

Svendsten Sport A/S

Drejergangen 3A, 2690 Karlslunde

Company reg. no. 16 99 75 79

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the annual general meeting on the 3 July 2025.

David James Styles
Chairman of the meeting

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Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Svendsen Sport A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Karlslunde, 3 July 2025

Executive board

Rikard Bo Markus Björk
CEO

Board of Directors

David James Styles
Chairman

Rikard Bo Markus Björk

Jan Carolus J. Mertens

Independent auditor's report

To the Shareholder of Svendsen Sport A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svendsen Sport A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, 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 in Management's Review.

Independent auditor's report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 3 July 2025

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Company reg. no. 33 77 12 31

Søren Alexander
State Authorised Public Accountant
mne42824

Frederik Tvedeskov Jantzen
State Authorised Public Accountant
mne47815

Company information

The company

Svensden Sport A/S
Drejergangen 3A
2690 Karlslunde

Company reg. no. 16 99 75 79
Financial year: 1 January - 31 December

Board of Directors

David James Styles, Chairman
Rikard Bo Markus Björk
Jan Carolus J. Mertens

Executive Board

Rikard Bo Markus Björk, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Danmark

Financial highlights

DKK in thousands.	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Income statement:					
Revenue	385.694	361.560	511.987	641.101	463.066
Gross profit	47.525	50.592	122.526	215.980	147.168
Profit from operating activities	65	-25.815	16.887	116.266	45.214
Net financials	-392	-6.910	39.357	-4.890	-14.097
Net profit or loss for the year	-18.673	-25.596	56.875	86.315	24.193
Statement of financial position:					
Balance sheet total	315.583	413.731	575.816	526.881	337.380
Investments in property, plant and equipment	1.633	1.035	4.886	4.723	9.614
Equity	159.287	177.961	203.556	150.451	73.173
Employees:					
Average number of full-time employees	101	118	165	175	176
Key figures in %:					
Gross margin ratio	12,3	14,0	23,9	33,7	31,8
Profit margin (EBIT-margin)	0,0	-7,1	3,3	18,1	9,8
Solvency ratio	50,5	43,0	35,4	28,6	21,7
Return on equity	-11,1	-13,4	32,1	77,2	28,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

Primary activities

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

The company's products are sold through an extensive network of retailers throughout Europe. The company also sells products in the UK and North America, primarily via related companies within the Pure Fishing Inc. group of companies.

The company develops products inhouse but also benefits from product development activities lead by Pure Fishing Inc. Sourcing, sales and marketing similarly benefit from the resources of the Pure Fishing group of companies within Europe.

Products are manufactured by third party suppliers, mainly from the Far East.

In terms of corporate social responsibilities, there are limited risks. The most material risk relates to the long transportation distances and the corresponding CO2 impact.

Development in activities and finances

During 2024, the company had some success in increasing brand awareness in the marketplace. New product development combined with refreshed marketing supported efforts to take a more competitive position. The retail network has expanded combined with improved consumer interest in the company's products. In addition to on-going product development, the company has worked more closely with its suppliers to ensure increased supply going forward. Further developments with new products launched in late 2025 are expected to further strengthen the company's competitive position for 2026 and beyond.

Development in the number of employees

The Company had 101 employees on average in the financial year, compared to 118 in 2023. The Pure Fishing Group, including Svendsen Sport A/S, continues to recruit employees to sustain the commercial strength of the business and support the route to market through sales activities.

Profit/loss for the year in relation to expected development

The income statement of the Company for 2024 shows a loss of TDKK 18.673, and on 31 December 2024 the balance sheet of the Company shows an equity of TDKK 159.287.

The Company's revenue for the year amounted to DKK 385,7 million, compared to last year when revenue amounted to DKK 361,6 million.

Economic conditions in the key markets continue to be challenging and highly competitive. These have been the main factors causing further declines in retail sales and a consequent reduction in turnover compared to last year.

Loss before tax amounted to DKK 0,3 million.

