

TopCo FX ApS

Gydevang 4, 1. tv, 3450 Allerød

CVR no. 42304662

Annual report 2021

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

Chair of the meeting:

DocuSigned by:
Jesper Lund Andersen
283A07D6882D4D
Jesper Lund Andersen



Contents

Statement by Management	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Cash flow statement	13
Notes	14

Statement by Management

The Executive Board have today discussed and approved the annual report of TopCo FX ApS for the financial year 15 April - 31 December 2021.


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 2021 and of the results of their operations and consolidated cash flows for the financial year 15 April - 31 December 2021.


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, 11 May 2022
Executive Board:

DocuSigned by:

57488DE19288448
Erik Balleby Jensen
Director

DocuSigned by:

73740EA00FD349A
Jens Thøger Hansen
Director

DocuSigned by:

2E0A4B5472B9409
Anders Kiern Grønberg
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 15 April – 31 December 2021, 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 2021 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 15 April – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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, 11 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Ole Becker
State Authorised
Public Accountant
mne33732

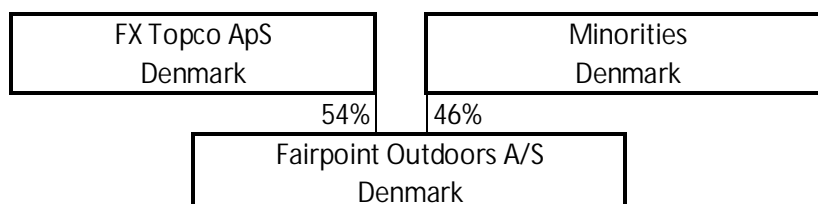
Management's review

Company details

Name	TopCo FX ApS
Address, postal code, city	Gydevang 4, 1., DK-3450 Allerød
CVR no.	42304662
Established	15 April 2021
Registered office	Allerød
Financial year	15 April - 31 December
Executive Board	Erik Balleby Jensen, Director Jens Thøger Hansen, Director Anders Kiehn Grønberg, 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

	2021 31 August - 31 December 2021
DKK'000	
Key figures	
Gross profit/loss	6,912
Profit/loss before net financials	-13,458
Net financials	-1,529
Profit/loss for the year	-12,142
Minorities	4,473
Profit/loss for the year excl. minorities	-7,669
Non-current assets	64,445
Current assets	121,239
Balance sheet total	185,684
Investments in property, plant and equipment	1,246
Equity total	75,938
Non-current liabilities	8,544
Current liabilities	101,202
Cash flows from operating activities	-11,890
Cash flows from investing activities	-42,842
Cash flows from financing activities	69,333
Total cash flows	14,601
Financial ratios	
Equity ratio	40.9%
Average number of full-time employees	44

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

Equity ratio $\text{Equity, year-end} \times 100 / \text{Total equity and liabilities, year-end}$

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

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

The income statement of the Group for the period 31 August - 31 December 2021 shows a loss of 12.1 million and at 31 December 2021 the balance sheet of the Group shows an equity of DKK 75.9 million and total assets of DKK 185.7 milplion.

Uncertainty relating to recognition and measurement

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

Outlook

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

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

Financial risks

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

Environment

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

Research and development activities

Successful introduction of new products is an essential prerequisite for 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

		<u>Group</u>	<u>Parent</u>
		2021	2021
		(31 August -	(25 April -31
		31	December
Note	DKK'000	December	December
		2021)	2021)
	Gross profit/loss	6,912	-294
2	Staff costs	-16,310	-
3	Depreciation and impairment losses	-1,820	-
4	Other operating expenses	-2,240	-
	Profit/loss before net financials	-13,458	-294
5	Financial income	1	-
6	Financial expenses	-1,530	-7
	Profit/loss before tax	-14,987	-301
7	Tax for the year	2,845	66
	Profit/loss for the year	<u>-12,142</u>	<u>-235</u>
	Breakdown of the consolidated profit/loss:		
	Shareholders in TopCo FX ApS	-7,669	
	Non-controlling interests	-4,473	
	Profit/loss for the year	<u>-12,142</u>	

