TopCo FX ApS

Gydevang 4, 1. tv, 3450 Allerød

CVR no. 42304662

Annual report 2023

Approved at the Company's annual general meeting on 22 May 2024

Chair of the meeting:

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Jesper Lund Andersen

Contents

Statement by Management

The Executive Board have today discussed and approved the annual report of TopCo FX ApS for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

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 2022 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

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

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

Allerød, 22 May 2024
Executive Board:

Erik Balleby Jensen Director	Ulrik Nicolai Jungersen Director	Henrik Normann Director

Independent auditor's report

To the shareholders of TopCo FX ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of TopCo FX ApS for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2023 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Moreover, Management is responsible 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 Parent 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 Parent 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.

Independent auditor's report

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.
- 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 Group's and the Parent 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 Group's and the Parent 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 Parent 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.
- 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.

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.

Independent auditor's report

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, 22 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised
Public Accountant
mne33732

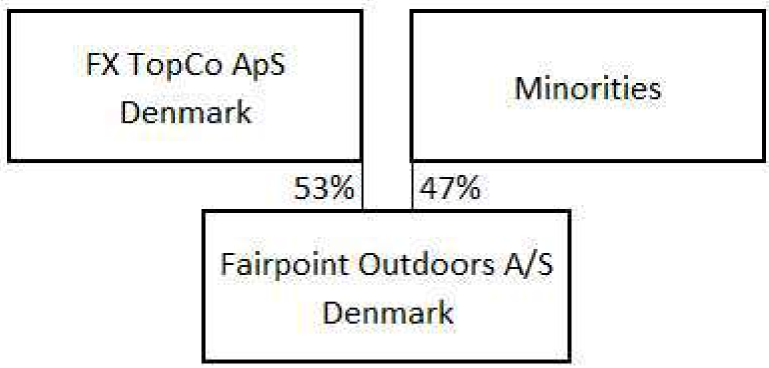
Management's review

Company details

Name	TopCo FX ApS
Address, postal code, city	Gydevang 4, 1., DK-3450 Allerød
CVR no.	42 30 46 62
Established	15 April 2021
Registered office	Allerød
Financial year	1 January – 31 December
Executive Board	Erik Balleby Jensen, Director Ulrik Nicolai Jungersen, Director Henrik Normann, Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Group chart



Financial highlights for the Group

DKK'000	2023	2022
Key figures		
Gross profit/loss	51,705	66,723
Profit/loss before net financials	-13,533	12,715
Net financials	-8,012	-3,812
Profit/loss for the year	-17,095	6,624
Minorities	-5,670	5,173
Profit/loss for the year excl. minorities	-11,425	1,451
Non-current assets	60,152	61,590
Current assets	92,359	128,161
Balance sheet total	152,512	189,750
Investments in property, plant and equipment	5,518	6,341
Equity total	68,533	85,628
Non-current liabilities	13,136	7,699
Current liabilities	70,843	96,423
Cash flows from operating activities	8,861	596
Cash flows from investing activities	-4,423	-3,067
Cash flows from financing activities	-13,531	-1,786
Total cash flows	-9,095	-4,257
Financial ratios		
Equity ratio	44.9%	45.1%
Average number of full-time employees	**56**	**49**

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

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

Management's review

Operating review

Key activities

The Group's principal activities is developing and selling Sport fishings equipment primarily under the two Brands Westin® and Kinetic®.

The parent company only have investment activities.

Development in activities and financial matters

The income statement of the Group for 2023 shows a negative resultat of 17,1 million and at 31 December 2023 the balance sheet of the Group shows an equity of DKK 68,5 million and total assets of DKK 152,5 million. Management considers the financial year's result unsatisfactory and not in line 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 for 2024 are expected to exceed the fiscal year 2023 – with a Profit for the year in the range of DKK 3-6 million. However, we are currently facing uncertainties from the overall economic situation with inflation, a high level of interest rates and its uncertainty about the European economy and our customers' willingness to buy our products.

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 from 2024.

Environment

Fairpoint Outdoors is committed to continuously improving its employees' physical and psychological working environment. We have implemented a whistle-blower hotline to prevent any misconducting behavior. Until now, we have not had any reportings.

