

Svendsen Sport A/S

Drejergangen 3A, 2690 Karlslunde

Company reg. no. 16 99 75 79

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 11 August 2023.

Michael Ro Mejer
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2022	
Income statement	21
Balance sheet	22
Statement of changes in equity	24
Notes	25
Accounting policies	33

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 Executive Board have approved the annual report of Svendsen Sport 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.

Karlsunde, 11 August 2023

Executive board

Kjell Harry Clefjord

Board of Directors

Kjell Harry Clefjord

Kevin Michael Jayson

Gareth Lindsay Moore

Independent auditor's report

To the shareholders of Svendsen Sport A/S

Opinion

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 to 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svendsen Sport A/S for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

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 conclusions thereon.

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, in our view, 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 in Management's Review.

Independent auditor's report

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.

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

- Identify and assess the risks of material misstatement of the 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.

Independent auditor's report

- 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 the internal control that we identify during our audit.

Hellerup, 11 August 2023

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Company reg. no. 33 77 12 31

Jacob Fromm Christiansen
State Authorised Public Accountant
mne18628

Søren Alexander
State Authorised Public Accountant
mne42824

Company information

The company

Svendsen Sport A/S
Drejergangen 3A
2690 Karlslunde

Company reg. no. 16 99 75 79
Financial year: 1 January - 31 December

Board of Directors

Kjell Harry Clefjord
Kevin Michael Jayson
Gareth Lindsay Moore

Executive Board

Kjell Harry Clefjord

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:					
Revenue	511.987	641.101	463.066	432.996	414.589
Gross profit	122.526	215.980	147.168	135.768	135.505
Profit from operating activities	16.887	116.266	45.214	44.763	51.129
Net financials	39.357	-4.890	-14.097	-5.827	-5.613
Net profit or loss for the year	56.875	86.316	24.193	30.367	35.368
Statement of financial position:					
Balance sheet total	575.816	526.881	337.380	287.530	252.314
Investments in property, plant and equipment	4.886	4.723	9.614	5.409	4.052
Equity	203.556	150.451	73.173	98.672	87.290
Employees:					
Average number of full-time employees	165	175	176	164	166
Key figures in %:					
Gross margin ratio	23,9	33,7	31,8	31,4	32,7
Profit margin (EBIT-margin)	3,3	18,1	9,8	10,3	12,3
Solvency ratio	35,4	28,6	21,7	34,3	34,6
Return on equity	32,1	77,2	28,2	32,7	37,4

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:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

Primary activities

The company's activities are the development and sale of branded fishing tackle and related products.

The company's products are sold through an extensive network of retailers throughout Europe. The company also sells products in the UK and North America, primarily via related companies within the Pure Fishing Inc. group of companies.

The company develops products inhouse but also benefits from product development activities lead by Pure Fishing Inc. Sourcing, sales and marketing similarly benefit from the resources of the Pure Fishing group of companies within Europe.

Products are manufactured by third party suppliers, mainly from the Far East.

In terms of corporate social responsibilities, there are limited risks. The most material risk relates to the long transportation distances and the corresponding CO2 impact.

Development in activities and finances

During 2022, the demand for the company's product has stabilized after a significant increase in 2021. However, the commercial strength of the brand and products continues to underpin strong retail demand across key markets.

The acquisition of the company by Pure Fishing in 2022 has provided extra support for product development, sourcing, and sales. This has allowed the company to be more resilient to changes in the market.

Development in the number of employees

The Company had 175 employees at the beginning of the year and during the year had a net outflow of 10 employees. The Pure Fishing Group, including Svendsen Sport A/S, has on-going recruitment activities to partly restore employee numbers to sustain the commercial strength of the business and support the route to market through sales activities.

Profit/loss for the year in relation to expected development

The income statement of the Company for 2022 shows a profit of TDKK 46,709, and on 31 December 2022 the balance sheet of the Company shows an equity of TDKK 193,390.

The Company's revenue for the year amounted to DKK 512.0 million, compared to last year when revenue amounted to DKK 641.1 million.

Economic conditions in the key markets have been challenging and the business sector has seen a decline in retail sales in line with general market conditions. This largely explains a reduction in turnover compared to last year.

Proot before tax amounted to DKK 56.2 million.

Management's review

The net result reflects the reduction in sales but also a strategy to maintain marketing and product development expenditure to ensure the company remains well placed to address future competitive challenges.

Uncertainty relating to recognition and measurement.

