RAINS ApS

Ib Spang Olsens Gade 12, 8200 Aarhus N

Company reg. no. 34 47 61 87

Annual report
1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 4 July 2025.

Daniel Brix Hesselager
Chairman of the meeting

Contents

Notes:
- *To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.*
- *Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.*

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of RAINS ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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 31 December 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Aarhus N, 4 July 2025

Managing Director

Steen Borgholm

Board of directors

Daniel Brix Hesselager	Kenneth Davids	Philip Lotko Wormslev

To the Shareholders of RAINS ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of RAINS ApS for the financial year 1 January to 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under 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 31 December 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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" section of our 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 Company 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 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 company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Aarhus, 4 July 2025

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Henrik Sondrup
State Authorised Public Accountant
mne31446

Company information

The company	RAINS ApS Ib Spang Olsens Gade 12 8200 Aarhus N
	Company reg. no. 34 47 61 87 *Financial year:* *1 January - 31 December*
Board of directors	Daniel Brix Hesselager Kenneth Davids Philip Lotko Wormslev
Managing Director	Steen Borgholm
Auditors	Redmark Godkendt Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
Parent company	H 12 ApS
Subsidiaries	Rains USA INC., USA Rains Shanghai Trading Co. Ltd., China Rains Norway AS, Norway Rains International Ltd., Great Britain Rains Germany GmbH, Germany Rains Sweden AB, Sweden Drip Dutch B.V., Netherlands ISOG ApS, Denmark RAINS Canada Sales INC., Canada Kjer-Ca UG, Tyskland Rains Italy S.R.L., Italien RAINS Switzerland AG, Schweiz

Consolidated financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Revenue	721.545	627.703	563.244	400.938	271.048
Gross profit	185.687	169.212	143.575	120.617	78.858
Profit from operating activities	47.591	72.371	67.780	69.667	41.889
Net financials	-2.827	20	-3.310	2.397	-1.352
Net profit or loss for the year	34.655	57.503	50.712	56.464	30.239
Statement of financial position:					
Balance sheet total	608.452	458.206	351.933	211.857	133.513
Equity	146.246	141.564	119.231	108.885	72.755
Cash flows:					
Operating activities	98.896	45.751	10.826	56.127	36.100
Investing activities	-141.564	-113.669	-42.891	-13.145	-8.600
Financing activities	30.971	68.798	35.855	-20.060	-23.721
Total cash flows	-11.697	880	3.789	22.922	3.779
Employees:					
Average number of full-time employees	181	157	132	103	69
Key figures in %:					
Gross margin ratio	25,7	27,0	25,5	30,1	29,1
Return on equity investment	8,9	17,9	24,0	40,3	27,0
Solvency ratio	24,0	30,9	33,9	51,4	54,5
Return on equity	24,1	44,1	44,5	62,2	38,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Return on equity investment

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Average invested capital}}$$

Consolidated financial highlights

Invested capital	*Operational intangible and tangible assets and net working capital*
Solvency ratio	$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$

Description of key activities of the company

Rains is a Danish outerwear and lifestyle company originating from a modern reinterpretation of the classic rubber raincoat. Since its establishment in 2012, the company has thoughtfully widened its concept across product categories and fabric innovations to build a comprehensive offering of distinctly recognizable designs.

With Scandinavian metropolises as the main scene of the brand, focusing on a young streetwear inspired approach to communication, Rains has achieved a high level of recognition and credibility, balancing commercial success and accessibility with strong integrity and brand equity.

Through a multidisciplinary approach throughout its value-chain, Rains builds upon a balanced business model of a fully vertical supply chain and distribution channels. With specialized factories, internal sales subsidiaries, regional distribution centers, and strong retail and E-commerce performance, Rains maintains a high level of control and efficiency. Combined with a strong network of selected wholesale partners, Rains has steadily increased its value propositions achieving a unique position in the market.

The company headquarters are located in Aarhus, with regional headquarters in New York and Shanghai.

Uncertainties connected with recognition or measurement

There are no significant uncertainties in the recognition and measurement of assets and liabilities other than conditions related to normal operating activity.

Unusual matters

There have been no unusual circumstances that have affected the company's activity during the financial year.

Development in activities and financial matters

During 2024 Rains continued its development towards becoming a global lifestyle brand. The overall business grew 15 %, and the focus on North America resulted in another strong growth year of 22 % for the region.

Serval comprehensive initiatives to increase capacity were executed doing 2024. A new IT infrastructure was finalized and made operational. The construction of a new HQ was finalized, and a new Warehouse Management System was implemented throughout the company’s logistic centers.

As part of the expansion aspirations, new concept stores were opened in Dublin, Milano, Paris, Stockholm, New York, Den Haag og Vancouver as well as new brand shops with in key department stores across geographies.

During 2024 existing product lines were upgraded and several new important product lines introduced.

Building a platform for future growth remained a key focus. The organization was further strengthened. During 2024 the Group in average employed 181 people. The construction of the new Rains HQ in Aarhus was finalized, and brought into operation early November.

