BEIERHOLM
VI SKABER BALANCE

Kingsland DK ApS

Niels Bohrs Vej 2, 7430 Ikast

CVR no. 35 41 27 51

Annual report
for the financial year 01.07.21 - 30.06.22

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Company information etc.

The company

Kingsland DK ApS
Niels Bohrs Vej 2
7430 Ikast
Tel.: 95 22 11 07
Registered office: Ikast-Brande
CVR no.: 35 41 27 51
Financial year: 01.07 - 30.06

Executive Board

Peter Mazur

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.07.21 - 30.06.22 for Kingsland DK ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30.06.22 and of the results of the company's activities for the financial year 01.07.21 - 30.06.22.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Ikast, November 24, 2022

Executive Board

Peter Mazur

To the capital owner of Kingsland DK ApS

Opinion

We have audited the financial statements of Kingsland DK ApS for the financial year 01.07.21 - 30.06.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 30.06.22 and of the results of the company's operations for the financial year 01.07.21 - 30.06.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 regarding the management's review

Management is responsible for management's review.

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

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

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

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

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Soeborg, Copenhagen, November 24, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Agner Hansen
State Authorized Public Accountant
MNE-no. mne28682

Primary activities

The company's activities comprise of development and sale of clothing and accesories to the equestrian sport under the name of "Kingsland Equestrian".

Development in activities and financial affairs

The income statement for the period 01.07.21 - 30.06.22 shows a profit/loss of DKK'000 15,038 against DKK'000 17,041 for the period 01.01.20 - 30.06.21. The balance sheet shows equity of DKK'000 41,838.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2021/22 DKK '000	01.01.20 30.06.21 DKK '000
	Gross profit	**29,191**	**30,948**
1	Staff costs	-6,756	-5,896
	Profit before depreciation, amortisation, write-downs and impairment losses	**22,435**	**25,052**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-365	-447
	Operating profit	**22,070**	**24,605**
2	Financial income	75	46
	Financial expenses	-2,844	-2,800
	Profit before tax	**19,301**	**21,851**
3	Tax on profit for the year	-4,263	-4,810
	Profit for the year	**15,038**	**17,041**

Proposed appropriation account

Retained earnings	15,038	17,041
Total	**15,038**	**17,041**

Balance sheet

ASSETS

Note		30.06.22 DKK '000	30.06.21 DKK '000
	Acquired rights	1,408	60
	Goodwill	110	183
4	**Total intangible assets**	**1,518**	**243**
	Other fixtures and fittings, tools and equipment	113	223
5	**Total property, plant and equipment**	**113**	**223**
6	Deposits	94	94
	Total investments	**94**	**94**
	Total non-current assets	**1,725**	**560**
	Raw materials and consumables	0	1,866
	Manufactured goods and goods for resale	29,954	11,203
	Prepayments for goods	2,410	1,626
	Total inventories	**32,364**	**14,695**
	Trade receivables	9,168	6,559
	Receivables from group enterprises	0	169
	Deferred tax asset	0	240
	Other receivables	1,804	113
	Prepayments	166	148
	Total receivables	**11,138**	**7,229**
	Cash	**50,668**	**25,286**
	Total current assets	**94,170**	**47,210**
	Total assets	**95,895**	**47,770**

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.22 DKK '000	30.06.21 DKK '000
	Share capital	1,000	1,000
	Cash flow hedging reserve	682	381
	Retained earnings	40,156	25,118
	Total equity	**41,838**	**26,499**
	Provisions for deferred tax	165	0
	Total provisions	**165**	**0**
	Payables to other credit institutions	30,059	10,541
	Trade payables	4,680	3,098
	Payables to group enterprises	13,491	89
	Income taxes	3,993	4,705
	Other payables	1,669	2,838
	Total short-term payables	**53,892**	**21,271**
	Total payables	**53,892**	**21,271**
	Total equity and liabilities	**95,895**	**47,770**

