

# Fairpoint Outdoors A/S

Gydevang 4, 1., 3450 Allerød, Denmark

CVR no. 27 90 87 80

## Annual report 2021

Approved at the Company's annual general meeting on 11 May 2022

Chair of the meeting:

DocuSigned by:  
*Jesper Lund Andersen*  
283A07D6882D4D3.....  
Jesper Lund Andersen

## Contents

Statement by Management	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

## Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Fairpoint Outdoors A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with 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 2021 and of the results of its operations for the financial year 1 January – 31 December 2021.

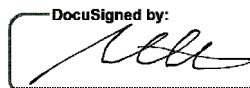
Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.

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

Allerød, 11 May 2022  
Executive Board:

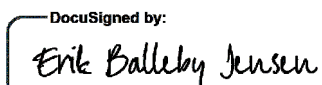
DocuSigned by:  
  
69F2E95E97E0466  
Jens Buhl Jørgensen  
CEO

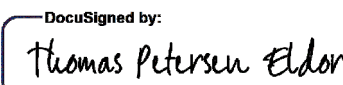
Board of Directors:

DocuSigned by:  
  
CD6AADD886B463...  
Ulla Wersén  
Chair

DocuSigned by:  
  
737ADEADD349A  
Jens Møgel Hansen

DocuSigned by:  
  
69F2E95E97E0466  
Jens Buhl Jørgensen

DocuSigned by:  
  
5748BDEB9288448  
Erik Balleby Jensen

DocuSigned by:  
  
76E72A7CB01E439  
Thomas Petersen Eldor

DocuSigned by:  
  
9CA38A5BCA574E4  
Thomas Lund Jespersen

## Independent auditor's report

To the shareholders of Fairpoint Outdoors A/S

### Opinion

We have audited the financial statements of Fairpoint Outdoors A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the 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.

### 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. Management is also responsible for such internal control that 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

## Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 11 May 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Ole Becker  
State Authorised  
Public Accountant  
mne33732

## Management's review

## Company details

Name	Fairpoint Outdoors A/S
Address, postal code, city	Gydevang 4, 1., DK-3450 Allerød
CVR no.	27908780
Established	7 May 2004
Registered office	Allerød
Financial year	1 January – 31 December
Board of Directors	Ulla Iversen, Chair Jens Thøger Hansen Jens Buhl Jørgensen Erik Balleby Jensen Thomas Petersen Eldor Thomas Lund Jespersen
Executive Board	Jens Buhl Jørgensen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

## Management's review

## Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Gross profit/loss	66,537	50,737	34,365	37,707	29,970
Profit/loss before net financials	24,578	23,044	8,164	12,397	7,772
Net financials	-4,508	-7,482	-8,147	-3,884	-3,497
Profit/loss for the year	15,620	12,113	-1,271	6,792	3,318
Balance sheet total					
Investments in property, plant and equipment	-1,413	-1,110	-3,468	615	659
Equity	25,762	10,142	-1,971	200	-6,492
Financial ratios					
Rate of return	24.2%	31.5%	13.8%	22.2%	14.0%
Equity ratio	20.3%	11.5%	-3.4%	0.3%	-12.6%
Average number of full-time employees					
	44	30	29	29	26

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

Rate of return                      Profit/loss before net financials x 100 / Average of current assets

Equity ratio                        Equity, year-end x 100 / Total equity and liabilities, year-end

## Management's review

### Operating review

#### Principal activities

Fairpoint Outdoors is developing and selling Sport fishings equipment primarily under the two Brands Westin® and Kinetic®.

#### Development in activities and financial matters

As per 31 August 2021 Fairpoint Outdoors A/S changed majority shareholder to TopCo FX ApS, a company controlled by Capidea, Private Equity Fund.

Fairpoint Outdoors achieved a result of DKK 15.6 million in 2021 and a balance of DKK 126.8 million and an equity of DKK 25.8 million at 31 December 2021. Management regards the results for the financial year as satisfactory and in accordance with expectations.

#### Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any significant uncertainty.

#### Outlook

Gross profit and the net result are expected to increase in the fiscal year 2022. However, we are currently facing uncertainties from the situation in Ukraine and which economic impact it will have on the European economy and our customer's willingness to purchase our products.

The Covid-19 situation in China is also expected to have some impact on the business in 2022.

#### Financial risks

As an international business, Fairpoint Outdoors is exposed to a number of financial risks relations to currency and interest rate fluctuations, funding, liquidity, credit and counterparty risks. The company does not use any financial instruments related to hedge the interest or currency risks but intend to use hedging currency going forward.

#### Environment

Fairpoint Outdoors is committed to continuously improving its employees' physical and psychological working environment. By the end of 2021, we have implemented a whistle blower hotline to prevent any misconducting behaviour.

#### Research and development activities

Successful introduction of new products is an essential prerequisite for Fairpoint Outdoors' continued growth. Therefore, it is crucial that market acceptance of new products can be achieved and that the products meet or help drive demand in the markets. Fairpoints Outdoors product development strategy, therefore, takes starts in close ongoing dialogue with customers, detailed market analyses combined with targeted utilization of new innovative product and greener packaging designs.