Cash-flow from operations improved by 99m DKK and investments increased to 142m DKK, due the ongoing construction of the company's new HQ, new IT system and expansion in the markets. The investments will secure the infrastructure for the future growth of the company.

Despite the high investments and asset base in the company the Solvency ratio ended at 24%.

This was a result of managing the net working capital and growing the Equity to 146.246 TDKK.

Doing 2024 the Danish tax authorities has raised a claim against Rains based upon import tariffs for the biggest product category of the company. This has led to a significant cost increase going forward. The tax authorities have also claimed DKK 13,3m. in compensation for the previous year's imports. Rains disagreed with the tax authority's intervention and has appealed the claim.

The revenue for the parent compagny for the year totals DKK 529.955 thousand against DKK 478.107 thousand last year. Income or loss from ordinary activities after tax totals DKK 34.655 thousand against DKK 57.503 thousand last year.

Management considers the net profit or loss for the year satisfactory.

The revenue for the group for the year totals DKK 721.545 thousand against DKK 627.703 thousand last year. Income or loss from ordinary activities after tax totals DKK 34.655thousand against DKK 57.503 thousand last year. Management considers the net profit or loss for the year satisfactory.

Since 2023 there has been a good development in the revenue on group level, meaning a growth of 15 %. In the same period there has been great focus on developing the group for the future, meaning big investments in employees, IT infrastructure and headquarter. Therefor the cost has developed more relatively than the revenue during 2024 and is one of the reasons for a net profit below last year together with an ongoing customs case.

The expected development

The expectations for 2025 are to deliver continued growth across all regions and sales channels resulting in improved financial results.

Financial risks

Operational risks

It is assessed that the group is not exposed to special operational risks, seen in relation to similar companies in the industry.

Events subsequent to the financial year

There are no significant events other than conditions related to normal operating activity.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Business model and engagement

Rains' purpose is to develop, produce, market and sell lifestyle products under the RAINS brand. Our collections blend a conceptual-meets-functional design approach and a strong urban inspiration. Rains brings its neo-Scandinavian aesthetic, unisex collections, and consistently surprising curation to consumers across four continents; Europe, Asia, North America and Australia.

Our sales channels can be divided into retail sales, wholesale and e-commerce sales.

Within wholesale, we handle a large part of the sales ourselves from our headquarters in Denmark, US and China. We do, however, engage distributors and agents to some extent to conduct sales internationally.

Within the Retail channel, our stores in Europe are generally operated by Rains Retail Partners. The stores in the US are operated by Rains from the US headquarter and the stores in Asia are operated by Rains from the headquarter in Shanghai, China or by distributors.

All e-commerce sales stem from our own website, rains.com.

The majority of our business activities are conducted within Europe and North America.

In 2024, all RAINS products have been manufactured in China and through one Chinese supplier. We generally aim to limit the number of suppliers to maintain a close relationship. This is, in part, to be able to better ensure compliance with relevant legislation and international standards on environment, human rights and product safety.

Rains aims to comply with the most stringent laws and regulations globally on environment, human rights and product safety. To ensure compliance with this throughout our value chain, we operate in accordance with Rains Code of Conduct which includes requirements on social responsibility issues, workers conditions, respect of human rights, and environmental impact. We continuously review Rains Code of Conduct and update it when relevant. All Rains suppliers and partners are expected to adhere to Rains Code of Conduct. We do not have incentive programs linked to sustainability issues on management level.

Due to Omnibus, Rains is no longer in scope for CSRD-reporting. However, as a global retailer and manufacturer, we acknowledge that we have a responsibility to contribute positively to our people, the environment and the communities in which we work. Considering this, and the interests of our customers and partners, we plan to adhere to voluntary reporting standards for the financial year 2025.

Environmental issues – including climate change

Rains is mindful of the environmental impact of the fashion industry, as the fashion industry is responsible for around 10% of global carbon emissions annually (according to 2023 data by the United Nations Environment Programme (UNEP). Particularly fast fashion is a big culprit in the industry's annual carbon emissions.

For this reason, our designers focus on creating long-lasting and timeless products. The design process is aided with 3D sampling tools to avoid excess production of samples.

We are also aware that the longer our products last, the smaller their environmental impact will be. Consequently, we have high standards for the materials used in our products and we continuously evaluate the performance of the materials. Also meaning that we continue working with designs and materials that perform well and discontinue the use of materials and designs that do not perform.

To further extend the lifespan of our products, we advise our customers on how to properly take care of RAINS products just like we aim to establish a Care & Repair concept in 2025.

We are also not blind to the fact that single use packaging has an adverse negative impact on our environment. Therefore, our e-commerce packaging is made to be reusable by incorporating stronger materials and zip locks. By doing this, the product bags can be reused by us when customers return RAINS items in them, and they can be repurposed by our customers.

On company level, we focus on minimizing our energy consumption through measures such as automatic lighting, reducing food waste, solar cells and recycling cardboard boxes from our warehouses. Lastly, we have incorporated biodiversity measures on the surrounding site of Rains new HQ.

We are still working on enhancing our own environmental awareness throughout the value chain and are expecting that the voluntary CSR reporting will aid in this goal.