Recognition and measurement in the Annual Report have not been subject to any uncertainty. However, some measurements are based on judgements or assumptions as certain items in financial statements by their nature cannot be measured with precision.

Unusual circumstances affecting recognition and measurement

The financial position on 31 December 2022 of the Company and the results of the activities and cash flows for the financial year for 2022 have not been affected by any unusual events. Following the Russian invasion of Ukraine in March 2022, the Company has ceased its business with Russia. The open sales orders to Russian customers have been cancelled. At the same time the Company has accrued for potential bad debt from customers in Russia, customers in countries where the currency is linked to the Russian Rubel, and Ukraine. This event has not materially changed the sales for 2022.

Outlook

The Company and Pure Fishing Group aim to develop its sales and market share through continual product innovation and development. The management team are confident that adequate resources will be available to support business development into the future years.

Use of financial instruments

Foreign exchange risks

The Company has a high international activity and is therefore exposed and vulnerable to exchange rate fluctuations primarily in US dollars vs. DKK. Following the change in ownership, the company has decided not to hedge any currency exposures from February 2022. As the products are sold on different European markets, the Company is also to a minor extent exposed to fluctuations in other European currencies vs. DKK. The main part of the transactions in foreign currencies is denominated in EUR, which is not hedged due to Denmark's fixed exchange rate policy vis-à-vis the Euro. Transactions in other currencies are in accordance with the Company's policies as per the above.

Interest rate risks

In relation to its credit facility, the Company is subject to an interest rate risk. The interest rate exposure is related to fluctuations in the CIBOR rate. The Company is not hedging its interest exposure.

Credit risks

The Company's customers comprise a wide range of retailers in Europe and the US. The maximum credit risk that may occur for trade receivables and other receivables corresponds to the value at which they are recognized in the balance sheet. No single receivable constitutes a significant part.

Management's review

Risks connected to capital structure.

The Company has a solid balance sheet with an equity ratio above 32.8 % and a liquidity ratio above 1. The Company is only to a minor extend dependent on support from the mother company. Therefore, the Management does not see any special risks connected to the capital structure.

Knowledge resources

The Company possesses extensive knowledge of product development. Retention and development of competencies in the development department is of major importance for continued growth and earnings.

Research and development activities

The Company's development activities include functional development and design of fishing tackle, including lures, rods, reels as well as clothing and other accessories.

Statutory report on corporate social responsibility

Statement of corporate social responsibility is in accordance with the Danish Financial Statement Act §99 a. For a description of the business model, please refer to the separate section above.

UN Global compact

In its policy for "Business Principles and Corporate Social Responsibility", the Company subscribes to UN Global Compact. From this starting point, the Company has selected four key and relevant UN Sustainable Development Goals (hereafter referred to as "Goal(s)"), where it tracks performance:

- Goal no. 7: Affordable and clean energy
- Goal no. 8: Decent work and Economic Growth
- Goal no. 9: Industry innovation and infrastructure
- Goal no. 12: Responsible consumption and production

The performance is described in the relevant sections below.

Supplier Code of Conduct

The UN Global Compact principles are also the guidance for the Supplier Code of Conduct that the Company developed during 2020. The Supplier Code of Conduct describes how the suppliers should deal with:

Management's review

- Human Rights and Labor standards
 - o Employment is freely chosen,
 - o There is no discrimination in employment,
 - o No exploitation of child labor,
 - o Freedom of association and the right to collective bargaining,
 - o Payment of a living wage,
 - o Working hours,
 - o Decent working conditions,
 - o Legally binding employment relationship,
 - o Fire safety,

- Environmental Standards
 - o Conditions outside the workplace,
 - o Emissions to air, water, and ground,
 - o Waste management,
 - o Chemicals management in the factory,
 - o Records and provision of information,
 - o Procedure for chemical management,
 - o Employee information and training,
 - o Labelling of chemicals,
 - o Storage and handling of chemicals,
 - o Disposal of chemicals,

- Anti-Corruption

The purpose of the Supplier Code of Conduct is to mitigate the risk of Human Rights and Anti-Corruption violation with the external suppliers. In addition, the purpose is to reduce the environmental impact from external suppliers. The company considers the mentioned risks to be the most material in the entire supply chain due to the geographical location of the suppliers and is consequently developing the supplier management accordingly.

Environment and Climate

Apart from the possible impact from the Suppliers that is mitigated through the Supplier Code of Conduct program, there is a major environmental impact coming from the transportation of products from primarily Chinese suppliers to the markets in Europe. The company strives to transport as much as possible using ships to reduce the carbon footprint. Moving the supply closer to the European markets is a very difficult process, as there is a very limited supplier base in Europe.

