days from delivery.

Revenue is measured at the transaction price to which the Group expects to be entitled. Transaction price includes variable amounts (sales price, discounts, etc.), thus the variable amount is recognised as revenue only when it is highly probable that a significant reversal will not occur.

Note 29.2 Cost of goods sold

Cost of goods sold comprise costs incurred in generating the revenue for the year.

Note 29.3 Other external expenses

Administrative expenses comprise expenses for expected credit loss, distribution, sale, administration, IT, facility, legal, advertising and marketing expenses.

Note 29.4 Staff costs

Staff costs comprise salaries, hereof holiday allowance, pensions and other social contribution costs related to the employees.

Note 29.5 Special items

Special items are costs related to the acquisition costs.

Note 29.6 Financial income and costs

Finance income and expenses comprise interest received and interest paid, discounts, and exchange rate adjustments of financials in foreign currencies.

Note 29.7 Tax

Income tax:

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

The parent company and its Danish subsidiaries are subject to the Danish rules on joint taxation. The company is jointly taxed with other Danish companies in the group and is jointly and severally liable for corporation taxes for the jointly taxed companies. The total tax liability of the co-taxed companies at the balance sheet date has not yet been calculated.

Current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax loss carry forwards receive joint taxation contributions from companies that have used these losses to reduce their own taxable profits (full absorption). Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the income statement.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax:

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a setoff against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are examined at each reporting date and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured at the tax rates expected to apply in the year when the asset is realised, or the liability is settled on the basis of the tax rates (and tax legislation) in force at the date of the statement of financial position. Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

Note 29.8 Intangible Assets

Note 29.8.1 Goodwill

Goodwill is recognized at first recognition in the balance sheet at cost. Goodwill is tested for impairment annually.

Note 29.8.2 Other Intangible Assets

Other intangible fixed assets are measured at cost less accumulated amortisation and write-downs.

Amortisation on other intangible fixed assets is made according to the straightline method over the anticipated economic life of the asset. Estimated useful lives and residual values are reassessed annually. The estimated useful lives are:

Brand	15 years
Customer relationships	10 years
Acquired rights	10 years

Note 29.8.3 Identification of cash generating units

Management has determined that MaiScope Topco only has one operating segment in accordance with IFRS 8, which is related to manufacturing toy products and decoration articles. Management has assessed that the goodwill acquired relates to the entire combined value chain and monitors goodwill at group level.

Note 29.9 Property, Plant & Equipment

Property, plant and equipment comprises of other fixtures, fittings, tools and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price any costs directly attributable to the acquisition until the date on which the assets is available for use.

Depreciation is provided on a straightline basis over the expected useful lives of the assets. The expected useful lives are as follows:

• Other fixtures, fittings, tools and equipment 5-10 years

The useful life is reassessed annually and adjusted as necessary.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains and losses are recognised in the consolidated statement of profit or loss as other operating expenses or operating costs in the period of disposal.

Note 29.10 Right-of-use asset and lease liability

Whether a contract contains a lease is assessed at contract inception.

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
• Offices - 2 to 8 years

The right-of-use assets are also subject to an impairment assessment on an annual basis or if there are any indications.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities. The lease liability is measured at the present value of the remaining lease payments at the reporting date, discounted using the incremental borrowing rate for similar assets, taking into account the terms of the leases. A remeasurement of the lease liability, for example a change in the assessment of an option to purchase, results in a corresponding adjustment of the related right-of-use assets.

Extension or termination options are included in the lease term if the lease is reasonably certain to be extended or not terminated. Consequently, all cash outflows that are reasonably certain to impact the future cash balances are recognised as lease liabilities at initial recognition of lease contracts. The Group reassesses the circumstances leading to it not recognizing extension or termination options on an ongoing basis.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of printer and photocopier that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Note 29.11 Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. The cost of goods for raw materials, consumables and manufactured goods comprises purchase price plus delivery costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to make the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Note 29.12 Trade receivables and prepayments

Trade receivables measured at amortized cost
Trade receivables held by the Group with the purpose of collecting contractual cashflows are measured at amortized cost less allowances for lifetime expected credit losses.

The Group applies the simplified approach to measuring expected credit losses under IFRS 9, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The allowance for expected credit losses for trade receivables is based on historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk. The expected loss rates are updated at every reporting date.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days overdue. Furthermore, an allowance for lifetime expected credit losses for trade receivables is measured on initial recognition.

Trade receivables are written off when all possible options have been exhausted and there are no reasonable expectations of recovery. The cost of allowances for expected credit losses and writ offs for trade receivables are included in other external expenses.

Trade receivables are non-interest bearing and are generally on terms of 14-30 days.