Social issues and employee issues

*I*t is Rains' policy to continuously improve and work on the employees' well-being by securing a safe and healthy work environment. Such policies are communicated to new employees through the onboarding process, just like updated policies are communicated and available to all employees via our internal website.

Employees are hired without reference to gender, age, social conditions or the like, and solely based on personal and professional qualifications in relation to the relevant position.

Our warehouses are organized and designed to improve the work environment and safety of the workers.

Rains expects to continue focusing on the employee's well-being in the work environment and continue to improve on this, when possible, based on our latest executed APV (work place assessment).

Human rights

Since our products are sourced from China, we are mindful of the high risks in relation to human rights violations.

It is our policy not to enter into agreements with business partners whose views on human rights differ from internationally recognized principles on the observance of human rights.

To mitigate these risks, we have drafted a Rains Code of Conduct that our business partners and suppliers are expected to adhere to. Rains Code of Conduct specifies our standpoints and requirements in relation to human rights and requirements for our business partners' implementation of relevant policies and processes. It is required that all our business partners ensure that subcontractors are also compliant with Rains Code of Conduct.

To ensure compliance with our Code of Conduct, audits are conducted yearly on all factory locations. Audits are conducted by the independent auditor Amfori BSCI and include monitoring on the following Human Rights subjects:

- Social Management System
- Workers Involvement and Protection
- The Rights of Freedom of Association and Collective Bargaining
- No Discrimination, Violence or Harassment
- Fair Remuneration
- Decent Working Hours
- Occupational Health and Safety
- No Child Labour
- Special Protection for Young Workers
- No Precarious Employment
- No Bonded, Forced Labour or Human Trafficking

Fighting corruption and bribery

IIt is our policy to avoid all forms of bribery and corruption, including extortion.

We are mindful of potential risks in relation to bribery and corruption, as our sourcing and production as well as some of our partners are located outside of the EU.

To target potential risks in relation to corruption and bribery, our partners and suppliers are expected to adhere to the requirements of Rains Code of Conduct.

In case potential partners/suppliers have different views on bribery and corruption than expressed in Rains Code of Conduct, it is the Management's position that we will not enter into agreements with such partners/suppliers. We also always aim to build and evolve partnerships solely with trustworthy and professional partners.

To ensure compliance with our Code of Conduct, audits are conducted yearly on all factory locations. Audits are conducted by the independent auditor Amfori BSCI and include monitoring of Ethical Business Behaviour.

Target figures and policies for the underrepresented gender

The 2024 executive board is represented by Rains' three founders.

As the composition is currently determined by the gender of the founders, there are currently no women within our executive board, making the percentage of the underrepresented gender 0%.

It is our goal that the board of directors is composed in such a way that it is effectively able to carry out its tasks both strategically and managerially taking into account professional qualifications, industry experience, educational background, etc.

Rains has a goal of achieving a minimum of 25% of the underrepresented gender for board members elected by the general meeting by 2027 which in 2024 consists of 3 members.

For the financial year 2024, we have achieved a representation of 0%, why the target figure has not yet been achieved.

We do not intend to expand the board solely to achieve the target figure for equal representation on the board and as a result of our board having remained unchanged in the period, the objective for the gender representation within the board has not been achieved.

We will make use of measures to achieve the goal of equal representation in the executive board in the future, when applicable. The following measures can be highlighted:

- Carrying out analytical targeted searches in available networks for suitable candidates

- Cooperation with recruitment agencies.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

Data security is of high priority within Rains, and we have established policies for data security and data ethics. These policies are communicated and available to all our employees on our internal website.

The following measures have been implemented to secure data within Rains:

•Our network and servers are continuously monitored for irregularities as well as vulnerabilities and are continuously scanned for viruses and other malware.

•Our staff receive information-related training on an ongoing basis and a number of technical controls have been implemented comprising both cloud- and physical solutions. We always observe the highest level of security for all our processes.

•Internal guidelines and policies have been implemented to minimize the risk of violations of data privacy. All personal data must be handled in accordance with the requirements of the EU General Data Protection Regulation (GDPR), and, where relevant, applicable national data protection legislation with higher protection standards than GDPR.

•Public data statement on our online shop (on subdomain level in relevant language) describing the purpose and scope of our data processing, along with information on data subjects rights.

•All electronic units within Rains are handled according to the rules described for disposal of used electronics.

Principles

Rains processes data in accordance with the following principles:

•**Legality, fairness, and transparency**: Data is processed in accordance with applicable laws and regulations. The processing must be fair to the persons whose data is collected, and there must be openness about the purpose of the data collection and how the data is processed.

•**Self-determination**: People must maintain as much control as possible over their own data.

•**Progressiveness**: The societal progress in the use of data can be achieved by using data ethical solutions.