In addition to inbound transportation, there is a major emission impact from outbound transportation. The company considers that the location of the central warehouse is the most optimal both from a financial and from an environmental perspective.

Management's review

The company will continuously improve processes to minimize the environmental impact of its own operation. For its own operation, most of the energy is consumed in the central warehouse. According to Goal no. 7, the Company measures kWh spent in the warehouse per 1,000 DKK of Cost of Goods Sold (hereafter COGS) during the warehouse.

Due to the Company's diverse product portfolio, it is impossible to find a uniform measurement for the volume except for the COGS. The reader must understand that the KPI can be misleading to the extent that the COGS is inflated by price increases and is impacted by the development of exchange rates vs. DKK.

The company has together with the landlord invested in more energy efficient lightning during the last couple of years.

To track the development of Goal no. 9 and Goal no. 12, the Company tracks the amount of waste in central warehouse in relation to COGS. All waste fragments are recycled. The recycling company of cardboard waste has not been able to provide data.

The company will continue the work to reduce the relative energy consumption and relative waste production in the warehouse.

The company is aware of its environmental obligations and aims to reduce the environmental impact of its operations and products. Energy consumption and waste products are actively recorded to monitor and aim to minimize environmental impact.

	2019	2020	2021	2022	Target 2023
kWh/1,000 DKK of CogS	2.08	0.72	0.4	0.65	0.5
kg/1,000 DKK of CogS					
Wood waste	0.021	N/A	0.07	0.04	0.05
Plastic waste	<0.01	<0.01	<0.01	0.07	0.05
Cardboard waste	N/A	N/A	N/A	0.20	0.18

Human rights and social & employee conditions

Respect for human rights is fundamental. This goes for the company's employees as well as the communities the company lives and operates in. The CSR policy is described in the employee handbook, which is given to new employees upon employment.

Management's review

- The company supports and respects the protection of internationally proclaimed human rights,
- The company will ensure that we are not complicit in human rights abuse in any of our operations,
- The company will uphold the freedom of association and the effective recognition of the rights to collective bargaining,
- The company will not use any form of forced or compulsory labor,
- The company will support the elimination of direct and indirect discrimination in respect of employment and occupation, including race, color, sex, religion, political opinion and nationality or social origin,
- The company will continuously develop employees' competencies and flexibility and will provide safe and healthy working conditions.

The key risk in terms of human rights, social and employee conditions lies with the subcontractors. Consequently, the Company works with its Code of Conduct as described above.

The company offers their employees an opportunity for further training by offering courses to help develop their competencies. In addition, the company is rolling out an employee assessment to strengthen the career development and possibilities of all employees.

The company's main risk for social and employee conditions lies in maintaining that employees have the proper skills to maintain their job and create value for the Company. The Company does not see any other specific, material risks to violating human rights, apart from what is described under the Supplier Code of Conduct.

The company has made enquiries of its suppliers and customers in the normal course of business. The company has not discovered any breach of human rights during 2022 as a result of these enquiries.

The Pure Fishing group of companies conducts regular surveys with all of its employees, including those of Svendsen Sport A/S. The most recent survey was conducted in June 2023. The results of the survey were largely supportive of the company.

The company has recently invested in new business premises. One objective was to provide an up to date and comfortable working environment for its employees

In the coming financial year FY23 we will continue to further the current initiatives and reassess our actions within the area of human rights.

Going forward we will continue to invest in developing and upskilling the competencies of our workforce.

Management's review

	2019	2020	2021	Target 2021	Target 2022
kWh/1,000 DKK of CogS	2.03	0.72		0.68	
kg/1,000 DKK of CogS					
Wood waste		0.021		0.02	
Plastic waste		<0.01		<0.01	
Cardboard waste		N/A		N/A	

The two tables above show how the mentioned KPI's were demonstrated in the last report. Similar output (with this year's financial data) would be sufficient for this point.

Anticorruption

All the company's employees are informed, when employed, that conduct of unethical, dishonest behavior and bribery is not tolerated.

- The company will conduct its business with high ethical standards, honesty, and respect for other,
- The company will be compliant with the laws and regulations in the countries where we are present,
- Neither the company nor its employees will offer, promise, give and/or accept a bribe for business purposes,
- Neither the company nor the employees will be involved in non-competition activities i.e., illegal price fixing, sharing of customers and markets.