As part of the strategic focus on that create growth through the positioning of Fairpoint Outdoors's own brands are Fairpoint Outdoors exposed to the risk of these brands do not win recognition or demand in the selected markets.

To address this risk, Fairpoint Outdoors works on putting together the optimal mix of products and sales support activities targeted at the individual markets, particularly participation in marketing and promotion videos on SOME channels.

#### Events after the balance sheet date

After the balance sheet date until today's date, no events have occurred, which could influence the evaluation of this annual report.



## Financial statements 1 January – 31 December

## Income statement

Note	DKK'000	2021	2020
	Gross profit/loss	66,537	50,737
2	Staff costs	-41,484	-27,364
3	Depreciation and impairment losses	-418	-330
	Other operating expenses	-57	-682
	Profit/loss before net financials	24,578	22,361
	Profit/loss after tax in group enterprises	0	-421
4	Financial income	4	152
5	Financial expenses	-4,512	-7,214
	Profit/loss before tax	20,070	14,879
6	Tax for the year	-4,450	-2,766
	Profit/loss for the year	15,620	12,113

## Financial statements 1 January – 31 December

## Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Plant and machinery	4,243	3,976
	Fixtures and fittings, tools and equipment	176	188
	Leasehold improvement	699	64
		5,118	4,228
8	Financial assets		
	Deposits	1,447	836
		1,447	836
	Total non-current assets	6,565	5,064
	Current assets		
	Inventories		
	Finished goods and goods for resale	49,246	43,563
	Prepaid goods	30,929	9,677
		80,175	53,240
	Receivables		
	Trade receivables	25,923	24,025
12	Deferred tax assets	0	21
	Joint taxation receivables	252	0
	Other receivables	105	0
9	Prepayments	17	87
		26,297	24,133
	Cash	13,812	5,834
	Total current assets	120,284	83,207
	TOTAL ASSETS	126,849	88,271

## Financial statements 1 January – 31 December

## Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	1,800	1,800
	Retained earnings	23,962	8,342
	Proposed dividend	0	0
	Total equity	25,762	10,142
	Non-Current liabilities		
11	Payables to group entities	0	49,200
12	Deferred tax liabilities	178	0
	Total non-current liabilities	178	49,200
	Current liabilities		
	Credit institutions	85,627	17,682
	Trade payables	7,550	1,208
	Payables to group entities	290	389
	Joint taxation payables	0	1,934
	Other payables	7,442	7,716
	Total current liabilities	100,909	28,929
	Total liabilities	101,087	78,129
	TOTAL EQUITY AND LIABILITIES	126,849	88,271

- 1 Accounting policies
- 13 Contractual obligations, contingencies and pledges, etc.
- 14 Related parties
- 15 Distribution of profit/loss

## Financial statements 1 January – 31 December

## Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2020	1,800	-3,771	-	-1,971
	Distributed dividend	-	-	-	-
	Transferred; see distribution of profit/loss	-	12,113	-	12,113
	Equity at 1 January 2021	1,800	8,342	-	10,142
	Distributed dividend	-	-	-	-
15	Transferred; see distribution of profit/loss	-	15,620	-	15,620
	Equity at 31 December 2021	1,800	23,962	-	25,762

## Financial statements 1 January – 31 December

## Notes

## 1 Accounting policies

The annual report of Fairpoint Outdoors A/S for 2021 has been prepared in accordance with the provisions applying to medium-sized reporting class C entities under the Danish Financial Statements Act.

*Reclassification of comparative figures*

Some changes in classifications are made on income statement items for the comparative figures. The changes do not impact the result, total assets or equity.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

*Omission of the consolidated financial statements*

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Fairpoint Outdoors A/S and its group entities are included in the consolidated financial statements of TopCo FX ApS.

*Omission of a cash flow statement*

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the ultimate parent company TopCo FX ApS.

*Presentation currency*

The financial statements are presented in Danish Kroner (DKK'000).

*Foreign currency translation*

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

## Income statement

## Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

*Revenue from the sale of goods*

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020. Revenue from the sale of goods where delivery has been postponed at the buyer's request is recognised in revenue when ownership of the goods is transferred to the buyer.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Other operating income and expenses

Other operating income and expenses comprises items secondary to the Company's activities, including gains and losses on disposal of property, plant and equipment.

##### Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. The items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

TopCo FX ApS is the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities on behalf of the company.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

## Financial statements 1 January – 31 December

## Notes

## 1 Accounting policies (continued)

## Balance sheet

## Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment and leasehold improvement are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less any expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets and any residual value. The expected useful lives are as follows:

Plant and machinery	20 years
Fixtures and fittings, tools and equipment	5 years
Leasehold improvement	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

## Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

## Impairment of non-current assets

The carrying amount of property, plant and equipment and equity investments in group entities is tested annually for indication of impairment other than the decrease in value reflected by depreciation.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

## Financial statements 1 January – 31 December

## Notes

## 1 Accounting policies (continued)

*Balance sheet**Inventories*

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

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

*Receivables*

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

*Prepayments*

Prepayments comprise costs incurred concerning subsequent financial years.