•**Data**: is a means of achieving a competitive advantage. Through efficient workflows and minimizing errors.
•**The human and the machine/robot**: The human shall analyze, think freely, and solve tasks of high complexity. Meanwhile, the machine/robot shall solve monotonous, trivial tasks of low complexity, and must be controlled by humans.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2024	Group 2023	Parent 2024	Parent 2023
2	*Revenue*	721.544.848	627.702.705	529.955.487	478.107.490
	Other operating income	954.164	801.226	948.998	576.058
	Costs of raw materials and consumables	-320.934.987	-282.264.581	-257.576.612	-228.576.687
	Other external expenses	-215.877.097	-177.026.943	-137.666.500	-120.031.289
	Gross profit	**185.686.928**	**169.212.407**	**135.661.373**	**130.075.572**
4	*Staff costs*	-108.269.323	-85.856.626	-71.695.982	-57.718.406
5	*Depreciation, amortisation, and impairment*	-16.649.745	-10.984.781	-10.189.453	-7.090.085
	Other operating expenses	-13.176.459	0	-13.176.459	0
	Operating profit	**47.591.401**	**72.371.000**	**40.599.479**	**65.267.081**
	Income from investments in group enterprises	0	0	3.089.084	5.519.698
	Other financial income from group enterprises	63.288	42.700	2.495.927	2.619.326
	Other financial income	13.460.068	10.780.992	13.386.747	9.607.178
	Other financial expenses	-16.350.018	-10.803.247	-15.940.621	-10.823.863
	Pre-tax net profit or loss	**44.764.739**	**72.391.445**	**43.630.616**	**72.189.420**
6	*Tax on net profit or loss for the year*	-10.110.073	-14.888.796	-8.975.950	-14.686.771
7	***Net profit or loss for the year***	**34.654.666**	**57.502.649**	**34.654.666**	**57.502.649**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2024	Group 2023	Parent 2024	Parent 2023
	Non-current assets				
8	*Completed development projects, including patents and similar rights arising from development projects*	9.744.948	0	9.744.948	0
9	*Acquired concessions, patents, licenses, trademarks, and similar rights*	1.974.415	1.063.260	1.974.415	1.062.737
10	*Goodwill*	6.467.955	8.397.284	5.394.899	7.124.570
11	*Development projects in progress and prepayments for intangible assets*	7.089.426	4.977.291	7.089.426	4.977.291
	Total intangible assets	25.276.744	14.437.835	24.203.688	13.164.598
12	*Land and buildings*	205.152.551	0	0	0
13	*Other fixtures, fittings, tools and equipment*	46.057.044	16.060.378	23.518.710	7.595.612
14	*Property, plant and equipment in progress and prepayments for property, plant and equipment*	0	122.075.473	0	0
	Total property, plant, and equipment	251.209.595	138.135.851	23.518.710	7.595.612
15	*Investments in group enterprises*	0	0	15.435.772	9.769.415
16	*Deposits*	7.116.189	6.072.727	10.827.190	3.743.245
	Total investments	7.116.189	6.072.727	26.262.962	13.512.660
	Total non-current assets	**283.602.528**	**158.646.413**	**73.985.360**	**34.272.870**
	Current assets				
	Manufactured goods and goods for resale	157.169.356	126.326.604	121.306.685	100.001.527
	Total inventories	157.169.356	126.326.604	121.306.685	100.001.527

Balance sheet at 31 December

All amounts in DKK.

Note	*Assets*	Group 2024	Group 2023	Parent 2024	Parent 2023
	Trade receivables	101.262.990	97.653.377	67.590.621	79.913.560
	Receivables from group enterprises	1.158.753	3.395.445	158.204.333	70.631.337
	Income tax receivables	9.686.243	0	7.784.050	0
	Other receivables	4.660.856	12.900.069	211.890	665.536
17	*Prepayments*	8.149.020	4.824.533	6.115.361	2.931.050
	Total receivables	124.917.862	118.773.424	239.906.255	154.141.483
	Cash and cash equivalents	42.762.618	54.459.457	1.806.367	14.039.859
	Total current assets	**324.849.836**	**299.559.485**	**363.019.307**	**268.182.869**
	Total assets	**608.452.364**	**458.205.898**	**437.004.667**	**302.455.739**

Balance sheet at 31 December

All amounts in DKK.

Note	***Equity and liabilities***	*Group* 2024	*Group* 2023	*Parent* 2024	*Parent* 2023
	Equity				
	Contributed capital	108.000	108.000	108.000	108.000
	Reserve for net revaluation according to the equity method	0	0	7.301.516	4.184.888
	Reserve for development costs	13.130.812	3.882.287	13.130.812	3.882.287
	Retained earnings	133.006.944	137.573.263	125.705.432	133.388.375
	Total equity	**146.245.756**	**141.563.550**	**146.245.760**	**141.563.550**
	Provisions				
18	*Provisions for deferred tax*	7.675.886	1.027.200	4.186.000	260.000
19	*Other provisions*	13.176.459	0	13.176.459	0
20	*Provisions for investments in group enterprises*	0	0	0	671.010
	Total provisions	**20.852.345**	**1.027.200**	**17.362.459**	**931.010**
	Liabilities other than provisions				
	Bank loans	229.528.514	168.557.155	105.045.958	42.839.103
	Trade payables	186.048.527	125.243.459	145.890.063	92.454.867
	Payables to group enterprises	45.999	0	2.347.844	2.303.428
	Income tax payable	0	9.896.300	0	10.667.866
	Other payables	25.731.223	11.918.234	20.112.583	11.695.915
	Total short term liabilities other than provisions	441.354.263	315.615.148	273.396.448	159.961.179
	Total liabilities other than provisions	**441.354.263**	**315.615.148**	**273.396.448**	**159.961.179**
	Total equity and liabilities	**608.452.364**	**458.205.898**	**437.004.667**	**302.455.739**