The company's risks related to anti-corruption and bribery are mainly present within our own operation and with our collaboration partners. The anticorruption topic within suppliers is handled in the Supplier Code of Conduct program.

The company has not discovered any breach of anti-corruption or bribery in 2022. In 2023, the company will establish a whistleblower scheme according to legislation.

Statutory report on the underrepresented gender

The Company strives to maintain and fulfill the goals set for gender quotation at all management levels but will always employ the best qualified candidate. The Company believes that diversity among employees contributes positively to the working environment and strengthens the Company's performance and competitiveness. The Company's policy is to always provide equal job opportunities regardless of gender. The Company's target figure for the proportion of underrepresented gender among members of the Management is 10 % in 2023.

The reader should be aware that that only 10-12 % of the anglers are women according to information from Danmarks Sportsfiskerforbund. This will impact the gender composition of the recruiting base for the positions that require knowledge about angling.

Management's review

The proportion of underrepresented gender among the Management was 0%, end of 2022. During 2022 managerial positions were replaced, but consequently there is no development in the figure. However, the company is rolling out an employee assessment to strengthen the career development and possibilities of all employees. By applying the assessment process and by focusing on diversity during recruitment, the company expects to reach the target above.

According to legislation on the gender quotation on the board of directors in Danish enterprises, the Company has selected a target for the underrepresented gender among member of the Board of 20%. The proportion of the underrepresented gender among the board was 0 %, end of 2022. The Company will work focused towards identifying the possibility of fulfilling the policy and target before the general assembly in 2025.

Statutory report on data ethics policy

The company takes its responsibility as data controller seriously, as the company wants to be perceived as a respected, competent and proper business partner, who complies with applicable legislation and follows developments in good data ethics.

Therefore, we have a dedicated team to handle GDPR requirements as well as a strong IT department to operate and improve data security. Those teams work closely together with management to secure full transparency and to have the proper authority over the rest of the organization. The daily work with data ethics also takes place in the company's relevant business departments.

Besides securing the basic rights for data subjects, awareness and education campaigns are held, all of which are tailored to the work of the employees. These initiatives apply to both new and existing employees so that understanding and competencies are maintained.

Moreover, stringent deletion procedures are in place so that data is deleted when it is no longer necessary for the company to store.

The company's employees and customers have the right to request access and to obtain certain insights into their personal data. To ensure data subject's self-determination over the data the company stores, the company works continuously to ensure that data is processed as structured as possible to always have an overview of what data we store and process about the individuals.

In addition to the relationships with customers, the company has a wide range of contacts worldwide. Therefore, the company is aware that it also has a broader responsibility when it comes to ethically correct data processing.

If there is a need to share or transfer data to other entities or countries, data processing agreements with those relevant third parties are in place to ensure that data is properly safeguarded.

Management's review

It is essential for the company that its customers and other stakeholders can have confidence in the company's ethical stance in terms of processing data. Consequently, the company will continue to work with data ethics and improving the approach to data management and security even more, in the coming year.

Statutory report on corporate governance

Ownership

On 1st February 2022, the company was sold to Pure Fishing Inc, where Sycamore Partners is the ultimately owners.

Presentation of the Board of Directors

Pure Fishing Inc is represented on the board by Kevin Michal Jayson, Gareth Lindsay Moore, and Kjell Harry Clefjord. Board positions and other managerial positions are set out below.

Management's review

Kevin Michael Jayson

Kevin Michal Jayson joined as board member on 1st February 2022. He holds the following other directorships:

•Director of:

- o Plano Synergy Holding Inc.,
- o Frabill, Inc.,
- o Abu Garcia Pty Ltd.,
- o Shakespeare (Australia) Pty Ltd.,
- o Outdoor Technologies (Canada) Co.,
- o Jia Dun Sports Equipment Co., Ltd.,
- o Mao Ming Passion Sports Company Limited,
- o Pure Fishing (Guangzhou) Business Services Co. Ltd.,
- o OTG-Cani Denmark A/S,
- o MIE4 Datter ApS,
- o Svendsen Sport A/S,
- o Pure Fishing Finland OY,
- o Pure Fishing Spirit HK Limited,
- o Pure Fishing (Hong Kong) Co. Limited,
- o Pure Fishing Japan Co., Ltd.,
- o Pure Fishing Korea Co., Ltd.,
- o Pure Fishing Malaysia Sdn. Bhd.,
- o Pure Fishing (NZ) Limited,
- o Pure Fishing Norway AS,
- o Pure Fishing Poland Sp. z o.o.
- o Outdoor Technologies Group Sweden AB,
- o Abu Garcia AB,
- o Abu AB,
- o Pure Fishing Spirit UK Limited,
- o Shakespeare International Limited,
- o Pure Fishing (UK) Limited,
- o Hardy & Greys Limited,
- o Hardy Advanced Composites Limited,
- o Outdoor Technologies Corporation,
- o Pure Fishing Inc.,
- o Sea Striker, LLC,
- o Penn Fishing Tackle Mfg. Co., and
- o Shakespeare All Star Acquisition LLC

