MIE4 7 Datter ApS

Erhvervsparken 14, DK-4621 Gadstrup

Annual Report for 1 January - 31 December 2020

CVR No 37 08 97 96

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/04 2021

Ole Lenarth Nielsen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of MIE4 7 Datter ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Gadstrup, 21 April 2021

Executive Board

Hans Maasbøl
Executive Officer

Board of Directors

Mikkel Vendelin Olesen
Chairman

Mads Peter Hytteballe Andersen
Deputy Chairman

Søren Peschardt Olesen

Lars Erik Svendsen

Jens Høgsted

Independent Auditor's Report

To the Shareholders of MIE4 7 Datter ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MIE4 7 Datter ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Group's and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 and the Group'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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 21 April 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen	Søren Alexander
statsautoriseret revisor	statsautoriseret revisor
mne18628	mne42824

Company Information

The Company	MIE4 7 Datter ApS Erhvervsparken 14 DK-4621 Gadstrup CVR No: 37 08 97 96 Financial period: 1 January - 31 December Municipality of reg. office: Gadstrup
Board of Directors	Mikkel Vendelin Olesen, Chairman Mads Peter Hytteballe Andersen, Deputy Chairman Søren Peschardt Olesen Lars Erik Svendsen Jens Høgsted
Executive Board	Hans Maasbøl
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bankers	Jyske Bank A/S AL Finans A/S Banque Populaire Val de France Arbejdernes Landsbank

Financial Highlights

Seen over a four-year period, the development of the Group is described by the following financial highlights:

	Group			
	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Revenue	481,861	444,553	416,071	405,892
Profit/loss before interest, tax, depreciation and amortisation (EBITDA)	50,452	41,030	51,666	45,473
Profit/loss before financial income and expenses	14,846	12,627	24,755	18,790
Net financials	-19,971	-10,525	-11,555	-9,958
Net profit/loss for the year	-8,962	-3,560	5,544	1,877
Balance sheet				
Balance sheet total	539,760	521,440	518,873	520,793
Equity	219,500	229,182	231,835	222,041
Cash flows				
Cash flows from:				
- operating activities	79,992	20,677	12,781	61,351
- investing activities	-16,864	-16,877	-5,182	-3,976
including investment in property, plant and equipment	-11,427	-5,809	-4,045	-2,840
- financing activities	-6,880	982	-8,321	-24,779
Change in cash and cash equivalents for the year	56,248	4,782	-722	32,596
Number of employees	183	191	166	158
Ratios				
Gross margin	30.4%	29.7%	32.0%	29.6%
Profit margin	3.1%	2.8%	5.9%	4.6%
Return on assets	2.8%	2.4%	4.8%	3.6%
Solvency ratio	40.7%	44.0%	44.7%	42.6%
Return on equity	-4.0%	-1.5%	2.4%	1.7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Business performance

Key activities and business model

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

The Group's products are sold directly by own sales forces in most of the largest European fishing markets as well in North America. In rest of the world, the products are sold selectively through agents/distributors. The Group has own inhouse product development, sourcing, sales and marketing. Products are manufactured by 3rd parties.

In terms of corporate social responsibilities, the key risks are connected to the subcontractors handling of work force and environment. Furthermore, due to the long transportation distances, the business model has a CO2 impact.

Market overview

The Group products are sold worldwide and cover most of the major fishing disciplines.

Development in the year

The income statement of the Group for 2020 shows a loss of TDKK 8,962, and at 31 December 2020 the balance sheet of the Group shows equity of TDKK 219,500.

The turnover for the year is higher than last year and better than expectations.

The Group's revenue for the year amounted to DKK 481,9 million, which is an increase compared to last year when revenue amounted to DKK 444.6 million. The Group's revenue for the year is in line with the expected revenue.

Profit before tax amounted to negative DKK 5.1 million.

The net result is below expectations but considered satisfactory.

End of 2018, the Group decided to establish its own subsidiary in USA. During 2020, the American subsidiary shows significant growth, however, it is still contributing negatively to the financial result. The Group expects a significant growth in USA in the coming years.