1 ***Special items***
3 ***Fees for auditor***
21 ***Charges and security***
22 ***Contingencies***
23 ***Related parties***

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	*Reserve for net revaluation according to the equity method*	*Reserve for development costs*	*Retained earnings*	*Proposed dividend for the financial year*	*Total*
Equity 1 January 2023	108.000	0	246.660	83.876.446	35.000.000	119.231.106
Distributed dividend	0	0	0	0	-35.000.000	-35.000.000
Share of results	0	0	0	57.502.648	0	57.502.648
Adjustment	0	0	3.635.627	0	0	3.635.627
Currency elimination	0	0	0	-170.204	0	-170.204
Adjustment	0	0	0	-3.635.627	0	-3.635.627
Equity 1 2024	108.000	0	3.882.287	137.573.263	0	141.563.550
Share of results	0	0	0	4.654.662	0	4.654.662
Dividend	0	0	0	30.000.000	0	30.000.000
Distributed dividend	0	0	0	-30.000.000	0	-30.000.000
Adjustment	0	0	9.248.525	0	0	9.248.525
Currency elimination	0	0	0	27.544	0	27.544
Adjustment	0	0	0	-9.248.525	0	-9.248.525
	108.000	**0**	**13.130.812**	**133.006.944**	**0**	**146.245.756**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	108.000	0	246.660	83.876.446	35.000.000	119.231.106
Distributed dividend	0	0	0	0	-35.000.000	-35.000.000
Share of results	0	4.184.888	0	53.317.760	0	57.502.648
Adjustment	0	0	3.635.627	0	0	3.635.627
Currency elimination	0	0	0	-170.204	0	-170.204
Adjustment	0	0	0	-3.635.627	0	-3.635.627
Equity 1 January 2024	108.000	4.184.888	3.882.287	133.388.375	0	141.563.550
Share of results	0	3.116.628	0	1.538.038	0	4.654.666
Dividend	0	0	0	30.000.000	0	30.000.000
Distributed dividend	0	0	0	-30.000.000	0	-30.000.000
Adjustment	0	0	9.248.525	0	0	9.248.525
Currency elimination	0	0	0	27.544	0	27.544
Adjustment	0	0	0	-9.248.525	0	-9.248.525
	108.000	**7.301.516**	**13.130.812**	**125.705.432**	**0**	**146.245.760**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2024	2023
	Net profit or loss for the year	34.654.666	57.502.649
24	*Adjustments*	29.586.480	25.853.132
25	*Change in working capital*	60.525.135	-37.241.952
	Cash flows from operating activities before net financials	124.766.281	46.113.829
	Interest received, etc.	13.523.355	10.823.692
	Interest paid, etc.	-16.350.018	-10.803.247
	Cash flows from ordinary activities	121.939.618	46.134.274
	Income tax paid	-23.043.931	-383.319
	Cash flows from operating activities	**98.895.687**	**45.750.955**
	Purchase of intangible assets	-27.485.195	-6.629.923
	Sale of intangible assets	12.167.298	-134.792
	Purchase of property, plant, and equipment	-83.930.962	-105.934.287
	Sale of property, plant, and equipment	-41.271.464	28.112
	Purchase of financial fixed assets	-1.043.562	-998.165
	Cash flows from investment activities	**-141.563.885**	**-113.669.055**
	Dividend paid	-30.000.000	-35.000.000
	Changes in short-term bank loans	60.971.359	103.798.111
	Cash flows from financing activities	**30.971.359**	**68.798.111**
	Change in cash and cash equivalents	**-11.696.839**	**880.011**
	Cash and cash equivalents at 1 January 2024	54.459.457	53.579.446
	Cash and cash equivalents at 31 December 2024	**42.762.618**	**54.459.457**

Cash and cash equivalents		
Cash and cash equivalents	42.762.618	54.459.457
Cash and cash equivalents at 31 December 2024	**42.762.618**	**54.459.457**

Notes

All amounts in DKK.

1. *Special items*

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a customs case. Although the company does not agree with the authorities' assessment, provisions have been made for the case that primarily concerns previous years and therefore not to be considered to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	Group		*Parent*	
	2024	2023	2024	2023
Expenses:				
Increased customs duty	13.176.459	0	13.176.459	0
	13.176.459	0	13.176.459	0
Special items are recognised in the following items in the financial statements:				
Other operating expenses	-13.176.459	0	-13.176.459	0
Profit of special items, net	**-13.176.459**	**0**	**-13.176.459**	**0**

2. *Revenue*

	Group		*Parent*	
	2024	2023	2024	2023
Denmark	43.847.669	39.344.268	43.847.669	39.344.271
EU and other countries	677.697.179	588.358.437	486.107.818	438.763.219
	721.544.848	**627.702.705**	**529.955.487**	**478.107.490**

Notes

All amounts in DKK.