Consolidated financial statements and parent company financial statements

Balance sheet

		Group	Parent
Note	DKK'000	2021	2021
	ASSETS		
	Non-current assets		
8	Intangible assets		
	Goodwill	19,852	-
	Customer relationship	17,877	-
	Order backlog	986	-
	Brand	19,165	-
		<u>57,880</u>	<u>-</u>
9	Property, plant and equipment		
	Plant and machinery	4,243	-
	Other fixtures and fittings, tools and equipment	176	-
	Leasehold improvement	699	-
		<u>5,118</u>	<u>-</u>
	Other non-current assets		
10	Equity investments in group entities	-	48,083
11	Deposits	1,447	-
		<u>1,447</u>	<u>48,083</u>
	Total non-current assets	<u>64,445</u>	<u>48,083</u>
	Current assets		
	Other non-current assets		
	Finished goods and goods for resale	49,246	-
	Prepaid goods	30,929	-
		<u>80,175</u>	<u>-</u>
	Trade receivables	25,923	-
	Joint taxation receivables	318	66
	Other receivables	105	-
12	Prepayments	17	-
		<u>26,363</u>	<u>66</u>
	Cash	14,701	890
	Total current assets	<u>121,239</u>	<u>956</u>
	TOTAL ASSETS	<u>185,684</u>	<u>49,039</u>

Consolidated financial statements and parent company financial statements

Balance sheet

		<u>Group</u>	<u>Parent</u>
Note	DKK'000	2021	2021
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	1,000	1,000
	Retained earnings	40,311	47,745
	TopCo FX ApS' shareholders' share of equity	41,311	48,745
	Non-controlling interests	34,627	0
	Total equity	<u>75,938</u>	<u>48,745</u>
	Non-Current liabilities		
14	Deferred tax liabilities	8,544	-
	Total non-current liabilities	<u>8,544</u>	<u>-</u>
	Current liabilities		
	Credit institutions	85,628	-
	Trade payables	7,843	294
	Payables to group entities	290	-
	Other payables	7,441	-
	Total current liabilities	<u>101,202</u>	<u>294</u>
	Total liabilities	<u>109,746</u>	<u>294</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>185,684</u></u>	<u><u>49,039</u></u>
1	Accounting policies		
15	Contractual obligations, contingencies, pledges etc.		
16	Related parties		

Consolidated financial statements and parent company financial statements

Statement of changes in equity

Note	DKK'000	Group				Total equity
		Share capital	Retained earnings	Total	Non-controlling interests	
	Equity at 31 August 2021	1,000	47,980	48,980	39,100	88,080
	Transferred; see distribution of profit/loss	-	-7,669	-7,669	-4,473	-12,142
	Equity at 31 December 2021	1,000	40,311	41,311	34,627	75,938

Note	DKK'000	Parent Company			Total equity
		Share capital	Retained earnings	Proposed dividend	
	Equity at 15 April 2021	100	0	0	100
	Capital increase 31 August 2021	900	47,980	0	48,880
17	Transferred; see distribution of profit/loss	0	-235	0	-235
	Equity at 31 December 2021	1,000	47,745	0	48,745

Consolidated financial statements and parent company financial statements

Cash flow statement

		Group
		2021
		(31 August -
		31
		December
		2021)
Note	DKK'000	
	Profit/loss before net financials	-13,458
3	Depreciation and amortisation	1,820
	Other adjustments of non-cash operating items	-529
	Cash generated from operations before changes in working capital	-12,167
18	Changes in working capital	1,220
	Cash generated from operations	-10,947
	Interest received	1
	Interest paid	-944
	Corporation tax paid	0
	Cash flows from operating activities	-11,890
9	Acquisition of property, plant and equipment	-1,351
20	Acquisition of group entities	-40,981
	Disposal of property, plant and equipment	48
	Change in deposit	-558
	Cash flows from investing activities	-42,842
	Loan financing:	
	Proceeds from from new loans	69,828
	Proceeds from capital increases	48,880
	Repayment	-49,375
	Shareholders:	
	Distributed dividend	0
	Cash flows from financing activities	69,333
	Cash flows for the year	14,601
	Cash and cash equivalents, beginning of year	100
19	Cash and cash equivalents, year end	14,701

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 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

This is the first financial period.

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

Revenue

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

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

Revenue from the sale of goods

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

Other operating income and expenses

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

Other external expenses

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

Staff costs

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

Financial income and expenses

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

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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.

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.

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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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.

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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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.