During 2020, the Group experienced a short dip in activity in March to May due to the Covid-19 pandemic. In the rest of the year, the Group experience an increased demand following the general increased demand for outdoor activities as a consequence of the Pandemic. The impact from the pandemic was not as hard as expected in the 2019 report.

In August 2020, the Group reorganized its sales organization in Germany, France and Poland to obtain a more streamlined operation. As a consequence a significant number of employees were dismissed.

Statement on gender composition

The Group strives to maintain and fulfil the goals set for gender quotation at all management levels but will always employ the best qualified candidate. The Group believes that diversity among employees contributes positively to the working environment and strengthens the Group's performance and competitiveness. The Group's policy is to always provide equal job opportunities regardless of gender. The Group's target figure for the proportion of underrepresented gender among members of the Management is 20% in 2022.

The proportion of underrepresented gender among the Management was 0%, end of 2020.

According to legislation on the gender quotation on the board of directors in Danish enterprises, the Group 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 2020. The Group will work focused towards identifying the possibility of fulfilling the policy and target before the general assembly in 2022.

Development in the number of employees

The Group had 186 employees at the beginning of the year split by 38 employees in Denmark and 148 in rest of the world.

In the year there has been a net outflow of 12 employees split by 3 in Denmark and 9 in rest of the world. The key reason for the larger staff outflow is the restructuring of the sales force as mentioned, above.

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 events

The financial position at 31 December 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 have not been affected by any unusual events. The impact from the Covid-19 pandemic has been described above. The pandemic creates a more uncertain environment.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Management's Review

Business strategy

Strategy

The Group aims to develop and sell innovative and branded fishing tackle and accessories.

Targets and expectations for the year ahead

The Group has budgeted continued top line growth, as well as an improved result after taxes in 2021.

Research and development

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

Intellectual capital resources

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

Business Risks

Operating risks

To some extent, the Group's costs depend on the development in raw material prices and wages and salaries among its subcontractors. To the largest possible extent, the Company attempts to hedge this risk by entering into long-term agreements with its subcontractors.

The Group's production and products are mainly based on wellknown and thoroughly tested techniques, and the majority of the tasks are performed under well-known risks.

Foreign exchange risks

The Group has a high international activity and is therefore exposed and vulnerable for exchange rate fluctuations primarily on US dollars vs. DKK. The USD flows are hedged in accordance with the Group's policies. As the products are sold on different European markets, the Group is also to a minor extend exposed to fluctuations on 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 Group's policies.

Interest rate risks

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

Credit risks

The Group's customers comprise a wide range of retailers in Europe and USA. 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.

Risks connected to capital structure

The Group has a solid balance sheet with a solidity ratio above 30% and a liquidity ratio above 1. The Group 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.

The Group is not affected by other unusual risks.

Corporate social responsibility

Statement of corporate social responsibility

Statement of corporate social responsibility in accordance with the Danish Financial Statement Act §99 a.

For a description of the business model, please refer to a separate section, above.

UN Global compact

In its policy for "Business Principles and Corporate Social Responsibility", the Group subscribes to US Global Compact. From this starting point, the Group 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.

The UN Global Compact principles are also the guidance for the Supplier Code of Conduct that the Group developed during 2020 and that is under implementation. The target is that 25% of the purchase of products for reselling in 2021 should come from suppliers that has signed the Code of Conduct. During 2021, the Group will also develop methods to control the suppliers' compliance with the Code of Conduct.

Environment and Climate

The Group will continuously improve processes to minimize the environmental impact of the operation. The main environmental impact is in the distribution of products, and the indirect impact from the 3rd party manufacturing of products. This is reflected in the Code of Conduct and the targets as described, above.

For its own operation, most of the energy is consumed in the central warehouse. According to Goal no. 7, the Company measures kWh spend in the warehouse per 1,000 DKK of Cost of Goods Sold (hereafter COGS) during the warehouse:

	2018	2019	2020	Target 2021
kWh/1,000 DKK of COGS	1.23	2.03	0.72	0.68

Due to the Company's diverse product portfolio, it is impossible to find a uniform measurement for the volume except the COGS. The reader must understand that the KPI is 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 kg in relation to COGS.