		Group		Parent	
		2024	2023	2024	2023
3.	***Fees for auditor***				
		2.771.283	2.443.945	689.801	1.128.785
	Audit fees (Redmark)	181.675	172.175	156.675	148.875
	Tax assistance	0	140.200	0	140.200
	Other services	2.589.608	2.131.570	533.126	839.710
		2.771.283	**2.443.945**	**689.801**	**1.128.785**
4.	***Staff costs***				
	Salaries and wages	97.461.427	78.194.788	63.840.855	52.489.336
	Pension costs	4.838.286	3.810.427	4.512.225	3.496.656
	Other costs for social security	5.969.610	3.851.411	3.342.902	1.732.414
		108.269.323	**85.856.626**	**71.695.982**	**57.718.406**
	Average number of employees	181	157	110	103

Information for remuneration to the executive board is not disclosed. Reference is made to section 98b (1) of the Danish Financiel Statements Act. 3.

5.	***Depreciation, amortisation, and impairment***				
	Amortisation of development projects	2.380.275	0	2.380.275	0
	Amortisation of concessions, patents and licences	169.384	73.265	169.384	63.555
	Amortisation of goodwill	1.929.330	1.959.642	1.729.671	1.731.835
	Depreciation on decoration of rented premises	7.283.041	4.892.633	3.210.502	2.747.783
	Depreciation on buildings	853.883	0	0	0
	Depreciation on plants, operating assets, fixtures and furniture	4.033.832	3.924.449	2.699.621	2.500.978
	Profit/loss on sale of intangible fixed assets	0	134.792	0	45.934
		16.649.745	**10.984.781**	**10.189.453**	**7.090.085**

Notes

All amounts in DKK.

		Group 2024	Group 2023	Parent 2024	Parent 2023
6.	***Tax on net profit or loss for the year***				
	Tax of the results for the year, parent company	3.461.387	13.488.896	5.049.950	13.975.771
	Adjustment for the year of deferred tax	6.648.686	1.399.900	3.926.000	711.000
		10.110.073	**14.888.796**	**8.975.950**	**14.686.771**

		Parent 2024	Parent 2023
7.	***Proposed distribution of net profit***		
	Extraordinary dividend distributed during the financial year	30.000.000	0
	Reserves for net revaluation according to the equity method	3.116.628	4.184.888
	Transferred to retained earnings	1.538.038	53.317.761
	Total allocations and transfers	**34.654.666**	**57.502.649**

		Group 31/12 2024	Group 31/12 2023	Parent 31/12 2024	Parent 31/12 2023
8.	***Completed development projects, including patents and similar rights arising from development projects***				
	Additions during the year	12.125.223	0	12.125.223	0
	Cost 31 December 2024	**12.125.223**	**0**	**12.125.223**	**0**
	Amortisation and writedown for the year	-2.380.275	0	-2.380.275	0
	Amortisation and write-down 31 December 2024	**-2.380.275**	**0**	**-2.380.275**	**0**
	Carrying amount, 31 December 2024	**9.744.948**	**0**	**9.744.948**	**0**

The company's development projects include developed IT software for its own use.

The development projects have been completed and put into use in the company.

Management has found no indication of the need for impairment losses in relation to the carrying amount.

Notes

All amounts in DKK.

		Group		*Parent*	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
9.	***Acquired concessions, patents, licenses, trademarks, and similar rights***				
	Cost 1 January 2024	1.511.565	576.616	1.490.552	555.603
	Additions during the year	1.080.539	934.949	1.081.062	934.949
	Cost 31 December 2024	**2.592.104**	**1.511.565**	**2.571.614**	**1.490.552**
	Amortisation and write-down 1 January 2024	-448.305	-375.040	-427.815	-364.260
	Amortisation and writedown for the year	-169.384	-73.265	-169.384	-63.555
	Amortisation and write-down 31 December 2024	**-617.689**	**-448.305**	**-597.199**	**-427.815**
	Carrying amount, 31 December 2024	**1.974.415**	**1.063.260**	**1.974.415**	**1.062.737**
10.	***Goodwill***				
	Cost 1 January 2024	13.684.140	12.650.226	11.900.742	10.866.828
	Additions during the year	0	1.033.914	0	1.033.914
	Cost 31 December 2024	**13.684.140**	**13.684.140**	**11.900.742**	**11.900.742**
	Amortisation and write-down 1 January 2024	-5.286.856	-3.327.214	-4.776.172	-3.044.337
	Amortisation and writedown for the year	-1.929.329	-1.959.642	-1.729.671	-1.731.835
	Amortisation and write-down 31 December 2024	**-7.216.185**	**-5.286.856**	**-6.505.843**	**-4.776.172**
	Carrying amount, 31 December 2024	**6.467.955**	**8.397.284**	**5.394.899**	**7.124.570**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
11.	***Development projects in progress and prepayments for intangible assets***				
	Cost 1 January 2024	4.977.291	316.231	4.977.291	316.231
	Additions during the year	14.279.433	4.661.060	14.279.433	4.661.060
	Disposals during the year	-12.167.298	0	-12.167.298	0
	Cost 31 December 2024	**7.089.426**	**4.977.291**	**7.089.426**	**4.977.291**
	Carrying amount, 31 December 2024	**7.089.426**	**4.977.291**	**7.089.426**	**4.977.291**

The company's development project includes the development of IT software for its own use.