Management's review

The net result reflects a substantial recovery in performance for the company. Cost reductions and operating efficiencies have been achieved which place the company in a good position for an expected return to profitability. The business has the right level of resources for current activities, including future product development. Collaborating with functions within the wider Pure Fishing group has allowed for further substantial efficiencies during 2025 which will enhance the company's competitiveness and resilience to anticipated challenges.

Uncertainty relating to recognition and measurement.

Recognition and measurement in the Annual Report have not been subject to any uncertainty. However, some measurements are based on judgements or assumptions as certain items in financial statements by their nature cannot be measured with precision.

Unusual circumstances affecting recognition and measurement

The financial position on 31 December 2024 of the Company and the results of the activities and cash flows for the financial year for 2024 have not been affected by any unusual events. Following the Russian invasion of Ukraine in March 2022, the Company has ceased its business with Russia. The open sales orders to Russian customers have been cancelled. At the same time the Company has accrued for potential bad debt from customers in Russia, customers in countries where the currency is linked to the Russian Rubel, and Ukraine. This event has not materially changed the sales for 2024.

Outlook

The Pure Fishing Group, including Svendsen Sport A/S continuously develops existing and new products. This product-led strategy is unchanged with a strong focus on consumer interest. It is allied with active marketing to emphasize the distinct character of the company's brands. The forecast sales for 2025 are expected to be 365 million DKK with a net profit of 9 million DKK. However, due to inherent uncertainty in future years' earnings specifically regarding brought forward tax losses, the company has not recognised a deferred tax asset.

Use of financial instruments

Foreign exchange risks

The Company has high international activity and is therefore exposed and vulnerable to exchange rate fluctuations primarily in US dollars vs. DKK. The company does not hedge any currency exposures. As the products are sold on different European markets, the Company is also to a minor extent exposed to fluctuations in other European currencies vs. DKK. The main part of the transactions in foreign currencies is denominated in EUR, which is not hedged due to Denmark's fixed exchange rate policy vis-à-vis the Euro. Transactions in other currencies are in accordance with the Company's policies as per the above.

Interest rate risks

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

Management's review

Credit risks

The Company's customers comprise a wide range of retailers in Europe and the US. The maximum credit risk that may occur for trade receivables and other receivables corresponds to the value at which they are recognized in the balance sheet. No single receivable constitutes a significant part.

Risks connected to capital structure

The Company has a solid balance sheet with an equity ratio above 53,1 % and a liquidity ratio above 1. The Company is only to a minor extent dependent on support from the mother company. Therefore, the Management does not see any special risks connected to the capital structure.

Research and development activities

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

Events after the balance sheet date

No events that will have a material impact on the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
1 Revenue	385.694	361.560
Other operating income	107	836
Costs of raw materials and consumables	-242.205	-232.555
Other external expenses	-96.071	-79.249
Gross profit	47.525	50.592
3 Staff costs	-43.680	-64.495
Depreciation, amortisation, and impairment	-3.497	-11.912
Other operating expenses	-283	0
Operating profit	65	-25.815
3 Other financial income	19.836	9.681
4 Other financial expenses	-20.228	-16.591
Pre-tax net profit or loss	-327	-32.725
5 Tax on net profit or loss for the year	-18.346	7.129
6 Net profit or loss for the year	-18.673	-25.596

Balance sheet at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
9	Goodwill	2.173	2.173
	Total intangible assets	2.173	2.173
10	Other fixtures, fittings, tools and equipment	5.396	7.260
	Total property, plant, and equipment	5.396	7.260
12	Other receivables	2.893	393
	Total financial assets	2.893	393
	Total non-current assets	10.462	9.826
Current assets			
	Manufactured goods and goods for resale	162.020	219.366
	Total inventories	162.020	219.366
	Trade receivables	109.588	84.813
	Receivables from group enterprises	14.974	77.771
13	Deferred tax assets	0	15.136
	Income tax receivables	3.024	3.024
	Other receivables	126	927
14	Prepayments	1.014	683
	Total receivables	128.726	182.354
	Cash and cash equivalents	14.375	2.185
	Total current assets	305.121	403.905
	Total assets	315.583	413.731