Management's review

- Officer of:
 - o Plano Synergy Holding Inc.,
 - o Plano Holding LLC,
 - o Plano Molding Company, LLC,
 - o HHS IP, LLC,
 - o Frabill, Inc.,
 - o PSV II, LLC,
 - o PJL, LLC,
 - o 431 East South LLC,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o SP PF Parent Corporation,
 - o SP PF Intermediate Corporation,
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC,

Management's review

Gareth Lindsay Moore

Gareth Lindsay Moore joined as board member 1st February 2022. He holds the following other directorships:.

•Director of:

- o Plano Synergy Holding Inc.,
- o Frabill, Inc.,
- o Abu Garcia Pty Ltd.,
- o Shakespeare (Australia) Pty Ltd.,
- o Outdoor Technologies (Canada) Co.,
- o Jia Dun Sports Equipment Co., Ltd.,
- o Mao Ming Passion Sports Company Limited,
- o Pure Fishing (Guangzhou) Business Services Co. Ltd.,
- o OTG-Cani Denmark A/S,
- o MIE4 Datter ApS,
- o Svendsen Sport A/S,
- o Pure Fishing Finland OY,
- o Pure Fishing Deutschland GmbH,
- o Pure Fishing Spirit HK Limited,
- o Pure Fishing (Hong Kong) Co. Limited,
- o Pure Fishing Japan Co., Ltd.,
- o Pure Fishing Korea Co., Ltd.,
- o Pure Fishing Malaysia Sdn. Bhd.,
- o Pure Fishing Netherlands B.V.,
- o Pure Fishing Spirit B.V.,
- o Pure Fishing (NZ) Limited,
- o Pure Fishing Norway AS,
- o Pure Fishing Poland Sp. z o.o.,
- o Outdoor Technologies Group Sweden AB,
- o Abu Garcia AB,
- o Abu AB,
- o Pure Fishing Spirit UK Limited,
- o Shakespeare International Limited,
- o Pure Fishing (UK) Limited,
- o Hardy & Greys Limited,
- o Hardy Advanced Composites Limited,
- o Outdoor Technologies Corporation,
- o Pure Fishing Inc.,
- o Sea Striker, LLC,
- o Penn Fishing Tackle Mfg. Co., and
- o Shakespeare All Star Acquisition LLC

Management's review

- Officer of:
 - o Plano Synergy Holding Inc.,
 - o Plano Holding LLC,
 - o Plano Molding Company, LLC,
 - o HHS IP, LLC,
 - o Frabill, Inc.,
 - o PSV II, LLC,
 - o PJL, LLC,
 - o 431 East South LLC,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o SP PF Parent Corporation,
 - o SP PF Intermediate Corporation,
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC

Kjell Harry Clefjord

Kjell Harry Clefjord joined the board 1st February 2022. He holds the following other directorships:

- Managing director of:
 - o Pure Fishing Finland OY
 - o Pure Fishing Deutschland GmbH

- Chairman of:
 - o Pure Fishing Norway AS
 - o Outdoor Technologies Group Sweden AB
 - o Abu Garcia AB
 - o Abu AB

- Director of:
 - o Pure Fishing Finland OY
 - o SP Pure Fishing UK Limited
 - o SP Pure Fishing UK Buyer Limited
 - o Pure Fishing Spirit UK Limited
 - o Shakespeare International Limited
 - o Pure Fishing (UK) Limited
 - o Hardy & Greys Limited
 - o Hardy Advanced Composites Limited

Management's review

Events after the balance sheet date

No events that will have a material impact on the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

DKK in thousands.