Research and development activities

Successful introduction of new products is an essential prerequisite for Group's 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. The Group's 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, that create growth through the positioning of the Group's own brands, the Group exposed to the risk of these brands does not win recognition or demand in the selected markets.

To address this risk, the Group 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.

Consolidated financial statements and parent company financial statements

Income statement

		Group		Parent	
Note	DKK'000	2023	2022	2023	2022
	Gross profit/loss	51,705	66,723	-78	-108
3	Staff costs	-57,101	-48,374	-	-
4	Depreciation and impairment losses	-5,875	-5,634	-	-
	Other operating expenses	-2,262	-	-	-
	Profit/loss before net financials	-13,533	12,715	-78	-108
5	Financial income	47	41	-	-
6	Financial expenses	-8,059	-3,853	1	-6
	Profit/loss before tax	-21,545	8,903	-77	-114
7	Tax for the year	4,450	-2,278	17	25
	Profit/loss for the year	-17,095	6,624	-60	-89
	Breakdown of the consolidated profit/loss:				
	Shareholders in TopCo FX ApS	-11,425	1,451		
	Non-controlling interests	-5,670	5,173		
	Profit/loss for the year	-17,095	6,624		

Consolidated financial statements and parent company financial statements

Balance sheet

		Group		Parent	
Note	DKK'000	2023	2022	2023	2022
	ASSETS				
	Non-current assets				
8	**Intangible assets**				
	Goodwill	18,631	18,842	-	-
	Customer relationship	14,179	16,028	-	-
	Order backlog	0	394	-	-
	Brand	15,715	17,656	-	-
	Development projects in progress	4,508	804	-	-
		53,033	53,725	-	-
9	**Property, plant and equipment**				
	Fixtures and fittings, tools and equipment	2,172	4,417	-	-
	Plant and machinery	950	242	-	-
	Leasehold improvement	2,396	1,682	-	-
		5,518	6,341	-	-
	Other non-current assets				
10	Equity investments in group entities	-	-	48,083	48,083
11	Deposits	1,602	1,524	-	-
		1,602	1,524	48,083	48,083
	Total non-current assets	60,152	61,590	48,083	48,083
	Current assets				
	Other non-current assets				
	Finished goods and goods for resale	64,052	85,365	-	-
	Prepaid goods	2,385	3,789	-	-
		66,437	89,154	-	-
	Trade receivables	23,100	26,987	-	-
	Taxation receivables	-	-	-	1,389
	Joint taxation receivables	-	1,480	-	91
14	Deferred tax assets	-	-	17	-
	Other receivables	251	96	-	-
12	Prepayments	1,222	-	-	-
		24,573	28,563	17	1,480
	Cash	1,349	10,444	578	586
	Total current assets	92,359	128,161	595	2,066
	TOTAL ASSETS	152,512	189,750	48,678	50,149

Consolidated financial statements and parent company financial statements

Balance sheet

Note	DKK'000	Group 2023	Group 2022	Parent 2023	Parent 2022
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	1,000	1,000	1,000	1,000
	Retained earnings	30,337	41,762	47,595	47,656
	TopCo FX ApS' shareholders' share of equity	31,337	42,762	48,595	48,656
	Non-controlling interests	37,196	42,866	-	-
	Total equity	68,533	85,628	48,595	48,656
	Non-Current liabilities				
14	Deferred tax liabilities	3,136	7,699	-	-
	Payables to group entities	10,000	-		
	Total non-current liabilities	13,136	7,699	-	-
	Current liabilities				
	Credit institutions	57,536	70,875	-	-
	Trade payables	5,328	8,395	83	104
	Payables to group entities	-	10,191	-	-
	Joint taxation payables	-	-	-	1,389
	Other payables	7,979	6,962	-	-
	Total current liabilities	70,843	96,423	83	1,493
	Total liabilities	83,979	104,122	83	1,493
	TOTAL EQUITY AND LIABILITIES	152,512	189,750	48,678	50,149

1 Accounting policies
2 Events after the balance sheet date
15 Contractual obligations, contingencies, pledges etc.
16 Related parties

