

OTG-CANI Denmark A/S

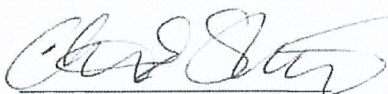
Haraldsvej 60, 1., 8960 Randers SØ

Company reg. no. 16 70 30 79

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 13 June 2023.



Niels Christen Hjorth Stenild
Chairman of the meeting

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 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of OTG-CANI Denmark A/S for the financial year 1 January - 31 December 2022.

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 financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

Randers SØ, 13 June 2023

Managing Director

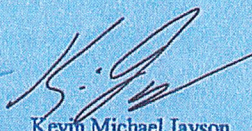


Niels Christen Hjort Stenild

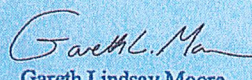
Board of directors



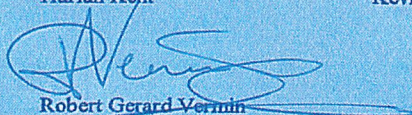
Harlan Kent



Kevin Michael Jayson



Gareth Lindsay Moore



Robert Gerard Vermin

Independent auditor's report

To the Shareholders of OTG-CANI Denmark A/S

Opinion

We have audited the financial statements of OTG-CANI Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Financial Statements" section of our report. We are independent of the Company 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 Financial Statements

Management is responsible for the preparation of 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 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 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 financial statements.

Independent auditor's report

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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

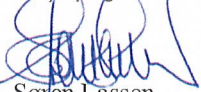
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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.

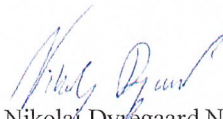
Aarhus C, 13 June 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Company reg. no. 3396 35 56



Søren Lassen
State Authorised Public Accountant
mne 8520



Nikolaj Dyregaard Nielsen
State Authorised Public Accountant
mne47838

Company information

The company

OTG-CANI Denmark A/S
Haraldsvej 60, 1.
8960 Randers SØ

Company reg. no. 16 70 30 79
Financial year: 1 January - 31 December

Board of directors

Harlan Kent
Kevin Michael Jayson
Gareth Lindsay Moore
Robert Gerard Vermin

Managing Director

Niels Christen Hjort Stenild

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Subsidiaries

MIE4 7 Datter ApS, Karlslunde
- Svendsen Sport A/S, Karlslunde

Management's review

The principal activities of the company

The Company's activity is sale of angling equipment with the majority of sales in the domestic market.

Development in activities and financial matters

On February 1, 2022 the Company acquired the Svendsen Sport Group entities for DKK 806M.

Adding the Svendsen Sport talented people and well-known brands such as Savage Gear, DAM and Prologic to our portfolio further strengthens the Company's position as a powerhouse in the recreational fishing industry.

To fund the acquisition the Equity has been increased by DKK 560M and a intercompany loan agreement of DKK 295M has been established.

Expected developments

The year 2023 will be the year of preparing ourselves for the years ahead and strengthening our position as the leader in the fishing tackle industry.

It is our expectation that the year 2023 will also be a challenging year, which is also dependent on the global economic situation.

Events occurring after the end of the financial year

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	4.843.780	5.338.597
1 Staff costs	-3.425.919	-4.214.693
2 Depreciation and impairment of property, land, and equipment	-82.256	-82.256
Operating profit	1.335.605	1.041.648
3 Other financial income	903.236	84.429
4 Other financial expenses	-20.493.159	-115.856
Pre-tax net profit or loss	-18.254.318	1.010.221
5 Tax on net profit or loss for the year	3.631.118	-231.488
Net profit or loss for the year	-14.623.200	778.733
Proposed distribution of net profit:		
Transferred to retained earnings	0	778.733
Allocated from retained earnings	-14.623.200	0
Total allocations and transfers	-14.623.200	778.733

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
6 Property	1.085.240	1.167.496
7 Plant and machinery	0	0
Total property, plant, and equipment	<u>1.085.240</u>	<u>1.167.496</u>
8 Investments in subsidiaries	805.854.108	0
Total investments	<u>805.854.108</u>	<u>0</u>
Total non-current assets	<u>806.939.348</u>	<u>1.167.496</u>
Current assets		
Manufactured goods and goods for resale	1.286.085	1.780.461
Total inventories	<u>1.286.085</u>	<u>1.780.461</u>
Trade receivables	3.138.526	3.617.883
Receivables from subsidiaries	53.599.204	2.834.825
9 Deferred tax assets	3.539.074	0
Income tax receivables	58.000	0
Other receivables	690	121
Prepayments	22.338	67.191
Total receivables	<u>60.357.832</u>	<u>6.520.020</u>
Cash and cash equivalents	<u>3.587.645</u>	<u>1.269.289</u>
Total current assets	<u>65.231.562</u>	<u>9.569.770</u>
Total assets	<u>872.170.910</u>	<u>10.737.266</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
	Contributed capital	2.500.000	2.500.000
	Retained earnings	546.467.284	1.077.984
	Total equity	548.967.284	3.577.984
 Provisions			
	Provisions for deferred tax	0	92.000
	Total provisions	0	92.000
 Liabilities other than provisions			
10	Payables to group enterprises	315.272.885	0
	Total long term liabilities other than provisions	315.272.885	0
	Trade payables	285.809	206.602
	Payables to subsidiaries	2.879.098	3.573.008
	Income tax payable	0	205.586
11	Other payables	1.679.234	3.082.086
12	Deferred income	3.086.600	0
	Total short term liabilities other than provisions	7.930.741	7.067.282
	Total liabilities other than provisions	323.203.626	7.067.282
	Total equity and liabilities	872.170.910	10.737.266
 13 Contingencies			
14 Related parties			