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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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

Notes

	Group	Parent
	2021 (31 August – 31 December 2021)	2021 (25 April –31 December 2021)
DKK'000		
2 Staff costs		
Wages and salaries	15,095	-
Pensions	1,015	-
Other social security costs	201	-
	<u>16,311</u>	<u>-</u>
Remuneration of the Executive Board	<u>0</u>	<u>0</u>
Average number of full-time employees (full year for Fairpoint Outdoors A/S)	<u>44</u>	<u>0</u>
3 Amortisation, depreciation and impairment losses		
Intangible assets	-1,653	-
Property, plant and equipment	-167	-
	<u>-1,820</u>	<u>-</u>
4 Other operating expenses		
Acquisition costs	-2,183	-
Other operating expenses	-57	-
	<u>-2,240</u>	<u>-</u>
Acquisition costs relates to acquisition of Fairpoint Outdoors A/S.		
5 Financial income		
Other financial income	1	-
	<u>1</u>	<u>-</u>
6 Financial expenses		
Interest expenses etc.	-944	-7
Currency, net	-587	0
	<u>-1,531</u>	<u>-7</u>
7 Tax for the year		
Current tax for the year	2,700	66
Deferred tax adjustment for the year	153	0
Adjustment prior year	-8	0
	<u>2,845</u>	<u>66</u>

Consolidated financial statements and parent company financial statements

Notes

8 Intangible assets

DKK'000	Group				Total
	Goodwill	Customer relationship	Order backlog	Brands	
Cost at 31 August 2021	0	0	0	0	0
Additions on acquisition of group entities	20,189	18,393	1,183	19,668	59,533
Cost at 31 December 2021	20,189	18,393	1,183	19,668	59,533
Amortisation and impairment losses at 31 August 2021	0	0	0	0	0
Impairment losses	0	0	0	0	0
Depreciation and amortisation	337	616	197	503	1,653
Amortisation and impairment losses at 31 December 2021	337	616	197	503	1,653
Carrying amount at 31 December 2021	19,852	17,877	986	19,165	57,768
Amortised over	20 years	10 years	2 years	10-15 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 has been set at 20 years.

9 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvement	Total
	Cost at 31 August 2021	0	0	0
Additions	579	180	592	1,351
Additions on acquisition of group entities	3,801	78	160	4,039
Disposals	-62	-43	0	-104
Cost at 31 December 2021	4,318	215	752	5,285
Amortisation and impairment losses at 31 August 2021	0	0	0	0
Depreciation and amortisation	75	39	53	167
Depreciation, assets sold	0	0	0	0
Amortisation and impairment losses at 31 December 2021	75	39	53	167
Carrying amount at 31 December 2021	4,243	176	699	5,118
Amortised over	20 years	5 years	5 years	

Consolidated financial statements and parent company financial statements

Notes

	Parent
	2021
DKK'000	
10 Equity investments in group entities	
Cost at 15 April 2021	0
Additions	48,083
Cost at 31 December 2021	48,083
Value adjustments at 15 April 2021	
Value adjustments	0
Value adjustments at 31 December 2021	0
Carrying amount at 31 December 2021	48,083

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Fairpoint Outdoors A/S, Allerød, Denmark	54%	15,620	25,762
The entity is an independent entity.			

	Group
	2021
DKK'000	
11 Deposits	
Cost at 31 August 2021	0
Additions on acquisition of group entities	836
Additions	611
Cost at 31 December 2021	1,447
Carrying amount at 31 December 2021	1,447

	Group	Parent
	2021 (31 August - 31 December 2021)	2021 (25 April -31 December 2021)
DKK'000		
12 Prepayments		
Other prepaid expenses	17	-
	17	0

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

Notes

	<u>Group</u>	<u>Parent</u>
DKK'000	2021	2021
14 Deferred tax		
Deferred tax at 31 August / 25 April		-
Additions on acquisition of group entities	-8,697	-
Deferred tax adjustment for the year	<u>153</u>	-
	<u>-8,544</u>	<u>0</u>
Intangible assets	-8,366	
Property, plant and equipment etc.	<u>-178</u>	-
	<u>-8,544</u>	<u>0</u>
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	0	-
Deferred tax liabilities	<u>-8,544</u>	-
	<u>-8,544</u>	<u>0</u>

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

Operating lease commitments

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

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

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

Notes

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

No transactions were carried out with the majority shareholder during the year.

A minority shareholder has invoiced management fee of DKK 928 thousand for the 4 months period and there is an outstanding amount at 31 December 2021 of DKK 290 thousand.

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

	Parent Company
	<u>2021</u>
DKK'000	
17 Distribution of profit/loss	
Proposed distribution of profit/loss	
Transferred to equity reserves	-235
	<u>-235</u>
	Group
	<u>2021</u>
DKK'000	
18 Changes in working capital	
Changes in inventories	-17,847
Changes in receivables	17,096
Changes in trade and other payables	1,971
	<u>1,220</u>
19 Cash and cash equivalents	
Cash and cash equivalents	<u>14,701</u>

20 Acquisition of group entities

TopCo FX ApS acquired cash 54% of Fairpoint Outdoors A/S at 31 August 2021.