Kg/1,000 DKK of COGS	2020	Target 2021
Wood Waste	0.021	0.020
Plastic Waste	<0.010	<0.010
Cardboard Waste	n/a	n/a

Systems to track cardboard waste is under development.

Human rights and social & employee conditions

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

• The Group supports and respects the protection of internationally proclaimed human rights,
• The Group will ensure that we are not complicit in human rights abuse in any of our operations,
• The Group will uphold the freedom of association and the effective recognition of the rights to collective bargaining,
• The Group will not use any form of forced or compulsory labor,
• The Group 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 Group 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 sub-contractors. Consequently, The Group works with its Code of Conduct as described above.

Management's Review

According to Goal no. 8, the Group measures the share of purchase of trading goods (COGS) purchased from suppliers that have signed the Group's Code of Conduct. The goal for 2021 is 25%.

The Group offers their employees an opportunity for further training by offering courses to help develop their competencies.

The Groups main risk for Social and employee conditions lies within maintaining that employees have the proper skills to maintain their job and create value for the Group. The Group does not see any other specific, material risks to violate human rights.

Anticorruption

All of The Groups employees are informed, when employed, that conduct of unethical, dishonest behavior and bribery is not tolerated.

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

The Group' risks related to anti-corruption and bribery is mainly present within our own operation and with our collaboration partners.

The Group has not discovered any breach of anti-corruption or bribery in 2020.

Statutory report on corporate governance

The Group has since the beginning of November 2015 been majority owned by a private equity fund, Maj Invest Equity 4 K/S, which is a member of Active Owners Denmark. As a private equity portfolio company, the Group generally follows Active Owners Denmark 's recommendations, except that the Group based on its size, has not established an audit committee. These tasks are handled by the Board.

The Board of Directors meets with Executive Board at least five timea a year.

The Board of Director and the Executive Board work together to identify the main business risks for realizing the Groups strategic and financial objectives, as well as to ensure the Group has appropriate control and monitoring procedures in place.

The Executive Board reports on a regular basis on the development on the identified risks and financial position of the Group to the Board og Directors in form of monthly management reports and in-depth presentations at the boardmeetings.

Management's Review

Refer to www.aktiveejere.dk for more information about the guidelines.

Ownership

MIE4 7 Datter ApS ultimate owner is Maj Invest Equity 4 K/S with 82% of the shares in MIE4 7 Datter ApS. The Board of DIrectors and the Executive Board hold combined 17% of the remaining shares.

Presentation of the Board of Directors

Maj Invest Equity 4 K/S is represented on the board by Mikkel Vendelin Olesen, Mads Peter Hytteballe Andersen, Søren Peschardt Olesen and Jens Høgsted. In addition, Lars Erik Svendsen is represented in the Board of Directors. Board positions and other managerial positions are set out below.

Mikkel Vendelin Olesen

Mikkel Vendelin Olesen, Chairman, has joined the Board on 29 November 2007 and joined as Chairman on 15 march 2013.

He holds the following other directorships:

• Chairman of Orphism ApS, Fleye ApS, Nordisk Company A/S, Karmameju ApS, MIE4 7 Datter ApS, Svendsen Sport A/S, Outfit International A/S, Rexholm A/S, Rockstarlife ApS and Care by me Aps.
• Board member of BBHS A/S and Infinita Invest ApS
• Director of Vendelin & Vendelin ApS, Vendelin Ejendomme ApS, Vendelin Olesen Holding ApS and Nordisk Finance ApS.

Mads Peter Hytteballe Andersen

Mads Peter Hytteballe Andersen has joined as board member on 3 November 2015.

He holds the following other directorships:
• Chairman of Equity Datterholding 13 ApS
• Deputy chairman of MIE4 7 Datter ApS, Svendsen Sport A/S, Sovino Brands ApS, Sovino Brands Holding ApS and Itadel A/S
• Board member of Icotera A/S
• Director of LDE Holding 13 ApS, MIE4 Holding 7 ApS, MIE5 Holding 1 ApS, MIE5 Holding 2 ApS, MIE5 Holding 4 ApS and Equity Datterholding 13 ApS
• CEO of MPHA Invest ApS.