Prepayments

Prepayments recognised under assets include costs incurred relating to the following accounting year. Prepayments are measured at cost.

Note 29.13 Cash and cash equivalents

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Note 29.14 Business Combination

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated income statement until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the Group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the one cash-generating unit for the Group that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the income statement. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have significant different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

Note 29.16 Equity

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Note 29.15 Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Statement of Profit or Loss and Other Comprehensive Income

For the period begining 16 March 2023 (date of inception) and ended 30 June 2023.
(In DKK'000)

	Notes	16 Mar 2023 - 30 Jun 2023
Other external expenses	1	(869)
Operating profit/loss		(869)
Financial income	3	11
Financial costs	4	(1,719)
Profit/loss before tax		(2,577)
Income tax expenses	6	567
Profit/(loss) for the year		(2,010)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations		-
Other comprehensive income/loss for the year, net of tax		-
Total comprehensive income for the year, net of tax		(2,010)

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

As of 30 June 2023
(In DKK'000)

Assets	Notes	30 Jun 2023	16 Mar 2023
Non-current assets			
Investments in group enterprises	5	480,556	-
Total tangible non-current assets		480,556	-
Total non-current assets		480,556	
Current assets			
Joint taxation contribution receivable	11	2,414	-
Other receivables		8	
Prepayments	7	97	-
Cash	8	2,924	40
Total current assets		5,443	40
Total assets		485,999	40

Statement of Financial Position

As of 30 June 2023

(In DKK'000)

Equity and liabilities	**Notes**	**30 Jun 2023**	**16 Mar 2023**
Equity			
Share capital	9	48,360	40
Share premium		0	-
Retained earnings		46,352	-
Equity attributable to equity holders of the parent		94,712	40
Total equity		94,712	40
Non-current liabilities			
Shareholder loans, long term	10	388,599	-
Total non-current liabilities		388,599	-
Current liabilities			
Trade payables		840	-
Income tax payable		1,847	-
Total current liabilities		2,687	-
Total liabilities		391,287	-
Total liabilities and equity		485,999	40

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2023
(In DKK'000)

	Notes	16 Mar 2023 - 30 Jun 2023
Operating activities		
Profit (loss) before income tax		(2,577)
Adjustments for non cash operations	14	2,444
Cash generated from operations (operating activities) before changes in working capital		(133)
Taxes paid		-
Interest paid		-
Interest received		11
Cash flow from operating activities		(122)
Investing activities		
Acquisition of subsidiaries, net of cash acquired		(480,556)
Cash flow from investing activities		(480,556)
Net cash flow from operating and investing activities		(480,678)
Proceeds from borrowings		386,880
Capital increase		96,682
Cash flow from financing activities		483,562
Net increase/decrease in cash and cash equivalents		2,884
Cash and cash equivalents, beginning of the year		40
Available fund (Opening)		40
Cash and cash equivalents, end of the year		2,924

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

		Attributable to the equity holders of the Parent Company			
(In DKK'000)		**Share capital**	**Share premium**	**Retained earnings**	**Equity**
	Note	**Note 9**			
Balance at 16 March, 2023		40	-	-	40
Profit/loss for the year, attributable to shareholders		-	-	(2,010)	(2,010)
Total comprehensive income/loss		-	-	(2,010)	(2,010)
Transactions with owners		-	-	-	-
Issue of share capital		48,320	48,362	-	96,682
Transfer		-	(48,362)	48,362	-
Total transactions with shareholders		48,320	0	48,362	96,682
Balance at 30 June, 2023		48,360	0	46,352	94,712

Note 1 Other external expenses

Other external expenses relates to administration costs, auditor and legal fees etc.

Note 2 Staff costs

MaiScope Topco ApS does not have any employees and no remuneration is paid to the Executive Board and Board of Directors.

For further details about remuneration, please refer to note 2 in the consolidated financial statements.

Note 3 Financial income

	16 Mar 2023 - 30 Jun 2023
Other interest income	11
Total financial income	11

Note 4 Financial expenses

	16 Mar 2023 - 30 Jun 2023
Interest on shareholder loans	1,719
Total Financial expenses	1,719

Note 5 Investment in group entities

	16 Mar 2023 - 30 Jun 2023
Cost at 16 Mar 2023	-
Additions for the year	480,556
Cost at 30 Jun 2023	480,556

Name	Principal activities	Country of incorporation	% equity interest
MaiScope ApS	Subholding	Denmark	100%

For further details about group entities, please refer to note 24 to the consolidated financial statements.