Consolidated financial statements and parent company financial statements

Statement of changes in equity

		Group				
Note	DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2022	1,000	40,311	41,311	34,627	75,938
	Transferred; see distribution of profit/loss	-	1,451	1,451	5,173	6,624
	Non-controlling entities, injection	-	-	-	3,066	3,066
	Equity at 1 January 2023	1,000	41,762	42,762	42,866	85,628
	Transferred; see distribution of profit/loss	-	-11,425	-11,425	-5,670	-17,095
	Equity at 31 December 2023	1,000	30,337	31,337	37,196	68,533

		Parent Company		
Note	DKK'000	Share capital	Retained earnings	Total equity
	Equity at 1 January 2022	1,000	47,745	48,745
17	Transferred; see distribution of profit/loss	0	-89	-89
	Equity at 1 January 2023	1,000	47,656	48,656
17	Transferred; see distribution of profit/loss	-	-60	-60
	Equity at 31 December 2023	1,000	48,595	48,595

Consolidated financial statements and parent company financial statements

Cash flow statement

Note	DKK'000	Group 2023	Group 2022
	Profit/loss before net financials	-13,101	12,715
4	Depreciation and amortisation	5,861	5,634
	Other adjustments of non-cash operating items	-1,162	-152
	Cash generated from operations before changes in working capital	-8,832	18,197
18	Changes in working capital	23,178	-9,655
	Cash generated from operations	14,346	8,542
	Interest received	47	42
	Interest paid	-6,898	-3,702
	Corporation tax paid	1,366	-4,286
	Cash flows from operating activities	8,861	596
8	Acquisition of intangible assets	-4,593	-804
9	Acquisition of property, plant and equipment	-2,530	-2,187
	Acquisition of group entities	0	0
	Disposal of property, plant and equipment	2,777	0
	Change in deposit	-78	-76
	Cash flows from investing activities	-4,423	-3.067
	Loan financing:		
	Change in credit facilities	-13,531	-4,852
	Non-controlling entities:		
	Non-controlling entities injection	0	3,066
	Cash flows from financing activities	13,531	-1,786
	Cash flows for the year	-9,095	-4,257
	Cash and cash equivalents, beginning of year	10,444	14,701
19	**Cash and cash equivalents, year end**	1,349	10,444

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies

The annual report of TopCo FX ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

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

Presentation currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company TopCo FX ApS and group entities controlled by TopCo FX ApS.

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in participating interests are recognised in the consolidated financial statements using the equity method.

Consolidated financial statements and parent company financial statements

Notes

1 **Accounting policies (continued)**

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinuing operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from the divestment of group entities that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested group entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates, participating interests or securities and equity investments.

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.

Consolidated financial statements and parent company financial statements

Notes

1 **Accounting policies (continued)**

On translation of foreign group entities that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Gross profit/loss

Gross profit/loss includes revenue, cost of goods sold, other operating income, and other external expenses.

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.

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.

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 Parent 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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

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.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. Additional minor acquisitions is amortized over 7 years.

The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Customer relationship, Order backlog and Brands

Customer relationship, Order backlog and Brands are measured at cost less accumulated amortisation and impairment losses. Customer relationship, Order backlog and Brands are amortised on a straight-line basis over expected repayment horizon.

Amortisation periods are as follows:

Customer relationship	10 years
Order backlog	2 years
Brand	10-15 years

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

Development projects

Development costs comprise expenses, salaries and amortisation directly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost on initial recognition and subsequently at cost less accumulated amortisation and impairment losses.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 7 years.

Gains and losses on the disposal of development projects, patents and licences are determined 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.

Tangible assets

Property, plant and equipment

Plant and machinery , Fixtures and fittings, tools and equipment and Leasehold improvement are measured at cost less accumulated depreciation and impairment losses.

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, which 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 are recognised in the income statement as other operating income or other operating expenses, respectively. 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.

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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Equity investments in group entities the parent company financial statements

Equity investments in group entities are measured at cost in the parent company. Cost includes the consideration measured at fair value plus direct acquisition costs. Where cost exceeds the recoverable amount, write-down is made to this lower value. An impairment test is prepared if the dividends received exceed the proportionate share of the profit/loss for the year or if the carrying amount of the equity investments exceeds the proportionate share of the net assets in the underlying entity.