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
15	Contributed capital	1.000	1.000
	Retained earnings	158.287	176.961
	Total equity	159.287	177.961
 Liabilities other than provisions			
	Bank loans	0	142.895
	Trade payables	63.773	37.025
	Payables to group enterprises	67.297	20.566
	Other payables	24.331	33.869
16	Deferred income	895	1.415
	Total short term liabilities other than provisions	156.296	235.770
	Total liabilities other than provisions	156.296	235.770
	Total equity and liabilities	315.583	413.731
 17 Charges and security			
18 Contingencies			
19 Related parties			

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2024	1.000	176.960	177.960
Retained earnings for the year	<u>0</u>	<u>-18.673</u>	<u>-18.673</u>
	<u>1.000</u>	<u>158.287</u>	<u>159.287</u>

Notes

DKK thousand.

	<u>2024</u>	<u>2023</u>
1. Revenue		
Domestic	16.489	13.739
EU excl. domestic	314.423	296.066
Rest of the world	<u>54.782</u>	<u>51.755</u>
	<u>385.694</u>	<u>361.560</u>

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

2. Staff costs		
Salaries and wages	37.541	57.296
Pension costs	744	910
Other costs for social security	<u>5.395</u>	<u>6.289</u>
	<u>43.680</u>	<u>64.495</u>
Executive board and board of directors	<u>0</u>	<u>189</u>
Average number of employees	<u>101</u>	<u>118</u>

Pursuant to section 98 B(3)(ii) of the Danish Financial Statements Act, the remuneration of the Executive Board for 2024 has not been disclosed.

Notes

DKK thousand.

	<u>2024</u>	<u>2023</u>
3. Other financial income		
Exchange differences	6.554	4.574
Financial income from group enterprises	13.282	5.046
Other financial income	<u>0</u>	<u>61</u>
	<u>19.836</u>	<u>9.681</u>
4. Other financial expenses		
Interest, banks	8.543	12.287
Interest, group enterprises	9.200	99
Other financial expenses	547	1.694
Exchange differences	<u>1.938</u>	<u>2.511</u>
	<u>20.228</u>	<u>16.591</u>
5. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	3.210	2.056
Adjustment of deferred tax for the year	<u>15.136</u>	<u>-9.185</u>
	<u>18.346</u>	<u>-7.129</u>
6. Proposed distribution of net profit		
Allocated from retained earnings	<u>-18.673</u>	<u>-25.596</u>
Total allocations and transfers	<u>-18.673</u>	<u>-25.596</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
7. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2024	23.141	23.141
Cost 31 December 2024	23.141	23.141
Amortisation and write-down 1 January 2024	-23.141	-19.398
Amortisation and depreciation for the year	0	-3.743
Amortisation and write-down 31 December 2024	-23.141	-23.141
Carrying amount, 31 December 2024	0	0
8. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2024	5.227	5.227
Cost 31 December 2024	5.227	5.227
Amortisation and write-down 1 January 2024	-5.227	-4.738
Amortisation and depreciation for the year	0	-489
Amortisation and write-down 31 December 2024	-5.227	-5.227
Carrying amount, 31 December 2024	0	0
9. Goodwill		
Cost 1 January 2024	13.394	13.394
Cost 31 December 2024	13.394	13.394
Amortisation and write-down 1 January 2024	-11.221	-8.833
Amortisation and depreciation for the year	0	-2.388
Amortisation and write-down 31 December 2024	-11.221	-11.221
Carrying amount, 31 December 2024	2.173	2.173