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Statement of changes in equity

Figures in DKK '000	Share capital	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.20 - 30.06.21					
Balance as at 01.01.20	1,000	0	8,077	2,800	11,877
Fair value adjustment of hedging instruments	0	381	0	0	381
Dividend paid	0	0	0	-2,800	-2,800
Net profit/loss for the year	0	0	17,041	0	17,041
Balance as at 30.06.21	1,000	381	25,118	0	26,499
Statement of changes in equity for 01.07.21 - 30.06.22					
Balance as at 01.07.21	1,000	381	25,118	0	26,499
Fair value adjustment of hedging instruments	0	386	0	0	386
Tax on changes in equity	0	-85	0	0	-85
Net profit/loss for the year	0	0	15,038	0	15,038
Balance as at 30.06.22	1,000	682	40,156	0	41,838

	2021/22 DKK '000	01.01.20 30.06.21 DKK '000

1. Staff costs

Wages and salaries	4,948	4,814
Pensions	661	647
Other social security costs	87	79
Other staff costs	1,060	356
Total	6,756	5,896
Average number of employees during the year	12	12

2. Financial income

Interest, group enterprises	9	31
Other financial income	66	15
Total	75	46

3. Tax on profit for the year

Tax on profit or loss for the year	3,909	4,779
Adjustment of deferred tax for the year	405	90
Adjustment of tax in respect of previous years	-51	-59
Total	4,263	4,810

4. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Cost as at 01.07.21	70	732
Additions during the year	1,519	0
Cost as at 30.06.22	1,589	732
Amortisation and impairment losses as at 01.07.21	-10	-549
Amortisation during the year	-171	-73
Amortisation and impairment losses as at 30.06.22	-181	-622
Carrying amount as at 30.06.22	1,408	110

5. Property, plant and equipment

Figures in DKK '000	Other fixtures and fittings, tools and equipment
Cost as at 01.07.21	2,130
Cost as at 30.06.22	2,130
Depreciation and impairment losses as at 01.07.21	-1,907
Depreciation during the year	-110
Depreciation and impairment losses as at 30.06.22	-2,017
Carrying amount as at 30.06.22	113

6. Non-current financial assets

Figures in DKK '000	Deposits
Cost as at 01.07.21	94
Cost as at 30.06.22	94
Carrying amount as at 30.06.22	94

7. Fair value information

Figures in DKK '000	Derivative financial instruments	Total
Fair value as at 30.06.22	470,522	470,522
Unrealised changes of fair value recognised in equity for the year	300,726	300,726

8. Derivative financial instruments

The company concludes contracts for the sole purpose of hedging the currency risk on the future buy of goods in foreign currency. At the end of a the financial year, a future buy of goods of USD 4.875k has been secured. The fair value of the forward exchange contracts amounts to DKK 471k as at 30.06.22. Forward exchange contracts are only concluded with banks with a good credit score.

9. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 12 months and average lease payments of DKK 39k, a total of DKK 468k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

10. Charges and security

As security for debt to credit institutions of DKK 30.057k, a company charge of DKK 18.000k has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventorie and trade receivables. The total carrying amount of the comprised assets is DKK 45.819k.

The company has provided a security upon group enterprises' debt to credit institutions as part of establishing group credit facilities amounting to NOK 23.000k, shared between the group companies. Of the total group credit facilities DKK 30.057 has been recognised in the company's own balance sheet.

11. Related parties

The company is included in the consolidated financial statements of the parent Global Equestrian Group Holding ApS, Vodskov.

12. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

12. Accounting policies - continued -

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

LEASES

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

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, raw materials and consumables and cost of sales and other external expenses.

12. Accounting policies - continued -

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise production costs, selling costs, vehicle expenses, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

12. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	4	0
Goodwill	10	0
Other plant, fixtures and fittings, tools and equipment	3-10	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

12. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

12. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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

12. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation

12. Accounting policies - continued -

rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.