Impairment of non-current assets

The carrying amount of intangible assets, 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 amortisation/depreciation made.

An impairment test is conducted on individual assets when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

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 and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

Proposed 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.

Consolidated financial statements and parent company financial statements

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1 Accounting policies (continued)

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. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. 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.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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

Liabilities are measured at net realisable value.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

Consolidated financial statements and parent company financial statements

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2 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.

		Group		Parent	
	DKK'000	2023	2022	2023	2022
3	**Staff costs**				
	Wages and salaries	53,766	44,799	-	-
	Pensions	4,032	3,159	-	-
	Other social security costs	463	416	-	-
	Capitalized costs	-1,160	0		
		57,101	48,374	-	-
	Average number of full-time employees	56	49	-	-

Remuneration to Executive Board and Board of Directors amount to DKK 3,360 thousand in 2023 (2022: DKK 2,984 thousand).

Key-employees (not Executive Board and Board of Directors) have in 2022 received warrants, which give them the possibility to exercise 466 shares of nominal DKK 1 to an ongoing hurdle-rate value - the program is fully vested 3 years after allocation. As the warrants are currently considered to be out of money, the value seems to be zero, hence no recognition has been made in 2023.

		Group 2023	Group 2022	Parent 2023	Parent 2022
4	**Amortisation and depreciation**				
	Intangible assets	4,852	4,959	-	-
	Property, plant and equipment	1,065	675	-	-
		5,917	5,634	-	-
5	**Financial income**				
	Other financial income	47	41	-	-
		47	41	-	-
6	**Financial expenses**				
	Interest expenses, group entities	621	191	-	-
	Interest expenses etc.	6,277	3,509	-	6
	Currency, net	1,161	153	-	-
		8,059	3,853	-	6
7	**Tax for the year**				
	Current tax for the year	-	1,426	17	25
	Corporate tax adjustment prior year	-113	-	-	-
	Deferred tax adjustment for the year	4,563	845	-	-
		4,450	2,278	17	25

Consolidated financial statements and parent company financial statements

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8 Intangible assets

	Group					
DKK'000	Goodwill	Customer relationship	Order backlog	Brands	Development projects in progress	Total
Cost at 1 January 2023	20,189	18,493	1,183	19,668	804	60,337
Additions	835	-	-	-	3,759	4,593
Disposals	-	-	-	-432	-	-432
Cost at 31 December 2023	21,024	18,493	1,183	19,668	4,563	64,498
Amortisation and impairment losses at 1 January 2023	1,347	2,465	789	2,012	0	6.611
Depreciation and amortisation	1,045	1,849	394	1,509	56	4,853
Amortisation and impairment losses at 31 December 2023	2,392	14,179	1,183	3,521	56	11,466
Carrying amount at 31 December 2023	18,631	14,179	0	16,147	4,508	53,033
Amortised over	7-20 years	10 years	2 years	10-15 years	7 years	

Fairpoint Outdoors A/S

The Company's investment in the group entity is considered to be strategically important to the Group. Taking into consideration the Group's expected plans to increase the level of activity and earnings, the economic life of goodwill for the acquisition of Fairpoint Outdoors A/S has been set at 20 years. The carrying amount at 31 December 2023 amounts to DKK 17,833 thousand.

9 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Plant and machinery	Leasehold improvement	Total
Cost at 1 January 2023	7,301	3,594	2,088	12,983
Additions	873	1,024	1,121	3,018
Disposals	-4,906	-2,586	-	-7,493
Cost at 31 December 2023	3,266	2,032	3,209	8,507
Amortisation and impairment losses at 1 January 2023	2,884	3,352	405	6,641
Depreciation and amortisation	341	316	408	1,065
Disposals	-2,131	-2,586	-	-4,717
Amortisation and impairment losses at 31 December 2023	1,094	1,082	813	2,989
Carrying amount at 31 December 2023	2,172	950	2,396	5,518
Amortised over	20 years	5 years	5 years	

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DKK'000	Parent 2023
10 Equity investments in group entities	
Cost at 1 January 2023	48,083
Cost at 31 December 2023	48,083
Value adjustments at 1 January 2023	
Value adjustments	0
Value adjustments at 31 December 2023	0
Carrying amount at 31 December 2023	48,083

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Fairpoint Outdoors A/S, Allerød, Denmark	54%	-12,762	26,868

The entity is an independent entity.