Management's Review

Søren Peschardt Olesen

Søren Peschardt Olesen has joined as board member 8 March 2012.

He holds the following other directorships:
• Chairman of Stark Danmark A/S, Stark Deutschland GmbH, DT Holding (Sweden) AB, Beijer Byggmaterial AB, Beijer Byggmaterial i Uppsaala AB and Neumann Bygg AS
• Board member of Svendsen Sport A/S, Hempel A/S, MIE4 7 Datter ApS, Hobro Ny Trælast A/S, Stark Kalaallit Nunaat A/S and Stark Soumi OY
• SPO Invest Holding ApS , Director of Stark ApS and Stark Group Holding Germany GmbH
• CEO of Stark Group A/S and Hobro Ny Trælast A/S.

Lars Erik Svendsen

Lars Erik Svendsen has joined the board since the founding on 18 May 1993.

He holds the following other directorships:
• Board member of MIE4 7 Datter ApS, WIIK & Co. A/S, Langø A/S, EFTTA (European Fish Tackle Trade Association) and Svendsen Sport A/S
• Director of Lars Svendsen Holding ApS, Langø A/S and LSH PE ApS.

Jens Høgsted

Jens Høgsted has joined the board on 13 May 2016.

He holds the following other directorships:
• Board member of MIE4 7 Datter ApS, Svendsen Sport A/S, Imerco A/S, Imerco Holding A/S, Pack Tech A/S and Day et A/S.
• Director of Høgsted Consulting ApS
• Managing director of Karmameju ApS

Income Statement 1 January - 31 December

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**481,861**	**444,553**	**0**	**0**
Other operating income		3,705	0	0	0
Expenses for raw materials and consumables		-271,591	-246,593	0	0
Other external expenses		-67,661	-65,873	-28	-34
Gross profit/loss		**146,314**	**132,087**	**-28**	**-34**
Staff expenses	2	-95,862	-91,056	-600	-600
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-35,606	-28,404	0	0
Profit/loss before financial income and expenses		**14,846**	**12,627**	**-628**	**-634**
Income from investments in subsidiaries		0	0	47,500	34,927
Financial income	3	0	138	883	423
Financial expenses	4	-19,971	-10,663	-5,939	-4,819
Profit/loss before tax		**-5,125**	**2,102**	**41,816**	**29,897**
Tax on profit/loss for the year	5	-3,837	-5,662	1,250	1,080
Net profit/loss for the year		**-8,962**	**-3,560**	**43,066**	**30,977**

Balance Sheet 31 December

Assets

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		TDKK	TDKK	TDKK	TDKK
Completed development projects		8,189	7,655	0	0
Acquired patents		1,538	1,693	0	0
Goodwill		224,527	247,434	0	0
Intangible assets	6	**234,254**	**256,782**	**0**	**0**
Other fixtures and fittings, tools and equipment		10,442	9,249	0	0
Leasehold improvements		1,639	1,722	0	0
Property, plant and equipment	7	**12,081**	**10,971**	**0**	**0**
Investments in subsidiaries	8	0	0	451,408	451,408
Deposits	9	596	596	0	0
Fixed asset investments		**596**	**596**	**451,408**	**451,408**
Fixed assets		**246,931**	**268,349**	**451,408**	**451,408**
Inventories	10	**127,751**	**149,285**	**0**	**0**
Trade receivables		84,435	83,519	0	0
Receivables from group enterprises		0	0	0	28,562
Other receivables		1,848	1,370	0	0
Deferred tax asset	14	6,737	2,959	0	0
Corporation tax		3,890	2,640	3,890	2,640
Prepayments	11	5,476	6,772	0	0
Receivables		**102,386**	**97,260**	**3,890**	**31,202**
Current asset investments		**0**	**102**	**0**	**0**
Cash at bank and in hand		**62,692**	**6,444**	**0**	**4**
Currents assets		**292,829**	**253,091**	**3,890**	**31,206**
Assets		**539,760**	**521,440**	**455,298**	**482,614**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		TDKK	TDKK	TDKK	TDKK
Share capital	12	1,000	1,000	1,000	1,000
Reserve for hedging transactions		-721	0	0	0
Retained earnings		219,221	228,182	389,526	346,460
Equity		**219,500**	**229,182**	**390,526**	**347,460**
Provision for deferred tax	14	0	1,737	0	0
Provisions		**0**	**1,737**	**0**	**0**
Subordinate loan capital		26,374	25,120	26,374	25,120
Credit institutions		60,638	75,000	0	75,000
Long-term debt	15	**87,012**	**100,120**	**26,374**	**100,120**
Credit institutions	15	114,424	108,196	35,505	35,000
Trade payables		56,483	46,817	33	33
Payables to group enterprises		0	0	2,580	0
Corporation tax		24,027	17,104	0	0
Other payables	16	35,979	18,284	280	1
Deferred income		2,335	0	0	0
Short-term debt		**233,248**	**190,401**	**38,398**	**35,034**
Debt		**320,260**	**290,521**	**64,772**	**135,154**
Liabilities and equity		**539,760**	**521,440**	**455,298**	**482,614**