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	2.500.000	1.077.984	3.577.984
Retained earnings for the year	0	-14.623.200	-14.623.200
Increase of capital	0	560.012.500	560.012.500
	<u>2.500.000</u>	<u>546.467.284</u>	<u>548.967.284</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	3.129.861	3.910.677
Other costs for social security	13.632	13.632
Other staff costs	282.426	290.384
	<u>3.425.919</u>	<u>4.214.693</u>
Average number of employees	<u>6</u>	<u>6</u>
2. Depreciation and impairment of property, land, and equipment		
Depreciation of buildings	82.256	82.256
	<u>82.256</u>	<u>82.256</u>
3. Other financial income		
Financial income from group enterprises	257.859	84.428
Other financial income	645.377	1
	<u>903.236</u>	<u>84.429</u>
4. Other financial expenses		
Financial costs, group enterprises	20.272.885	0
Other financial costs	220.274	115.856
	<u>20.493.159</u>	<u>115.856</u>
5. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	245.586
Adjustment of deferred tax for the year	-3.631.074	-15.000
Adjustment of tax for previous years	-44	902
	<u>-3.631.118</u>	<u>231.488</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
6. Property		
Cost 1 January 2022	2.769.459	2.769.459
Cost 31 December 2022	2.769.459	2.769.459
Revaluation 1 January 2022	-1.601.963	-1.519.707
Revaluations for the year	-82.256	-82.256
Revaluation 31 December 2022	-1.684.219	-1.601.963
Carrying amount, 31 December 2022	1.085.240	1.167.496
7. Plant and machinery		
Cost 1 January 2022	333.309	333.309
Cost 31 December 2022	333.309	333.309
Depreciation and write-down 1 January 2022	-333.309	-333.309
Depreciation and write-down 31 December 2022	-333.309	-333.309
Carrying amount, 31 December 2022	0	0
8. Investments in subsidiaries		
Additions during the year	805.854.108	0
Carrying amount, 31 December 2022	805.854.108	0

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

	Equity interest	Equity	Results for the year
MIE4 7 Datter ApS, Karlslunde	100 %	410.014.000	-12.000
- Svendsen Sport A/S, Karlslunde	100 %	193.390.000	46.709.000
		<u>603.404.000</u>	<u>46.697.000</u>

Goodwill or negative goodwill recognised during the financial year DKK 646,666,418

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
9. Deferred tax assets		
Deferred tax assets 1 January 2022	-92.000	-92.000
Deferred tax relating to the net profit or loss for the year	<u>3.631.074</u>	<u>0</u>
	<u>3.539.074</u>	<u>-92.000</u>

The following items are subject to deferred tax:

Property, plant, and equipment	0	-92.000
Losses carried forward from previous years	<u>3.539.074</u>	<u>0</u>
	<u>3.539.074</u>	<u>-92.000</u>

Deferred tax assets include tax loss carryforwards. On the basis of budgets, the management has assessed that there will be future taxable income in which unused tax losses can be utilised.

10. Payables to group enterprises

Total payables to group enterprises	<u>315.272.885</u>	<u>0</u>
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Share of liabilities due after 5 years	<u>315.272.885</u>	<u>0</u>
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Payables to group enterprises consists of long-term loan in relation to the acquisition of Svendsen Sport A/S.

11. Other payables

VAT payable	694.029	781.296
Holiday pay obligations, salaried staff	362.346	896.770
Other cost payable	617.747	944.404
Wages and salaries	<u>5.112</u>	<u>459.616</u>
	<u>1.679.234</u>	<u>3.082.086</u>

12. Deferred income

Deferred income comprises income received for recognition in subsequent financial years.

Notes

All amounts in DKK.

13. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	<u>218</u>
Total contingent liabilities	<u>218</u>

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

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

14. Related parties

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: SP PF Cayman Holdings I LP, 7 Science Court, Columbia SC 2320

Accounting policies

The annual report for OTG-CANI Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Accounting policies

Revenue

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

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, 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 subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

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 company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

Accounting policies

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

Property, plant, and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

	Useful life	Residual value
Buildings	30-50 years	20 %
Other fixtures and fittings, tools and equipment	2-5 years	0-20 %

Estimated useful lives and residual values are reassessed annually.

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

Leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Accounting policies

Receivables

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

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.

Income tax and deferred tax

As administration company, OTG-CANI Denmark A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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 "Income tax receivable" or "Income tax payable".

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.

Accounting policies

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.

Deferred income

Payments received concerning future income are recognised under deferred income.