11 Deposits

DKK'000	Group 2023
Cost at 1 January 2023	1,524
Additions	78
Cost at 31 December 2023	1,602
Carrying amount at 31 December 2023	1,602

	Group		Parent	
DKK'000	2023	2022	2023	2022
12 Prepayments				
Prepayments leasing	280	-	-	-
Prepayments IT	528	-	-	-
Other prepaid expenses	414	17	-	17
	1,222	17	-	17

13 Share capital

The share capital comprises 990,000 class A shares of DKK 1 each and 10,000 class B shares of DKK 1 each.

Every class A share carries 1 voting right(s), and every class B share carries 1 voting right(s).

Consolidated financial statements and parent company financial statements

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DKK'000	Group 2023	Group 2022	Parent 2023	Parent 2022
14 Deferred tax				
Deferred tax at 1 January	-7,699	-8,544	-	-
Deferred tax adjustment for the year	4,563	845	-	-
	-3,136	-7,699	0	0
Intangible assets	-3,029	-7,497	-	-
Property, plant and equipment etc.	-107	-202	-	-
	-3,231	-7,699	0	0
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	-3,231	-7,699	-	-
	-3,231	-7,699	0	0

15 Contractual obligations, contingencies, pledges etc.

Contingent liabilities

The Parent Company is jointly taxed with its Danish group entity. As administration company, the Company has unlimited joint and several liability, together with the group entity, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

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

Operating lease commitments

DKK'000	Within 1 year	1-5 year	After 5 years
Operating lease commitments	5,570	4,682	0

The Company's entities have entered into operating leases with an average annual lease payment of DKK 5,274 thousand and a remaining term of 48 months. The remaining nominal lease commitment totals DKK 10,252 thousand.

Pledges

The subsidiary 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.

Consolidated financial statements and parent company financial statements

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16 Related parties

TopCo FX ApS' related parties comprise the following:

Control
Capidea Kapital III K/S holds the majorities of the shares.
Store Kongensgade 118, 1. th
1264 København K
Denmark

Related party transactions

The Group has carried out the following related party transactions:

DKK'000	2023	2022
Interest expenses, group entities	621	191
Joint taxation receivables	0	1,480
Payables to group entities, short term	10,000	10,191

TopCo FX ApS parent company have not carried out related party transactions during the year.

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

	Parent Company	
DKK'000	2023	2022
17 Distribution of profit/loss		
Proposed distribution of profit/loss		
Transferred to equity reserves	-60	-89
	-60	-89

	Group	Group
DKK'000	2023	2022
18 Changes in working capital		
Changes in inventories	22,717	-8,690
Changes in receivables	-2,510	-1,038
Changes in trade and other payables	2,049	73
	23,178	9,655
19 Cash and cash equivalents		
Cash and cash equivalents	1,349	10,444

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"By my signature I confirm all dates and content in this document."

Erik Balleby Jensen
Director
On behalf of: Topco FX ApS
Serial number: 764ed0d8-a849-4cdc-8c26-db72bc892506
IP: 152.115.xxx.xxx
2024-05-22 13:44:55 UTC

Ulrik Nicolai Jungersen
Director
On behalf of: Topco FX ApS
Serial number: f79441dd-ea21-4aa2-b0a5-30ba6ff341c7
IP: 104.28.xxx.xxx
2024-05-22 18:03:13 UTC

Henrik Normann
Director
On behalf of: Topco FX ApS
Serial number: 869b502d-2238-404e-8a9d-2f15662871cd
IP: 93.164.xxx.xxx
2024-05-22 22:32:22 UTC

Ole Rønne Becker
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 2328beb7-95fe-46e8-8818-c7830f98cad1
IP: 165.225.xxx.xxx
2024-05-23 04:22:34 UTC

Jesper Lund Andersen
Chairman
On behalf of: Topco FX ApS
Serial number: 19ecaf58-5a69-40f2-af80-1e9a1921a3c1
IP: 87.116.xxx.xxx
2024-05-23 04:36:10 UTC