<u>Note</u>	<u>2022</u>	<u>2021</u>
1 Revenue	511.987	641.101
2 Other operating income	16.769	4.534
Costs of raw materials and consumables	-310.099	-358.929
Other external expenses	-96.131	-70.726
Gross profit	122.526	215.980
3 Staff costs	-94.112	-92.597
Depreciation, amortisation, and impairment	-11.527	-7.117
Operating profit	16.887	116.266
Income from investments in group enterprises	46.030	0
4 Other financial income	7.648	3.474
5 Other financial expenses	-14.321	-8.364
Pre-tax net profit or loss	56.244	111.376
6 Tax on net profit or loss for the year	631	-25.060
7 Net profit or loss for the year	56.875	86.316

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Balance sheet at 31 December

DKK in thousands.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
8 Completed development projects, including patents and similar rights arising from development projects	3.743	7.607
9 Acquired concessions, patents, licenses, trademarks, and similar rights	489	1.126
10 Goodwill	4.561	5.692
Total intangible assets	<u>8.793</u>	<u>14.425</u>
11 Other fixtures, fittings, tools and equipment	10.339	10.882
12 Leasehold improvements	1.176	1.837
Total property, plant, and equipment	<u>11.515</u>	<u>12.719</u>
13 Investments in group enterprises	0	1
14 Other receivables	514	912
Total investments	<u>514</u>	<u>913</u>
Total non-current assets	<u>20.822</u>	<u>28.057</u>
Current assets		
Raw materials and consumables	339.437	237.890
Total inventories	<u>339.437</u>	<u>237.890</u>
Trade receivables	109.570	153.892
Receivables from group enterprises	84.165	51.536
15 Deferred tax assets	5.951	2.510
Income tax receivables	3.024	0
Other receivables	8.029	14.644
16 Prepayments	1.149	2.296
Total receivables	<u>211.888</u>	<u>224.878</u>
Cash and cash equivalents	3.669	36.056
Total current assets	<u>554.994</u>	<u>498.824</u>
Total assets	<u>575.816</u>	<u>526.881</u>

Balance sheet at 31 December

DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
17	Contributed capital	1.000	1.000
	Reserve for development costs	2.920	5.933
	Reserve for hedging transactions	0	3.770
	Retained earnings	199.636	139.748
	Total equity	203.556	150.451
Liabilities other than provisions			
18	Bank loans	35.357	82.297
	Total long term liabilities other than provisions	35.357	82.297
	Bank loans	198.131	114.779
	Trade payables	87.385	106.472
	Payables to group enterprises	19.617	6.865
	Income tax payable	0	23.639
	Other payables	30.063	41.593
19	Deferred income	1.707	785
	Total short term liabilities other than provisions	336.903	294.133
	Total liabilities other than provisions	372.260	376.430
	Total equity and liabilities	575.816	526.881
20 Charges and security			
21 Contingencies			
22 Related parties			

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for development costs	Reserve for hedging transactions	Retained earnings	Total
Equity 1 January 2022	1.000	5.933	3.770	139.748	150.451
Retained earnings for the year	0	0	0	56.875	56.875
Transfer to reserves	0	-3.013	0	3.013	0
Value adjustment	0	0	-3.770	0	-3.770
	1.000	2.920	0	199.636	203.556

Notes

DKK in thousands.

	<u>2022</u>	<u>2021</u>
1. Revenue		
Domestic	29.533	41.535
EU excl. domestic	364.841	456.743
Rest of the world	<u>117.613</u>	<u>142.823</u>
	<u>511.987</u>	<u>641.101</u>

Management has assessed that the total revenue of the Company is ascribed to one business activity: Sale of fishing tackle.

2. Other operating income		
Royalty	1.722	4.534
Extraordinary income	<u>15.047</u>	<u>0</u>
	<u>16.769</u>	<u>4.534</u>

Extraordinary income contains sales of rights of Okuma Fishing Tackle to Rapala VMC Corporation for 15mDKK..

3. Staff costs		
Salaries and wages	82.831	83.137
Pension costs	1.810	1.738
Other costs for social security	<u>9.471</u>	<u>7.722</u>
	<u>94.112</u>	<u>92.597</u>
Average number of employees	<u>165</u>	<u>175</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

4. Other financial income		
Exchange differences	1.236	2.401
Financial income from group enterprises	6.286	921
Other financial income	<u>126</u>	<u>152</u>
	<u>7.648</u>	<u>3.474</u>

Notes

DKK in thousands.

	<u>2022</u>	<u>2021</u>
5. Other financial expenses		
Financial costs, group enterprises	175	0
Other financial costs	<u>14.146</u>	<u>8.364</u>
	<u>14.321</u>	<u>8.364</u>
6. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	2.810	25.208
Adjustment of deferred tax for the year	<u>-3.441</u>	<u>-148</u>
	<u>-631</u>	<u>25.060</u>
7. Proposed distribution of net profit		
Extraordinary dividend distributed during the financial year	0	10.000
Transferred to retained earnings	<u>56.875</u>	<u>76.316</u>
Total allocations and transfers	<u>56.875</u>	<u>86.316</u>

Notes

DKK in thousands.