Distribution of profit	13
Contingent assets, liabilities and other financial obligations	19
Related parties	20
Fee to auditors appointed at the general meeting	21
Accounting Policies	22

Statement of Changes in Equity

Group

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	0	228,183	229,183
Exchange adjustments	0	1,471	0	1,471
Fair value adjustment of hedging instruments, end of year	0	-2,192	0	-2,192
Net profit/loss for the year	0	0	-8,962	-8,962
Equity at 31 December	**1,000**	**-721**	**219,221**	**219,500**

Parent Company

	Share capital	Reserve for hedging transactions	Retained earnings	Total
Equity at 1 January	1,000	0	346,460	347,460
Net profit/loss for the year	0	0	43,066	43,066
Equity at 31 December	**1,000**	**0**	**389,526**	**390,526**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020 TDKK	Group 2019 TDKK
Net profit/loss for the year		-8,962	-3,560
Adjustments	17	61,926	44,579
Change in working capital	18	48,945	-7,621
Cash flows from operating activities before financial income and expenses		**101,909**	**33,398**
Financial income		0	139
Financial expenses		-19,973	-10,663
Cash flows from ordinary activities		**81,936**	**22,874**
Corporation tax paid		-1,944	-2,197
Cash flows from operating activities		**79,992**	**20,677**
Purchase of intangible assets		-2,763	-7,834
Purchase of property, plant and equipment		-11,427	-5,809
Fixed asset investments made etc		0	-24
Business acquisition		0	-3,210
Other adjustments		-2,674	0
Cash flows from investing activities		**-16,864**	**-16,877**
Repayment of loans from credit institutions		-8,134	-24,106
Repayment of other long-term debt		1,254	120
Raising of loans from group enterprises		0	21,250
Raising of other long-term debt		0	3,750
Purchase of treasury shares		0	-32
Cash flows from financing activities		**-6,880**	**982**
Change in cash and cash equivalents		**56,248**	**4,782**
Cash and cash equivalents at 1 January		6,444	1,663
Cash and cash equivalents at 31 December		**62,692**	**6,445**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

1 Revenue

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

Geographical segments

	Group 2020 TDKK	Group 2019 TDKK	Parent Company 2020 TDKK	Parent Company 2019 TDKK
Domestic	41,241	33,184	0	0
EU excl. Domestic	378,915	353,424	0	0
Rest of the world	61,705	57,945	0	0
	481,861	**444,553**	**0**	**0**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
2 Staff expenses				
Wages and salaries	83,439	78,846	600	600
Pensions	1,528	1,621	0	0
Other social security expenses	9,297	8,836	0	0
Other staff expenses	1,598	1,753	0	0
	95,862	**91,056**	**600**	**600**
Including remuneration to the Executive Board and Board of Directors	**2,600**	**2,600**	**600**	**600**
Average number of employees	**183**	**191**	**0**	**0**

