



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 986 573 801
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: SVENDSEN SPORT AS
Forretningsadresse: Erhvervsparken 14
DK-4621 GADSTRUP

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: KGH ACCOUNTANCY & VAT SERVICES AS

Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.



Brønnøysundregistrene

Brønnøysundregistrene Årsregnskap regnskapsåret 2021 for 986573801

Postadresse: 8910 Brønnøysund

Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05

E-post: firmapost@brreg.no Internett: www.brreg.no

Organisasjonsnummer: 974 760 673



Resultatregnskap

Beløp i: DKK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	641 101 000	463 066 000
Annen driftsinntekt		4 534 000	3 705 000
Sum inntekter		645 635 000	466 771 000
Kostnader			
Varekostnad		358 929 000	258 128 000
Lønnskostnad	2	70 726 000	88 561 000
Avskrivning av driftsmidler og immaterielle eiendeler		92 597 000	13 393 000
Annen driftskostnad		7 117 000	61 475 000
Sum kostnader		529 369 000	421 557 000
Driftsresultat		116 266 000	45 214 000
Finansinntekter og finanskostnader			
Annen finansinntekt	3	3 474 000	603 000
Sum finansinntekter		3 474 000	603 000
Annen finanskostnad	4	8 364 000	14 700 000
Sum finanskostnader		8 364 000	14 700 000
Netto finans		-4 890 000	-14 097 000
Ordinært resultat før skattekostnad		111 376 000	31 117 000
Skattekostnad på ordinært resultat	5	25 060 000	6 924 000
Ordinært resultat etter skattekostnad		86 316 000	24 193 000
Årsresultat		86 316 000	24 193 000
Årsresultat etter minoritetsinteresser		86 316 000	24 193 000
Totalresultat		86 316 000	24 193 000
Overføringer og disponeringer			
Avsatt til annen egenkapital	6	86 316 000	24 193 000



Resultatregnskap

Beløp i: DKK	Note	2021	2020
Sum overføringer og disponeringer		86 316 000	24 193 000



Balanse

Beløp i: DKK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	8	7 607 000	7 233 000
Konsesjoner, patenter o.l.		1 126 000	1 364 000
Utsatt skattefordel	11	2 510 000	6 737 000
Goodwill		5 692 000	6 809 000
Sum immaterielle eiendeler	7	16 935 000	22 143 000
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr		12 719 000	11 861 000
Sum varige driftsmidler	9	12 719 000	11 861 000
Finansielle anleggsmidler			
Investering i datterselskap		1 000	1 000
Andre langsiktige fordringer		912 000	548 000
Sum finansielle anleggsmidler	10	913 000	549 000
Sum anleggsmidler		30 567 000	34 553 000
Omløpsmidler			
Varer			
Lager av varer og annen beholdning		237 890 000	118 205 000
Sum varer		237 890 000	118 205 000
Fordringer			
Kundefordringer		153 892 000	80 070 000
Andre kortsiktige fordringer	12, 13	16 940 000	5 863 000
Konsernfordringer		51 536 000	36 428 000
Sum fordringer		222 368 000	122 361 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		36 056 000	62 261 000
Sum bankinnskudd, kontanter og lignende		36 056 000	62 261 000
Sum omløpsmidler		496 314 000	302 827 000



Balanse

Beløp i: DKK	Note	2021	2020
SUM EIENDELER		526 881 000	337 380 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	14	1 000 000	1 000 000
Annen innskutt egenkapital		9 703 000	4 324 000
Sum innskutt egenkapital		10 703 000	5 324 000
Opptjent egenkapital			
Avsatt utbytte			5 000 000
Annen egenkapital		139 748 000	62 849 000
Sum opptjent egenkapital		139 748 000	67 849 000
Sum egenkapital		150 451 000	73 173 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	15	82 297 000	60 638 000
Sum annen langsiktig gjeld		82 297 000	60 638 000
Sum langsiktig gjeld		82 297 000	60 638 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		114 779 000	78 919 000
Leverandørgjeld		106 472 000	54 274 000
Betalbar skatt		23 639 000	28 148 000
Kortsiktig konserngjeld		6 865 000	6 279 000
Annen kortsiktig gjeld		42 378 000	35 949 000
Sum kortsiktig gjeld	16	294 133 000	203 569 000
Sum gjeld		376 430 000	264 207 000
SUM EGENKAPITAL OG GJELD		526 881 000	337 380 000