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
10. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	46.387	45.352
Additions during the year	1.633	1.035
Disposals during the year	-3.827	0
Cost 31 December 2024	<u>44.193</u>	<u>46.387</u>
Depreciation and write-down 1 January 2024	-39.127	-35.013
Depreciation and write-down for the year	-3.497	-4.114
Reversal of depreciation, amortisation and impairment loss, assets disposed of	3.827	0
Depreciation and write-down 31 December 2024	<u>-38.797</u>	<u>-39.127</u>
Carrying amount, 31 December 2024	<u>5.396</u>	<u>7.260</u>
11. Leasehold improvements		
Cost 1 January 2024	3.412	3.412
Cost 31 December 2024	<u>3.412</u>	<u>3.412</u>
Depreciation and write-down 1 January 2024	-3.412	-2.236
Depreciation and write-down for the year	0	-1.176
Depreciation and write-down 31 December 2024	<u>-3.412</u>	<u>-3.412</u>
Carrying amount, 31 December 2024	<u>0</u>	<u>0</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
12. Other receivables		
Cost 1 January 2024	393	514
Additions during the year	2.500	0
Disposals during the year	<u>0</u>	<u>-121</u>
Cost 31 December 2024	<u>2.893</u>	<u>393</u>
Carrying amount, 31 December 2024	<u>2.893</u>	<u>393</u>
Which is specified as follows:		
Deposits	<u>2.893</u>	<u>393</u>
	<u>2.893</u>	<u>393</u>
13. Deferred tax assets		
Deferred tax assets 1 January 2024	15.136	5.951
Deferred tax of the net profit or loss for the year	<u>-15.136</u>	<u>9.185</u>
	<u>0</u>	<u>15.136</u>
The following items are subject to deferred tax:		
Intangible assets	0	-213
Property, plant, and equipment	0	1.594
Impairment on inventories	0	7.336
Impairment on trade receivables	0	6.376
Losses carried forward from previous years	<u>0</u>	<u>43</u>
	<u>0</u>	<u>15.136</u>

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

14. Prepayments

Prepayments cover prepaid cost regarding rent and insurance.

Notes

DKK thousand.

		<u>31/12 2024</u>	<u>31/12 2023</u>
15. Contributed capital			
	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	2	500	1,000
16. Deferred income			
Deferred income		<u>895</u>	<u>1.415</u>
		895	1.415

Deferred income consists of payments received in respect of income in subsequent years.

17. Charges and security

As security for the Group's credit facilities with Arbejdernes Landsbank as of 31 December 2024, a floating company charge ("virksomhedspant") of up to nominal DKK 120.000 thousand has been put up. The floating charge covers the Group's assets in general including inventories, trade receivables, tangible assets and intangible assets.

Svendsten Sport A/S have issued the following warranties:

- AIFM PL II, Warszawa: DKK 1.155 thousand

Notes

DKK thousand.

18. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities < 1 year	1.213
Lease liabilities 1 - 5 years	19.324
Lease liabilities > 5 years	1.888
Total contingent liabilities	22.425

Joint taxation

With OTG-CANI Denmark A/S, company reg. no 16703079 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

19. Related parties

Controlling interest

MIE4 7 Datter ApS owns all shares in the Entity, thus exercising control.

Transactions

Pursuant to section 98 C (6) of the Danish Financial Statements Act, only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Consolidated financial statements

The company is included in the consolidated financial statements of SP PF Cayman Holdings I LP, 7 Science Court, Columbia, SC 29203, USA.

Accounting policies

The annual report of Svendsen Sport A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of SP PF Cayman Holdings I LP.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 15 years.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	2-5 years	0-20 %
Other fixtures and fittings, tools and equipment	2-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Accounting policies

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Svendsen Sport A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Accounting policies

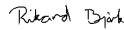
Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

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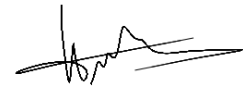
Rikard Bo Markus Björk



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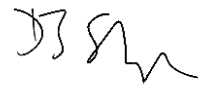
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David James Styles



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Søren Alexander

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Frederik Tvedeskov Jantzen

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