The parent company has issued 67,466 warrants to a number of senior executives and board members. Warrant holders may exercise warrants of one or more laps, until the earliest date, either (i) 1 August 2021 or (ii) at MIE 4 Holding 7 ApS' direct or indirect future exit in the Company. Each warrant entitles the holder to subscribe for one share of a nominal value of 1 DKK at an exercise price of between 303 and 367, corresponding to a total market value of between TDKK 21,725 and TDKK 26,314, depending on the time of utilization. New shares are issued without pre-emption rights for the company's existing shareholder, and there are no special conditions for exercising warrants. The executive employees and board members were charged TDKK 141 in 2018 and an accumulated charge og TDKK 1,182 for warrants. The payments are treated as an equity transaction, as the payer has no chance of claiming repayment.

According to section 98B, paragraph 3 of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed.

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Interest received from group enterprises	0	138	883	423
	0	**138**	**883**	**423**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
4 Financial expenses				
Interest paid to group enterprises	188	120	188	120
Other financial expenses	15,069	10,491	5,751	4,699
Exchange loss	4,714	52	0	0
	19,971	**10,663**	**5,939**	**4,819**
5 Tax on profit/loss for the year				
Current tax for the year	3,837	6,566	-1,250	-1,080
Deferred tax for the year	0	-904	0	0
	3,837	**5,662**	**-1,250**	**-1,080**

6 Intangible assets

Group

	Completed development projects	Acquired patents	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	16,793	3,862	344,246
Additions for the year	3,681	873	0
Disposals for the year	-56	0	0
Transfers for the year	-1,756	0	0
Cost at 31 December	18,662	4,735	344,246
Impairment losses and amortisation at 1 January	9,138	2,169	96,812
Amortisation for the year	1,335	1,028	22,907
Impairment losses and amortisation at 31 December	10,473	3,197	119,719
Carrying amount at 31 December	**8,189**	**1,538**	**224,527**

The Group's development expenses relates to capitalisation of costs in respect of filing for trademarks andpatents and development of the Group's ERP system in connection with the Group's entrance on the US market.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	25,517	2,610
Additions for the year	9,543	121
Transfers for the year	1,756	0
Cost at 31 December	36,816	2,731
Impairment losses and depreciation at 1 January	16,268	888
Depreciation for the year	10,106	204
Impairment losses and depreciation at 31 December	26,374	1,092
Carrying amount at 31 December	**10,442**	**1,639**

8 Investments in subsidiaries

	Parent Company	
	2020	2019
	TDKK	TDKK
Cost at 1 January	451,408	451,408
Carrying amount at 31 December	**451,408**	**451,408**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Svendsen Sport A/S	Gadstrup	1.000	100%	73,172	24,193
Neue Deutsche Angelgeräte Manufaktur Int. GmbH	Georgsmünd	4.095	100%	6,007	-64

Notes to the Financial Statements

9 Other fixed asset investments

	Group
	Deposits
	TDKK
Cost at 1 January	596
Additions for the year	23
Disposals for the year	-23
Cost at 31 December	596
Carrying amount at 31 December	**596**

10 Inventories

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Finished goods and goods for resale	127,751	149,285	0	0
	127,751	**149,285**	**0**	**0**

11 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions and licenses etc.

12 Equity

The share capital consists of 1,000,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

13 Distribution of profit

	Parent Company	
	2020	2019
	TDKK	TDKK
Retained earnings	43,066	30,977
	43,066	**30,977**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
14 Deferred tax asset				
Deferred tax asset at 1 January	1,222	293	0	0
Amounts recognised in the income statement for the year	5,515	904	0	0
Amounts recognised in equity for the year	0	25	0	0
Deferred tax asset at 31 December	**6,737**	**1,222**	**0**	**0**
Intangible assets	2,293	2,083	0	0
Property, plant and equipment	-1,635	-346	0	0
Inventories	-1,481	0	0	0
Trade receivables	-1,539	0	0	0
Tax loss carry-forward	-4,375	-2,959	0	0
Transferred to deferred tax asset	6,737	2,959	0	0
	0	**1,737**	**0**	**0**
Deferred tax asset				

The deffered tax asset relates to losses in subsidiaries.