Balanse

Beløp i: DKK	Note	2021	2020
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Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 924139

Enheten

Organisasjonsnummer: 986 573 801
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Foretaksnavn: SVENDSEN SPORT AS
Forretningsadresse: c/o KGH Accountancy & VAT Services
Isebakkeveien 25
1788 HALDEN

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Brønnøysundregistrene, 13.09.2022



Organisasjonsnr: 986 573 801
SVENDSEN SPORT AS

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Organisasjonsnr: 986 573 801
SVENDSEN SPORT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
169.00

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



Svensen Sport A/S

Erhvervsparken 14
DK-4621 Gadstrup
CVR No. 16997579

Annual report 2021

The Annual General Meeting adopted the annual report on 30.06.2022

Michael Ro Mejer

Chairman of the General Meeting



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Entity details

Entity

Svendsen Sport A/S
Erhvervsparken 14
DK-4621 Gadstrup

Business Registration No.: 16997579
Registered office: Roskilde
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Harlan Kent
Gareth Lindsay Moore
Kevin Michael Jayson
Kjell Harry Clefjord

Executive Board

Kjell Harry Clefjord

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR No.: 33771231



Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Svendsen Sport A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Gadstrup, 30.06.2022

Executive Board

Kjell Harry Clefjord

Board of Directors

Harlan Kent

Gareth Lindsay Moore

Kevin Michael Jayson

Kjell Harry Clefjord



Independent auditor's report

To the shareholders 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

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.
- 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.



Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Hellerup, 30.06.2022

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231

Jacob Fromm Christiansen

State Authorised Public Accountant

Identification No (MNE) mne18628

Søren Alexander

State Authorised Public Accountant

Identification No (MNE) mne42824



Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	641,101	463,066	432,996	414,589	405,892
Gross profit/loss	215,980	147,168	135,768	135,505	120,444
Operating profit/loss	116,266	45,214	44,763	51,129	41,498
Net financials	(4,890)	(14,097)	(5,827)	(5,613)	(3,549)
Profit/loss for the year	86,316	24,193	30,367	35,368	29,488
Total assets	526,881	337,380	287,530	252,314	256,104
Investments in property, plant and equipment	4,723	9,614	5,409	4,052	2,840
Equity	150,451	73,173	98,672	87,290	101,891
Average number of employees	175	176	164	166	158
Ratios					
Gross margin (%)	33.69	31.78	31.36	32.68	29.67
EBIT margin (%)	18.14	9.76	10.34	12.33	10.22
Net margin (%)	13.46	5.22	7.01	8.53	7.26
Return on equity (%)	77.20	28.16	32.66	37.39	29.80
Equity ratio (%)	28.56	21.69	34.32	34.60	39.79



Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$



Primary activities

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

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

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

Development in activities and finances

Market overview

The Company's products are sold worldwide and cover most of the major fishing disciplines.

Development in the year

End of 2018, the Company decided to establish its own subsidiary in USA. During 2021, the American subsidiary shows significant growth, however, it is still contributing negatively to the financial result. The Company expects a significant growth in USA in the coming years.

During 2021, the demand for the company's products have been significantly higher than 2020 and expectations. The Covid-19 pandemic has increased the consumers demand for outdoor activities, which has accelerated the company's growth. However, the company experience significant disturbance in supply chain especially connect to the transportation from the suppliers in Far East to Europe. In addition, the transportation costs are significantly higher than normal. During 2021, the average Shanghai Container Freight Index (SCFI) for a 20-foot container equivalent (TEU) is 6,087 USD/TEU vs. a normal level of around 925 USD/TEU. End of 2021 the SCFI was 7,751 USD/TEU. It has not been possible for the company fully to pass on the higher transportation costs to the customers.

Development in the number of employees

The Company had 166.9 employees at the beginning of the year split by 34.4 employees in Denmark and 132.5 in rest of the world.

In the year there has been a net outflow of 22 employees split by 6 in Denmark and 16 in rest of the world. The Company has at year-end 169.4 employees split by 36.4 in Denmark and 133.0 in rest of the world.



Profit/loss for the year in relation to expected developments

The income statement of the Company for 2021 shows a profit of TDKK 86,316, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 150,625.