Completion is expected in 2025, after which commissioning will take place immediately thereafter.

Management has found no indication of the need for impairment losses in relation to the carrying amount.

12.	***Land and buildings***				
	Additions during the year	206.006.434	0	0	0
	Cost 31 December 2024	**206.006.434**	**0**	**0**	**0**
	Depreciation and writedown for the year	-853.883	0	0	0
	Depreciation and write-down 31 December 2024	**-853.883**	**0**	**0**	**0**
	Carrying amount, 31 December 2024	**205.152.551**	**0**	**0**	**0**
	Interest expenses are included in additions during the year by	8.257.116	0	0	0

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
13.	***Other fixtures, fittings, tools and equipment***				
	Cost 1 January 2024	43.037.676	32.710.588	25.658.384	19.522.092
	Additions during the year	41.271.464	11.652.085	21.791.146	6.900.278
	Disposals during the year	42.075	-1.324.997	42.075	-763.986
	Cost 31 December 2024	**84.351.215**	**43.037.676**	**47.491.605**	**25.658.384**
	Depreciation and write-down 1 January 2024	-26.977.298	-19.372.404	-18.062.772	-13.493.935
	Depreciation and writedown for the year	-11.316.873	-8.817.082	-5.910.123	-5.248.761
		0	-113.769	0	0
	Depreciation and writedown, assets disposed of	0	1.325.957	0	679.924
	Depreciation and write-down 31 December 2024	**-38.294.171**	**-26.977.298**	**-23.972.895**	**-18.062.772**
	Carrying amount, 31 December 2024	**46.057.044**	**16.060.378**	**23.518.710**	**7.595.612**
	Lease assets are recognised at a carrying amount of	0	0	0	0

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
14.	***Property, plant and equipment in progress and prepayments for property, plant and equipment***				
	Cost 1 January 2024	122.075.473	27.793.270	0	0
	Additions during the year	83.930.961	94.282.203	0	0
	Transfers	-206.006.434	0	0	0
	Cost 31 December 2024	**0**	**122.075.473**	**0**	**0**
	Carrying amount, 31 December 2024	**0**	**122.075.473**	**0**	**0**
	Lease assets are recognised at a carrying amount of	0	0	0	0
	Interest expenses are included in additions during the year by	8.257.116	3.131.186	0	0

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
15.	***Investments in group enterprises***				
	Acquisition sum, opening balance 1 January 2024	0	0	4.643.617	4.643.617
	Additions during the year	0	0	858.708	0
	Cost 31 December 2024	**0**	**0**	**5.502.325**	**4.643.617**
	Revaluations, opening balance 1 January 2024	0	0	4.184.888	-1.051.571
	Translation by use of the exchange rate valid on b	0	0	27.544	-283.029
	Results for the year before goodwill amortisation	0	0	3.089.084	5.519.698
		0	0	0	-210
	Revaluations 31 December 2024	**0**	**0**	**7.301.516**	**4.184.888**
	Offsetting against debtors	0	0	2.631.931	269.900
	Transferred to provisions	0	0	0	671.010
	Set off against debtors and provisions for liabilities	**0**	**0**	**2.631.931**	**940.910**
	Carrying amount, 31 December 2024	**0**	**0**	**15.435.772**	**9.769.415**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	*Equity*	*Results for the year*	*Carrying amount, RAINS ApS*
Rains USA INC., USA	100 %	3.341.406	2.206.192	3.341.406
Rains Shanghai Trading Co. Ltd., China	100 %	3.483.149	428.021	3.483.149
Rains Norway AS, Norway	100 %	3.168.907	690.292	3.168.907
Rains International Ltd., Great Britain	100 %	1.674.158	600.173	1.674.158
Rains Germany GmbH, Germany	100 %	786.828	284.890	786.828
Rains Sweden AB, Sweden	100 %	293.747	101.539	293.747
Drip Dutch B.V., Netherlands	100 %	218.622	98.069	218.622
ISOG ApS, Denmark	100 %	-1.574.760	-633.849	0
RAINS Canada Sales INC., Canada	100 %	1.553.673	320.915	1.553.673
Kjer-Ca UG, Tyskland	100 %	-1.057.171	-1.057.171	0
Rains Italy S.R.L., Italien	100 %	124.612	50.013	124.612
RAINS Switzerland AG, Schweiz	100 %	790.670	0	790.670
		12.803.841	**3.089.084**	**15.435.772**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
16.	***Deposits***				
	Cost 1 January 2024	6.072.727	5.160.062	3.743.245	2.830.580
	Additions	1.043.562	998.165	7.084.045	998.165
	Disposals	-100	-85.500	-100	-85.500
	Cost 31 December 2024	**7.116.189**	**6.072.727**	**10.827.190**	**3.743.245**
	Carrying amount, 31 December 2024	**7.116.189**	**6.072.727**	**10.827.190**	**3.743.245**
17.	***Prepayments***				
	Prepaid rent	1.643.354	1.242.935	503.410	350.975
	Prepaid interest	159.914	945.429	49.722	670.929
	Other prepayments	6.166.072	2.598.065	5.562.229	1.871.039
	Commission	179.680	38.104	0	38.107
		8.149.020	**4.824.533**	**6.115.361**	**2.931.050**
18.	***Provisions for deferred tax***				
	Provisions for deferred tax 1 January 2024	1.027.200	-476.900	260.000	-451.000
	Regulation of the year	6.648.686	1.504.100	3.926.000	711.000
		7.675.886	**1.027.200**	**4.186.000**	**260.000**
	The following items are subject to deferred tax:				
	Intangible assets	3.728.000	1.142.000	3.728.000	1.142.000
	Property, plant, and equipment	-402.000	-209.800	-402.000	-977.000
	Current assets	4.349.886	95.000	860.000	95.000
		7.675.886	**1.027.200**	**4.186.000**	**260.000**
19.	***Other provisions***				
	Change of the year in other provisions	13.176.459	0	13.176.459	0
		13.176.459	**0**	**13.176.459**	**0**