Calculated tax asset	6,737	2,959	0	0
Carrying amount	**6,737**	**2,959**	**0**	**0**

The recognised tax asset comprises tax loss carry-forwards in respect of losses incurred in USA and expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company being able to achieve it's goals on the new US market and thereby gaining a solid and profitable foothold.

Notes to the Financial Statements

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Subordinate loan capital				
Between 1 and 5 years	26,374	25,120	26,374	25,120
Long-term part	26,374	25,120	26,374	25,120
Within 1 year	0	0	0	0
	26,374	**25,120**	**26,374**	**25,120**
Credit institutions				
After 5 years	13,971	0	0	0
Between 1 and 5 years	46,667	75,000	0	75,000
Long-term part	60,638	75,000	0	75,000
Other short-term debt to credit institutions	114,424	108,196	35,505	35,000
	175,062	**183,196**	**35,505**	**110,000**

Notes to the Financial Statements

16 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Liabilities	2,811	0	0	0

The Group entered into forward contracts for hedging future purchases in USD for a total of TDKK 2,811 for payment in EUR in 2020.

17 Cash flow statement - adjustments

	Group	
	2020	2019
	TDKK	TDKK
Financial income	0	-138
Financial expenses	19,971	10,663
Depreciation, amortisation and impairment losses, including losses and gains on sales	35,608	28,404
Tax on profit/loss for the year	3,837	5,662
Other adjustments	2,510	-12
	61,926	**44,579**

Notes to the Financial Statements

18 Cash flow statement - change in working capital

	Group 2020	Group 2019
	TDKK	TDKK
Change in inventories	21,535	-5,856
Change in receivables	-95	-20,611
Change in trade payables, etc	29,697	17,831
Fair value adjustments of hedging instruments	-2,192	1,015
	48,945	**-7,621**

19 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:
The Company's shares in Svendsen Sport A/S and Neue Deutsche Angelgeräte Manufaktur Int. GmbH has been put up as security for the Company's debt.

The factoring of receivables, TDKK 57,497, 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 2021, a floating company charge ("virksomhedspant") of up to nominal TDKK 60,000 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 TDKK 1,432.

Rental and lease obligations

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
	TDKK	TDKK	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	6,596	5,632	0	0
Between 1 and 5 years	10,338	12,447	0	0
	16,934	**18,079**	**0**	**0**

Notes to the Financial Statements

20 Related parties

Transactions

The Group has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

MIE4 Holding 7 ApS has a controlling interest in the company.

Maj Invest Equity 4 K/S has a controlling interest in the company.

Consolidated Financial Statements

The Company is included in the consolidation of the parent companies

Name	Place of registered office
MIE4 Holding 7 ApS	Copenhagen, Denmark

The Group Annual Report of MIE4 Holding 7 ApS may be obtained at the following address:

Erhvervsparken 14
DK-4621-Gadstrup

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
21 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	537	273	19	33
Tax advisory services	3,930	280	0	0
Non-Audit services	36	30	0	0
	4,503	**583**	**19**	**33**

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of MIE4 7 Datter ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

22 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Notes to the Financial Statements

22 Accounting Policies (continued)

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other operating income and expenses and income from royalties and licenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Acquired goodwill is measured at cost less accumulated depreciation and write-downs. Goodwill is amortized on a straight-line basis over the useful life, which is estimated at 10 years. The depreciation period is based on an assessment of the acquired company's market position and earnings profile.

Consolidated goodwill is amortized over 15 years. The amortization period of Group Goodwill has been determined on the basis of an assessment of strategically acquired companies with a strong market position and long-term earnings profile.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Notes to the Financial Statements

22 Accounting Policies (continued)

Completed development projects include softwarelicenses and development projects that are clearlydefined and identifiable and where the technicalfeasibility, sufficient resources and potential futuremarket or development opportunity in the companycan be demonstrated and where it is intended toproduce, market or use the project if the cost price canbe reliably measured and there is sufficient assurancethat future earnings can cover sales, administration anddevelopment costs.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits, which are measured at cost. Where cost exeeds the recoverable amount, write-down is made to this lower value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Notes to the Financial Statements

22 Accounting Policies (continued)

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$