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

The Company's revenue for the year amounted to DKK 641,1 million, which is an increase compared to last year when revenue amounted to DKK 463,1 million. The Company's revenue for the year is above the expected revenue, due to the customers higher demand for outdoor activities as described above.

Profit before tax amounted to DKK 111,4 million.

The net result is above expectations and is considered satisfactory.

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 at 31 December 2021 of the Company and the results of the activities and cash flows of the Company for the financial year for 2021 have not been affected by any unusual events. The impact from the Covid-19 pandemic has been described above. The pandemic creates a more uncertain environment.

Outlook

Strategy

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

Targets and expectations for the year ahead

The company has budgeted continued top line growth in 2022 to the level of 650-675 MDKK. The profit after tax will be in the same level as 2021, 80-90 MDKK.

Use of financial instruments

Operating risks

To some extent, the Company's costs depend on the development in raw material prices and wages and salaries among its subcontractors.

To the largest possible extent, the Company attempts to hedge this risk by entering into long-term agreements with its subcontractors. The Company's production and products are mainly based on well-known and thoroughly tested techniques, and the majority of the tasks are performed under well-known risks.

Foreign exchange risks

The Company has a high international activity and is therefore exposed and vulnerable for exchange rate fluctuations primarily on US dollars vs. DKK. The USD flows are hedged in accordance with the Company's policies. Following the change in ownership, the company has decided not to hedge any currency exposures from February 2022. As the products are sold on different European markets, the Company is also to a minor extent exposed to fluctuations on other European currencies vs. DKK. The main part of the transactions in foreign currencies is denominated in EUR, which is not hedged due to Denmark's fixed exchange rate policy vis-à-vis the



Euro. Transactions in other currencies are in accordance with the Company's policies as per 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.

Credit risks

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

Risks connected to capital structure

The Company has a solid balance sheet with a equity ratio above 28,6% and a liquidity ratio above 1. The Company is only to a minor extend dependent on support from the mother company. Therefore, the Management does not see any special risks connected to the capital structure.

The Company is not affected by other unusual risks.

Knowledge resources

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

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.

Statutory report on corporate social responsibility

Statement of corporate social responsibility in accordance with the Danish Financial Statement Act §99 a. For a description of the business model, please refer to a separate section, above.

UN Global compact

In its policy for "Business Principles and Corporate Social Responsibility", the Company subscribes to UN Global Compact. From this starting point, the Company has selected four key and relevant UN Sustainable Development Goals (hereafter referred to as "Goal(s)"), where it tracks performance:

- Goal no. 7: Affordable and clean energy
- Goal no. 8: Decent work and Economic Growth
- Goal no. 9: Industry innovation and infrastructure
- Goal no. 12: Responsible consumption and production

The performance is described in the relevant sections, below.

Supplier Code of Conduct

The UN Global Compact principles are also the guidance for the Supplier Code of Conduct that the Company developed during 2020. The Supplier Code of Conduct describes how the suppliers should deal with:



- Human Rights and Labor standards
 - o Employment is freely chosen
 - o There is no discrimination in employment
 - o No exploitation of child labor
 - o Freedom of association and the right to collective bargaining
 - o Payment of a living wage
 - o Working hours
 - o Decent working conditions
 - o Legally binding employment relationship
 - o Fire safety

- Environmental Standards
 - o Conditions outside the workplace
 - o Emissions to air, water and ground
 - o Waste management
 - o Chemicals management in the factory
 - o Records and provision of information
 - o Procedure for chemical management
 - o Employee information and training
 - o Labelling of chemicals
 - o Storage and handling of chemicals
 - o Disposal of chemicals

- Anti-Corruption

In 2021, 32% of the purchase was from suppliers that have signed a Code of Conduct vs. a target of 25%. The target is that 40% of the purchase of products for reselling in 2022 should come from suppliers that has signed the Code of Conduct. During 2021, the company has established representation in Hong Kong that – among others – will follow up on the compliance with the Code of Conduct. During 2022, the Company will strengthen the representation in cooperation with the new owner, Pure Fishing Inc.

The purpose of the Supplier Code of Conduct is to mitigate risk of Human Rights and Anti-Corruption violation with the external suppliers. In addition, the purpose is to reduce the environmental impact from the external suppliers. The company consider the mentioned risks to be the most material in the entire supply chain due to the geographical location of the suppliers and is consequently developing the supplier management accordingly.