Note 6 Tax

Note 6.1 Income taxes in statement of profit or loss and reconciliation

	16 Mar 2023 - 30 Jun 2023
Tax on the profit for the year is specified as follows:	-
Tax on profit/loss for the year	(567)
Tax on other comprehensive income	-
Total tax	(567)

Tax on the profit for the year has been calculated as follows:	
Current income taxes	(567)
Deferred income taxes	-
Total income taxes as per profit & loss account	(567)

Effective tax rate can be calculated as follows:	**16 Mar 2023 - 30 Jun 2023**
Danish tax rate, 22%	(567)
Non-taxable income and non-deductible expenses	-
Total taxes	(567)
Effective tax rate	**22%**

Note 7 Prepayments

	30 Jun 2023
Prepayments	97
Total	97

Note 8 Cash and cash equivalents

	30 Jun 2023
Cash at bank and on hand	2,924
Total	2,924

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at June 30, 2023

	30 Jun 2023
Cash at bank and on hand	2,924
Total	2,924

Note 9 Share capital and share prenium

Please refer to note 16 to the consolidated financial statements details around share capital and share prenium.

Note 10 Loans and borrowings

Please refer to note 16 to the consolidated financial statements details related to loans and borrowings.

Note 11 Commitments and pledges

MaiScope Topco ApS has executed a share pledge over its shares in MaiScope ApS and Maileg ApS as security for loans and borrowings.

MaiScope Topco ApS is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint and several unlimited liability for Danish corporate income taxes, etc.

Note 12 Capital management

The primary objective of the Company's capital management is to maximise shareholder value, which is handled at group level. Please refer to note 16 to the consolidated financial statements for further information on the Group's capital management.

Note 13 Changes in net working capital

	30 Jun 23
Changes in prepayments	(104)
Change in trade payables	840
Changes in net working capital	736

Note 14 Adjustment for non-cash operating items

	30 Jun 23
Finance income	(11)
Finance expenses	1,719
Changes in net working capital	736
Adjustment for non-cash operating items	2,444

Note 15 Related parties

Note 15.1 Group information

Related parties are described in note 24 to the consolidated financial statements. Remuneration of the Executive Board and Board of Directors are specified in note 3 to the consolidated financial statements. Further, the Company has intercompany group balances in the statement of financial position. The Company does not have any other related party transactions.

Note 16 Events after the balance sheet date

The Board of Directors of MaiScope Topco ApS has approved the issuance of the financial statements on 15 December 2023. As of this date, no material events after the reporting date have occurred.

Note 17 General Accounting Policies

Note 17.1 Basis of preparation

The parent company financial statements of MaiScope Topco ApS are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The parent company financial statements are presented in DKK, which is the Parent Company's functional currency, and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

The accounting policies of MaiScope Topco ApS A/S are the same as for the consolidated financial statements with the additions below. For a description of the accounting policies for the consolidated financial statements, please refer to pages 29 - 36.

Note 17.2 Supplementary accounting policies for the Parent Company

Income tax:

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

The parent company and its Danish subsidiaries are subject to the Danish rules on joint taxation. The company is jointly taxed with other Danish companies in the group and is jointly and severally liable for corporation taxes for the jointly taxed companies. The total tax liability of the co-taxed companies at the balance sheet date has not yet been calculated.

Current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax loss carry forwards receive joint taxation contributions from companies that have used these losses to reduce their own taxable profits (full absorption). Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the income statement.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax:

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a setoff against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are examined at each reporting date and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured at the tax rates expected to apply in the year when the asset is realised, or the liability is settled on the basis of the tax rates (and tax legislation) in force at the date of the statement of financial position. Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

Investment in group entities:

Investments in subsidiaries are measured at cost, which comprises consideration transferred measured at fair value and any directly attributable transaction costs. If there is indication of impairment, an impairment test is performed as described in the accounting policies in the consolidated financial statements. Where the recoverable amount is lower than cost, the investment is written down to this lower value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the recoverable amount does not exceed the original cost

LARS ERIKSSON
Executive Board
On behalf of: MaiScope TopCo ApS
Serial number: 19710501xxxx
IP: 213.88.xxx.xxx
2023-12-18 16:29:42 UTC

BankID

LARS ERIKSSON
Board of Directors
On behalf of: MaiScope TopCo ApS
Serial number: 19710501xxxx
IP: 213.88.xxx.xxx
2023-12-18 16:32:47 UTC

BankID

Fredrik Oweson
Board of Directors
On behalf of: MaiScope TopCo ApS
Serial number: 19680711xxxx
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Ole Rønne Becker
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 2328beb7-95fe-46e8-8818-c7830f98cad1
IP: 165.225.xxx.xxx
2023-12-19 05:22:13 UTC

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