Notes

All amounts in DKK.

		Parent 31/12 2024	Parent 31/12 2023
20.	***Provisions for investments in group enterprises***		
	ISOG ApS	0	671.010
		0	**671.010**
	Short-term part hereof	0	0
	Maturity is expected to be:		
	1-5 years	0	671.010
		0	**671.010**

21. Charges and security

The Group - as collateral for mortgage loans, TDKK 105.000., security has been granted on land and buildings representing a carrying amount of TDKK .205.200 at 31 December 2024.

For bank debts, TDKK 18.432, the parent company has provided security in parent company assets representing a nominal value of TDKK 1.000. This security comprises the below assets, stating the book values:

	DKK in thousands
Inventories	121.307
Trade receivables	67.591
Other fixtures and fittings, tools and equipment	23.519
Intangible assets	7.369

Notes

All amounts in DKK.

22. Contingencies

Contingent liabilities

Lease liabilities

The Parent company has entered into leasing contracts with an total outstanding leasing payment TDKK 925. The Parent company has guarantee for subsidiaries' lease TDKK 1.419.

The Group has entered into leasing contracts with an total outstanding leasing payment TDKK 2.344.

The Parent company has entered lease (rent) agreements with an total outstanding lease payment TDKK 253.540. The Parent company has guarantee for subsidiaries' lease (rent) TDKK 4.951.

The Group has entered lease (rent) agreements with an total outstanding lease payment TDKK 80.826.

For rent commitments through the bank, the Parent company and the Group has provided a total bank guarantee TDKK 8.317.

The parent company and the group has guaranteed of TDKK 135.000 (self - debtor surety). The subsidiary's bank accounts show a debt of TDKK 124.073 per 31 December 2024.

The parent company has submitted a statement of support to the subsidiary so that operations for the coming year can be carried out.

Joint taxation

With H 12 ApS, company reg. no 34472785 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

23. *Related parties*

Controlling interest

H 12 ApS, Krathusvej 3, 8240 Riskkov, *Majority shareholder*

Transactions

The company in the RAINS ApS Group has during the financial year had transactions on market terms.

Transactions with related parties have been made on market terms, whereby no further disclosure is made in accordance with section §98C of the Danish Financiel Statements Act.

Consolidated financial statements

The company is included in the consolidated annual accounts of H 12 ApS, Krathusvej 3, 8240 Risskov.

24. *Adjustments*

Depreciation, amortisation, and impairment	16.649.745	10.984.781
Other financial income	-13.523.356	-10.823.692
Other financial expenses	16.350.018	10.803.247
Tax on net profit or loss for the year	10.110.073	14.888.796
	29.586.480	**25.853.132**

25. *Change in working capital*

Change in inventories	-30.842.752	16.014.988
Change in receivables	3.527.372	-22.475.380
Change in trade payables and other payables	74.664.056	-30.781.560
Other changes in working capital	13.176.459	0
	60.525.135	**-37.241.952**

The annual report for RAINS ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The consolidated financial statements

The consolidated income statements comprise the parent company RAINS ApS and those group enterprises of which RAINS ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation, amortisation, and write-down for the year and profit and loss on the disposal of intangible and tangible assets.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 7 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation.

The depreciation period is determined based on an assessment that these are strategically acquired rights to markets with a strong market position and long-term earning potential. The amortisation period is set at 7 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	40 years	10-60%
Other fixtures and fittings, tools and equipment	2-6 years	0

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Property, plant, and equipment:

- Property in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

- Property is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, RAINS ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

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Daniel Brix Hesselager
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