Environment and Climate

Apart from the possible impact from the Suppliers that is mitigated through the Supplier Code of Conduct program, there is a major environmental impact coming from the transportation of products from primarily Chinese suppliers to the markets in Europe. The company strives to transport as much as possible using ships to reduce the carbon footprint. Moving the supply closer to the European markets is a very difficult process, as there is a very limited supplier base in Europe.

In addition to the inbound transportation, there is a major emission impact from the outbound transportation. The company considers that the location of the central warehouse is the most optimal both from a financial but also from an environmental perspective.



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

	2019	2020	2021	Target 2021	Target 2022
kWh/1,000 DKK of COGS	2.03	0.72	0.48	0.68	0.40

Due to the Company's diverse product portfolio, it is impossible to find a uniform measurement for the volume except the COGS. The reader must understand that the KPI can be misleading to the extent that the COGS is inflated by price increases and is impacted by the development of exchange rates vs. DKK.

The company has together with the landlord invested in more energy efficient lightning during the last couple of years.

To track the development of Goal no. 9 and Goal no. 12, the Company tracks the amount of waste in central warehouse kg in relation to COGS.

Kg/1,000 DKK of COGS	2020	2021	Target 2021	Target 2022
Wood Waste	0.015	0.029	0.020	0.020
Plastic Waste	<0.010	0.014	<0.010	<0.010
Cardboard Waste	n/a	n/a	n/a	n/a

All waste fragments are recycled. The recycling company of cardboard waste have not been able to provide data.

The company will continue the work to reduce the relative energy consumption and relative waste production in the warehouse.

Human rights and social & employee conditions

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

- The company supports and respects the protection of internationally proclaimed human rights,
- The company will ensure that we are not complicit in human rights abuse in any of our operations,
- The company will uphold the freedom of association and the effective recognition of the rights to collective bargaining,
- The company will not use any form of forced or compulsory labor,
- The company will support the elimination of direct and indirect discrimination in respect of employment and occupation, including race, color, sex, religion, political opinion and nationality or social origin,
- The company will continuously develop employees' competencies and flexibility and will provide safe and healthy working conditions.

The key risk in terms of human rights, social and employee conditions lies with the sub-contractors. Consequently, the Company works with its Code of Conduct as described above.



The company offers their employees an opportunity for further training by offering courses to help develop their competencies. In addition, the company is rolling out an employee assessment (medarbejderudviklingssamtaler) to strengthen the career development and possibilities of all employees.

The company's main risk for social and employee conditions lies within maintaining that employees have the proper skills to maintain their job and create value for the Company. The Company does not see any other specific, material risks to violate human rights, apart from what is described under the Supplier Code of Conduct.

In 2021, the company performed a survey (APV) that showed that the company is a safe place to work. However, there were some complaints about the indoor climate that management is addressing, during 2022. As a general indicator of the employee conditions, 68% answered to a "very high degree" or a "high degree" that they would recommend others to apply for a job at the Company. Likewise, 74% answered that they are "unlikely" or "very unlikely" to look for another job.

Anticorruption

All the company's employees are informed, when employed, that conduct of unethical, dishonest behavior and bribery is not tolerated.

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

The company's risks related to anti-corruption and bribery is mainly present within our own operation and with our collaboration partners. The anticorruption topic within suppliers is handled in the Supplier Code of Conduct program.

The company has not discovered any breach of anti-corruption or bribery in 2021.

In 2022, the company will establish a whistleblower scheme according to legislation.



Statutory report on the underrepresented gender

The Company strives to maintain and fulfil the goals set for gender quotation at all management levels but will always employ the best qualified candidate. The Company believes that diversity among employees contributes positively to the working environment and strengthens the Company's performance and competitiveness. The Company's policy is to always provide equal job opportunities regardless of gender. The Company's target figure for the proportion of underrepresented gender among members of the Management is 10% in 2023.

The reader should be aware that that only 10-12% of the anglers are women according to information from Danmarks Sportsfiskerforbund. This will impact the gender composition of the recruiting base for the positions that requires knowledge about angling.

The proportion of underrepresented gender among the Management was 0%, end of 2021. During 2021, no managerial positions were replaced, and consequently there is not development in the figure. However, the company is rolling out an employee assessment (medarbejderudviklingssamtaler) to strengthen the career development and possibilities of all employees. By applying the assessment process and by focusing in diversity during recruitment, the company expects to reach the target, above.