	<u>31/12 2022</u>	<u>31/12 2021</u>
8. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2022	18.903	17.215
Additions during the year	<u>4.238</u>	<u>1.688</u>
Cost 31 December 2022	<u>23.141</u>	<u>18.903</u>
Amortisation and write-down 1 January 2022	-11.296	-9.982
Amortisation and depreciation for the year	<u>-8.102</u>	<u>-1.314</u>
Amortisation and write-down 31 December 2022	<u>-19.398</u>	<u>-11.296</u>
Carrying amount, 31 December 2022	<u>3.743</u>	<u>7.607</u>
9. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2022	5.169	4.554
Additions during the year	<u>58</u>	<u>615</u>
Cost 31 December 2022	<u>5.227</u>	<u>5.169</u>
Amortisation and write-down 1 January 2022	-4.043	-3.190
Amortisation and depreciation for the year	<u>-695</u>	<u>-853</u>
Amortisation and write-down 31 December 2022	<u>-4.738</u>	<u>-4.043</u>
Carrying amount, 31 December 2022	<u>489</u>	<u>1.126</u>
10. Goodwill		
Cost 1 January 2022	<u>13.394</u>	<u>13.394</u>
Cost 31 December 2022	<u>13.394</u>	<u>13.394</u>
Amortisation and write-down 1 January 2022	-7.702	-6.585
Amortisation and depreciation for the year	<u>-1.131</u>	<u>-1.117</u>
Amortisation and write-down 31 December 2022	<u>-8.833</u>	<u>-7.702</u>
Carrying amount, 31 December 2022	<u>4.561</u>	<u>5.692</u>

Notes

DKK in thousands.

	<u>31/12 2022</u>	<u>31/12 2021</u>
11. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	40.571	36.424
Additions during the year	<u>4.781</u>	<u>4.147</u>
Cost 31 December 2022	<u>45.352</u>	<u>40.571</u>
Writedown 1 January 2022	-29.689	-26.202
Depreciation for the year	<u>-5.324</u>	<u>-3.487</u>
Writedown 31 December 2022	<u>-35.013</u>	<u>-29.689</u>
Carrying amount, 31 December 2022	<u>10.339</u>	<u>10.882</u>
12. Leasehold improvements		
Cost 1 January 2022	3.307	2.731
Additions during the year	<u>105</u>	<u>576</u>
Cost 31 December 2022	<u>3.412</u>	<u>3.307</u>
Depreciation and write-down 1 January 2022	-1.470	-1.092
Depreciation for the year	<u>-766</u>	<u>-378</u>
Depreciation and write-down 31 December 2022	<u>-2.236</u>	<u>-1.470</u>
Carrying amount, 31 December 2022	<u>1.176</u>	<u>1.837</u>
13. Investments in group enterprises		
Cost 1 January 2022	1	1
Disposals during the year	<u>-1</u>	<u>0</u>
Cost 31 December 2022	<u>0</u>	<u>1</u>
Carrying amount, 31 December 2022	<u>0</u>	<u>1</u>

Notes

DKK in thousands.

	<u>31/12 2022</u>	<u>31/12 2021</u>
14. Other receivables		
Cost 1 January 2022	912	548
Additions during the year	0	973
Disposals during the year	<u>-398</u>	<u>-609</u>
Cost 31 December 2022	<u>514</u>	<u>912</u>
Carrying amount, 31 December 2022	<u>514</u>	<u>912</u>
It is specified as follows:		
Deposits	<u>514</u>	<u>912</u>
	<u>514</u>	<u>912</u>
15. Deferred tax assets		
Deferred tax assets 1 January 2022	2.510	2.510
Deferred tax of the net profit or loss for the year	<u>3.441</u>	<u>0</u>
	<u>5.951</u>	<u>2.510</u>
The following items are subject to deferred tax:		
Intangible assets	-1.537	-2.427
Property, plant, and equipment	1.342	1.130
Changes in writedown for impairment on trade receivables for accounting purposes	4.097	0
Impairment on trade receivables	2.049	1.720
Losses carried forward from previous years	<u>0</u>	<u>2.087</u>
	<u>5.951</u>	<u>2.510</u>

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes

DKK in thousands.