*Equity**Dividend*

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

*Corporation tax and deferred tax*

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

*Liabilities other than provisions*

Other liabilities are measured at net realisable value.



## Financial statements 1 January – 31 December

Notes DKK '000		2021	2020
2	Staff costs		
	Wages and salaries	38,338	25,585
	Pensions	2,713	1,418
	Other social security costs	433	361
		<u>41,484</u>	<u>27,364</u>
	Average number of full-time employees	<u>44</u>	<u>30</u>
<p>Remuneration to Executive Board and Board of Directors amount to DKK 2,851 thousand. By reference to section 98b (3), (ii), of the Danish Financial Statements Act, remuneration to Executive Board is not disclosed for 2020. No remuneration has been paid to the Board of Directors in 2020.</p>			
3	Depreciation and impairment losses		
	Depreciation	418	330
		<u>418</u>	<u>330</u>
4	Financial income		
	Other interest income	4	152
		<u>4</u>	<u>152</u>
5	Financial expenses		
	Interest expenses, group entities	1,968	2,952
	Foreign exchange, net	587	2,994
	Other financial expenses	1,957	1,268
		<u>4,512</u>	<u>7,214</u>
6	Tax for the year		
	Current tax for the year	4,248	3,198
	Deferred tax adjustment for the year	199	195
	Prior year adjustment	3	-626
		<u>4,450</u>	<u>2,767</u>

## Financial statements 1 January – 31 December

## Notes

## 7 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvement	Total
Cost at 1 January 2021	6,402	3,340	83	9,825
Additions	604	103	706	1,413
Disposals	-106	-48	0	-154
Cost at 31 December 2021	6,900	3,395	789	11,084
Amortisation and impairment losses at 1 January 2021	2,426	3,152	19	5,597
Depreciation and amortisation	275	72	71	418
Depreciation, assets sold	-44	-5	0	-49
Amortisation and impairment losses at 31 December 2021	2,657	3,219	90	5,966
Carrying amount at 31 December 2021	4,243	176	699	5,118

## 8 Financial assets

DKK'000	Deposits
Cost at 1 January 2021	836
Additions	611
Cost at 31 December 2021	1,447
Carrying amount at 31 December 2021	1,447

DKK'000	2021	2020
---------	------	------

9 Prepayments  
Prepaid expenses

17	87
17	87

## 10 Share capital

The share capital comprises 1,800,000 shares of a nominal value of DKK 1 each. All shares rank equally.

## 11 Financial liabilities

DKK'000	Total liabilities at 31/12 2021	Repayment first year	Outstanding debt after 5 years
Payables to group entities	0	0	0
	0	0	0

## Financial statements 1 January – 31 December

## Notes

## 12 Deferred tax

Deferred tax comprises mainly of timing differences related to property, plant and equipment.

DKK'000	2021	2020
Deferred tax at 1 January	21	216
Deferred tax adjustment for the year	-199	-195
Deferred tax at 31 December	-178	21

## 13 Contractual obligations, contingencies, pledges etc.

## Contingent liabilities

The Company is jointly taxed with its Danish group entities. The Company has unlimited joint and several liability, together with the Danish group entity, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. Any subsequent adjustments to the joint taxation income and withholding taxes, etc. may entail that the Company's liability will increase.

## Operating lease commitments

DKK'000	Within 1 year	1-5 year	After 5 year
Operating lease commitments	4,233	9,232	0

The Company's entities have entered into operating leases with an average annual lease payment of DKK 4,233 thousand and a remaining term of 48 months. The remaining nominal lease commitment totals DKK 13,465 thousand.

The Company has an obligation in respect of the right to return goods sold for the Company's customers.

## Pledges

The Company has a company pledge (virksomhedspant) of DKK 10 million to the credit institutions related to property, plant and equipment and inventories.

Pledge prohibition in trade receivables and transport in trade receivables from the factoring company.

## Financial statements 1 January – 31 December

## Notes

## 13 Related parties

Fairpoint Outdoors A/S' related parties comprise the following:

## Control

TopCo FX ApS, which exercises control.  
Gydevang 4, 1. tv.  
3450 Allerød

The consolidated financial statements of TopCo FX ApS may be obtained by contacting the Company.

## Related party transactions

Fairpoint Outdoors A/S has carried out the following related party transactions:

DKK'000	2021	2020
Interest expenses, group entities	1,968	2,952
Payables to group entities, long term	0	49,200
Joint taxation receivables	252	0
Payables to group entities, short term	290	389
Joint taxation payables	0	1,934

Remuneration of the Company's Executive Board and the Board of Directors is disclosed in note 2.

No other transactions were carried out with the current shareholders during the year.

## 14 Distribution of profit/loss

Proposed distribution of profit/loss		
Proposed dividend	0	0
Transferred to equity reserves	15,620	12,113
	<u>15,620</u>	<u>12,113</u>