According to legislation on the gender quotation on the board of directors in Danish enterprises, the Company has selected a target for the underrepresented gender among member of the Board of 20%. The proportion of the underrepresented gender among the board was 0%, end of 2021. The shareholders and the shareholders meeting did not see any reason to change the board, during 2021. In February 2022, a new board was elected following the change of ownership. The new board has a proportion of the underrepresented gender of 0% The Company will work focused towards identifying the possibility of fulfilling the policy and target before the general assembly in 2025.

Statutory report on data ethics policy

The company takes its responsibility as data controller seriously, as the company wants to be perceived as a respected, competent and proper business partner, who complies with applicable legislation and follows developments in good data ethics.

Therefore, we have a dedicated team to handle GDPR requirements as well as a strong IT-department to operate and improve data security. Those teams work closely together with management to secure full transparency and to have the proper authority to the rest of the organization. The daily work with data ethics also takes place in the company's relevant business departments.

Besides securing the basic rights for data subjects, awareness and education campaigns are held, all of which are tailored to the work of the employees. These initiatives apply to both new and existing employees so that understanding and competencies are maintained.

Moreover, stringent deletion procedures are in place so that data is deleted when no longer necessary for the company to store.

The company's employees and customers have the right to request access and to obtain certain insights to their personal data. To ensure data subject's self-determination over the data the company stores, the company works continuously to ensure that data is processed as structured as possible to always have an overview of what data we store and process about the individuals.

In addition to the relationships with customers, the company has a wide range of contacts worldwide. Therefore, the company is aware that it also has a broader responsibility when it comes to ethically correct data processing.



If there is a need to share or transfer data to other entities or countries, data processing agreements with those relevant third parties are in place to secure that data are proper safeguarded.

It is essential for the company that its customers and other stakeholder can have confidence on the company's ethical stance in terms of processing data. Consequently, the company will continue to work with data ethics and improving the approach to data management and security even more, in the coming year.

Statutory report on corporate governance

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

These tasks are handled by the Board. Refer to www.aktiveejere.dk for more information about the guidelines.

Ownership

On the balance day, the majority of the Company is ultimately owned by the private equity fund, Maj Invest Equity 4 K/S, who is member of Active Owners Denmark (formerly: DVCA). Consequently, the annual report follows Active Owners Denmark's guidelines from 2015. Please refer to www.aktiveejere.dk.

On 1st February 2022, the company was sold to Pure Fishing Inc, where Sycamore Partners is the ultimately owners.

Presentation of the Board of Directors

Pure Fishing Inc is represented on the board by Harlan Kent, Kevin Michal Jayson, Gareth Lindsay Moore, and Kjell Harry Clefjord. Board positions and other managerial positions are set out below.



Harlan Kent

Harlan Kent, Chairman, has joined the Board on 1st February 2022.

He holds the following other directorships:

- Chairman of:
 - o OTG-Cani Denmark A/S,
 - o MIE4 Holding 7 ApS,
 - o MIE4 Datter ApS, and
 - o Svendsen Sport A/S

- Director of:
 - o Plano Synergy Holding Inc.,
 - o Frabill, Inc.,
 - o SP PF Cayman Buyer II Ltd.,
 - o Jia Dun Sports Equipment Co., Ltd.,
 - o Mao Ming Passion Sports Company Limited,
 - o Pure Fishing (Guangzhou) Business Services Co. Ltd.,
 - o Pure Fishing Spirit HK Limited,
 - o Pure Fishing (Hong Kong) Co. Limited,
 - o Pure Fishing Korea Co., Ltd.
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC

- Officer of:
 - o Plano Synergy Holding Inc.,
 - o Plano Holding LLC,
 - o Plano Molding Company, LLC,
 - o HHS IP, LLC,
 - o Frabill, Inc.,
 - o PSV II, LLC,
 - o PJLL, LLC,
 - o 431 East South LLC,
 - o SP PF Parent Corporation,
 - o SP PF Intermediate Corporation,
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC



Kevin Michael Jayson

Kevin Michal Jayson has joined as board member on 1st February 2022.