	<u>31/12 2022</u>	<u>31/12 2021</u>
16. Prepayments		
Prepaid insurance	1.149	2.296
	<u>1.149</u>	<u>2.296</u>

17. Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	2	500	1,000

Notes

DKK in thousands.

	<u>31/12 2022</u>	<u>31/12 2021</u>
18. Bank loans		
Bank loans	<u>35.357</u>	<u>82.297</u>

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. There is no debt due after more than 5 years.

19. Deferred income		
Deferred income	<u>1.707</u>	<u>785</u>
	<u>1.707</u>	<u>785</u>

Deferred income consists of payments received in respect of income in subsequent years.

20. Charges and security

The following assets have been placed as security with mortgage credit institutes:

The factoring of receivables, DKK'000 67,874, has been put up as security for the company's debt.

As security for the Group's credit facilities with Jyske Bank as of 31 December 2022, a floating company charge ("virksomhedspant") of up to nominal DKK'000 120,000 has been put up. The floating charge covers the Group's assets in general including inventories, trade receivables, tangible assets and intangible assets. AL Finans and the Group has also agreed on a pledge as security up to nominal DKK'000 1,016.

21. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	<u>27.341</u>
Total contingent liabilities	<u>27.341</u>

Joint taxation

With OTG-CANI Denmark A/S, company reg. no 16703079 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

Notes

DKK in thousands.

21. Contingencies (continued)

Joint taxation (continued)

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 tax, etc., may result in changes in the company's liabilities.

22. Related parties

Controlling interest

MIE4 7 Datter ApS owns all shares in the Entity, thus exercising control.

Transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Consolidated financial statements

The company is included in the consolidated financial statements of SP PF Cayman Holdings I LP, 7 Science Court, Columbia, SC 29203, USA.

Accounting policies

The annual report for Svendsen Sport A/S 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.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Svendsen Sport A/S and its group enterprises are included in the consolidated financial statements for SP PF Cayman Holdings I LP, 7 Science Court, Columbia, SC 29203, USA, reg. no. 98-1457916.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of SP PF Cayman Holdings I LP.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of 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 and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

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.

Accounting policies

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down 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.

Investments in group enterprises

Dividend from investments in group enterprises 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 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 10 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 15 years.

Accounting policies

Property, plant, and equipment

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

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

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

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

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
Plant and machinery	2-5 years	0-20 %
Other fixtures and fittings, tools and equipment	2-5 years	0-20 %

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.

Accounting policies

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 as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 2-5 years.

Investments

Investments in group enterprises

Investments in group enterprises 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.

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.

Accounting policies

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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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 and on hand.

Equity

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.

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

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"

Accounting policies

According to the rules of joint taxation, Svendsen Sport A/S is unlimitedly, jointly, and severally 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.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

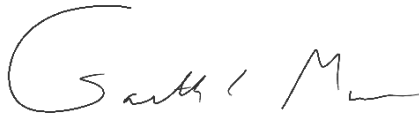
Payments received concerning future income are recognised under deferred income.



Kjell Harry Clefjord
Direktør
IP-address: 2.248.174.43:47139
Time of signature: 11-08-2023 at: 10:08:22
Signed with esignatur EasySign



Kevin Michael Jayson
Bestyrelsesmedlem
IP-address: 24.211.156.31:9258
Time of signature: 11-08-2023 at: 14:23:25
Signed with esignatur EasySign



Gareth Lindsay Moore
Bestyrelsesmedlem
IP-address: 96.33.69.101:31457
Time of signature: 11-08-2023 at: 13:26:33
Signed with esignatur EasySign



Kjell Harry Clefjord
Bestyrelsesmedlem
IP-address: 2.248.174.43:62417
Time of signature: 11-08-2023 at: 10:16:42
Signed with esignatur EasySign



Jacob Fromm Christiansen

The name returned by Danish MitID was:
Jacob Fromm Christiansen
Revisor
ID: 33b9ba99-0c0e-4cd0-9ddb-4cf502234446
Time of signature: 11-08-2023 at: 21:24:51
Signed with MitID



Søren Alexander

The name returned by Danish MitID was:
Søren Alexander
Revisor
ID: c38fb1c9-7325-4393-859e-7ecc283fa831
Time of signature: 11-08-2023 at: 14:42:05
Signed with MitID



Michael Ro Mejer
Dirigent
IP-address: 87.104.240.66:60920
Time of signature: 11-08-2023 at: 21:29:29
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