He holds the following other directorships:

- Director of:
 - o Plano Synergy Holding Inc.,
 - o Frabill, Inc.,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o Jia Dun Sports Equipment Co., Ltd.,
 - o Mao Ming Passion Sports Company Limited,
 - o Pure Fishing (Guangzhou) Business Services Co. Ltd.,
 - o OTG-Cani Denmark A/S,
 - o MIE4 Holding 7 ApS,
 - o MIE4 Datter ApS,
 - o Svendsen Sport A/S,
 - o Pure Fishing Finland OY,
 - o Pure Fishing Spirit HK Limited,
 - o Pure Fishing (Hong Kong) Co. Limited,
 - o Pure Fishing Japan Co., Ltd.,
 - o Pure Fishing Korea Co., Ltd.,
 - o Pure Fishing Malaysia Sdn. Bhd.,
 - o Pure Fishing (NZ) Limited,
 - o Pure Fishing Norway AS,
 - o Pure Fishing Poland Sp. z o.o.
 - o Outdoor Technologies Group Sweden AB,
 - o Abu Garcia AB,
 - o Abu AB,
 - o Pure Fishing Spirit UK Limited,
 - o Shakespeare International Limited,
 - o Pure Fishing (UK) Limited,
 - o Hardy & Greys Limited,
 - o Hardy Advanced Composites Limited,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC



- Officer of:
 - o Plano Synergy Holding Inc.,
 - o Plano Holding LLC,
 - o Plano Molding Company, LLC,
 - o HHS IP, LLC,
 - o Frabill, Inc.,
 - o PSV II, LLC,
 - o PJJL, LLC,
 - o 431 East South LLC,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o SP PF Parent Corporation,
 - o SP PF Intermediate Corporation,
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC,



Gareth Lindsay Moore

Gareth Lindsay Moore has joined as board member 1st February 2022.

He holds the following other directorships:

- Director of:
 - o Plano Synergy Holding Inc.,
 - o Frabill, Inc.,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o Jia Dun Sports Equipment Co., Ltd.,
 - o Mao Ming Passion Sports Company Limited,
 - o Pure Fishing (Guangzhou) Business Services Co. Ltd.,
 - o OTG-Cani Denmark A/S,
 - o MIE4 Ho ding 7 ApS,
 - o MIE4 Datter ApS,
 - o Svendsen Sport A/S,
 - o Pure Fishing Finland OY,
 - o Pure Fishing Deutschland GmbH,
 - o Pure Fishing Spirit HK Limited,
 - o Pure Fishing (Hong Kong) Co. Limited,
 - o Pure Fishing Japan Co., Ltd.,
 - o Pure Fishing Korea Co., Ltd.,
 - o Pure Fishing Malaysia Sdn. Bhd.,
 - o Pure Fishing Netherlands B.V.,
 - o Pure Fishing Spirit B.V.,
 - o Pure Fishing (NZ) Limited,
 - o Pure Fishing Norway AS,
 - o Pure Fishing Poland Sp. z o.o.,
 - o Outdoor Technologies Group Sweden AB,
 - o Abu Garcia AB,
 - o Abu AB,
 - o Pure Fishing Spirit UK Limited,
 - o Shakespeare International Limited,
 - o Pure Fishing (UK) Limited,
 - o Hardy & Greys Limited,
 - o Hardy Advanced Composites Limited,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC



- Officer of:
 - o Plano Synergy Holding Inc.,
 - o Plano Holding LLC,
 - o Plano Molding Company, LLC,
 - o HHS IP, LLC,
 - o Frabill, Inc.,
 - o PSV II, LLC,
 - o PJJL, LLC,
 - o 431 East South LLC,
 - o Abu Garcia Pty Ltd.,
 - o Shakespeare (Australia) Pty Ltd.,
 - o Outdoor Technologies (Canada) Co.,
 - o SP PF Parent Corporation,
 - o SP PF Intermediate Corporation,
 - o SP PF Buyer LLC,
 - o Outdoor Technologies Corporation,
 - o Pure Fishing Inc.,
 - o Sea Striker, LLC,
 - o Penn Fishing Tackle Mfg. Co., and
 - o Shakespeare All Star Acquisition LLC

Kjell Harry Clefjord

Kjell Harry Clefjord has joined the board 1st February 2022.

He holds the following other directorships:

- Managing director of:
 - o Pure Fishing Finland OY
 - o Pure Fishing Deutschland GmbH
- Chariman of:
 - o Pure Fishing Norway AS
 - o Outdoor Technologies Group Sweden AB
 - o Abu Garcia AB
 - o Abu AB
- Director of:
 - o Pure Fishing Finland OY
 - o SP Pure Fishing UK Limited
 - o SP Pure Fishing UK Buyer Limited
 - o Pure Fishing Spirit UK Limited
 - o Shakespeare International Limited
 - o Pure Fishing (UK) Limited
 - o Hardy & Greys Limited
 - o Hardy Advanced Composites Limited



Events after the balance sheet date

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

However, the group has been acquired by the world's largest fishing tackle company, Pure Fishing Inc. as from 1st February 2022. The buyer is Pure Fishing Inc's Danish subsidiary OTG-Cani Denmark A/S. On the same day, the company sold its American subsidiary to Pure Fishing Inc. and is consequently not a part of the Svendsen Sport Group.

Following the Russian invasion of Ukraine in March 2022, the Company has ceased 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 does not materially change the outlook for 2022.



Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Revenue	1	641,101	463,066
Other operating income		4,534	3,705
Costs of raw materials and consumables		(358,929)	(258,128)
Other external expenses		(70,726)	(61,475)
Gross profit/loss		215,980	147,168
Staff costs	2	(92,597)	(88,561)
Depreciation, amortisation and impairment losses		(7,117)	(13,393)
Operating profit/loss		116,266	45,214
Other financial income	3	3,474	603
Other financial expenses	4	(8,364)	(14,700)
Profit/loss before tax		111,376	31,117
Tax on profit/loss for the year	5	(25,060)	(6,924)
Profit/loss for the year	6	86,316	24,193



Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	8	7,607	7,233
Acquired patents		1,126	1,364
Goodwill		5,692	6,809
Intangible assets	7	14,425	15,406
Other fixtures and fittings, tools and equipment		10,882	10,222
Leasehold improvements		1,837	1,639
Property, plant and equipment	9	12,719	11,861
Investments in group enterprises		1	1
Deposits		912	548
Financial assets	10	913	549
Fixed assets		28,057	27,816
Manufactured goods and goods for resale		237,890	118,205
Inventories		237,890	118,205
Trade receivables		153,892	80,070
Receivables from group enterprises		51,536	36,428
Deferred tax	11	2,510	6,737
Other receivables	12	14,644	1,843
Prepayments	13	2,296	4,020
Receivables		224,878	129,098
Cash		36,056	62,261
Current assets		498,824	309,564
Assets		526,881	337,380

**Equity and liabilities**

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	14	1,000	1,000
Reserve for fair value adjustments of hedging instruments		3,770	(2,192)
Reserve for development expenditure		5,933	6,516
Retained earnings		139,748	62,849
Proposed dividend		0	5,000
Equity		150,451	73,173
Bank loans		82,297	60,638
Non-current liabilities other than provisions	15	82,297	60,638
Bank loans		114,779	78,919
Trade payables		106,472	54,274
Payables to group enterprises		6,865	6,279
Tax payable		23,639	28,148
Other payables		41,593	33,614
Deferred income	16	785	2,335
Current liabilities other than provisions		294,133	203,569
Liabilities other than provisions		376,430	264,207
Equity and liabilities		526,881	337,380
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Non-arm's length related party transactions	21		
Group relations	22		



Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	1,000	(2,192)	6,516	62,849	5,000
Ordinary dividend paid	0	0	0	0	(5,000)
Extraordinary dividend paid	0	0	0	(10,000)	0
Value adjustments	0	5,962	0	0	0
Transfer to reserves	0	0	(583)	583	0
Profit/loss for the year	0	0	0	86,316	0
Equity end of year	1,000	3,770	5,933	139,748	0

	Total DKK'000
Equity beginning of year	73,173
Ordinary dividend paid	(5,000)
Extraordinary dividend paid	(10,000)
Value adjustments	5,962
Transfer to reserves	0
Profit/loss for the year	86,316
Equity end of year	150,451



Notes

1 Revenue

	2021 DKK'000	2020 DKK'000
Domestic	41,535	41,241
EU excl. domestic	456,743	378,915
Rest of the world	142,823	42,910
Total revenue by geographical market	641,101	463,066

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

2 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	80,447	77,161
Pension costs	1,738	1,528
Other social security costs	7,722	8,283
Other staff costs	2,690	1,589
	92,597	88,561

Average number of full-time employees	169	167
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Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	921	603
Exchange rate adjustments	2,401	0
Other financial income	152	0
	3,474	603

4 Other financial expenses

	2021 DKK'000	2020 DKK'000
Exchange rate adjustments	500	4,725
Other financial expenses	7,864	9,975
	8,364	14,700



5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	25,208	11,023
Change in deferred tax	(148)	(4,099)
	25,060	6,924

6 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	0	5,000
Extraordinary dividend distributed in the financial year	10,000	0
Retained earnings	76,316	19,193
	86,316	24,193

7 Intangible assets

	Completed development projects DKK'000	Acquired patents DKK'000	Goodwill DKK'000
Cost beginning of year	17,215	4,554	13,394
Additions	1,688	615	0
Cost end of year	18,903	5,169	13,394
Amortisation and impairment losses beginning of year	(9,982)	(3,190)	(6,585)
Amortisation for the year	(1,314)	(853)	(1,117)
Amortisation and impairment losses end of year	(11,296)	(4,043)	(7,702)
Carrying amount end of year	7,607	1,126	5,692

8 Development projects

Development expenses relates to capitalisation of costs in respect of filling for trademarks and patents and development of the Groups ERP system in connection with the Groups entrance on the US market.



9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	36,424	2,731
Additions	4,147	576
Cost end of year	40,571	3,307
Depreciation and impairment losses beginning of year	(26,202)	(1,092)
Depreciation for the year	(3,487)	(378)
Depreciation and impairment losses end of year	(29,689)	(1,470)
Carrying amount end of year	10,882	1,837

10 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	1	548
Additions	0	973
Disposals	0	(609)
Cost end of year	1	912
Carrying amount end of year	1	912

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Savage Gear Americas, Inc.	Florida, USA	Inc.	100.00	(25,539)	(7,406)



11 Deferred tax

	2021	2020
	DKK'000	DKK'000
Intangible assets	(2,427)	(2,293)
Property, plant and equipment	1,130	1,635
Inventories	1,720	1,481
Receivables	2,087	1,539
Tax losses carried forward	0	4,375
Deferred tax	2,510	6,737

	2021	2020
	DKK'000	DKK'000
Changes during the year		
Beginning of year	6,737	(1,737)
Recognised in the income statement	148	4,099
Other changes	(4,375)	4,375
End of year	2,510	6,737

Deferred tax assets

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.

12 Other receivables

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. The company entered into forward contracts for hedging future purchases in USD for payments in EUR in 2022. At the balance sheet date, the fair value of derivative financial instruments amounts to DKK'000 4,833.

13 Prepayments

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

14 Share capital

	Number	Par value	Nominal
		DKK'000	value
			DKK'000
Ordinary shares	2	500	1,000
	2		1,000



15 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK'000
Bank loans	82,297
	82,297

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. There is no debt due after more than 5 years.

16 Deferred income

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

17 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	25,666	15,963

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where MIE 4 Holding 7 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Assets charged and collateral

The following assets have been placed as security with mortgage credit institutes:

The factoring of receivables, DKK'000 99,587, has been put up as security for the company's debt.

As security for the Group's credit facilities with Jyske Bank as of 31 December 2021, a floating company charge ("virksomhedspant") of up to nominal DKK'000 120,000 has been put up. The floating charge covers the Group's assets in general including inventories, trade receivables, tangible assets and intangible assets. AL Finans and the Group has also agreed on a pledge as security up to nominal DKK'000 1,432.

20 Related parties with controlling interest

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

21 Non-arm's length related party transactions

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.



22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
MIE 4 Holding 7 ApS, Copenhagen, Denmark.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
MIE 4 Holding 7 ApS, Copenhagen, Denmark.



Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

Foreign currency translation

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

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

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

Derivative financial instruments

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



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

Hedge accounting

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

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

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

Income statement

Revenue

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

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

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.

Costs of raw materials and consumables

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

Other external expenses

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



Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities and payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities and payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 15 years.

Intellectual property rights etc

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

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

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

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

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



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

Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	2-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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

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

Investments in group enterprises

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

Inventories

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

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

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

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

Deferred tax

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

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation



at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Operating leases

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

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

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

Other financial liabilities

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

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

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

Tax receivable or payable

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

Deferred income

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



Cash flow statement

The company has in accordance with section 86(4) of the Danish Financial Statements Act, omitted to prepare a cash flow statement itself, as it is included in the cash flow statement for the group.