SPORTS GROUP DENMARK

ANNUAL REPORT 2024

Sports Group Denmark A/S
CVR No. 34 70 40 74
Skærskovgårdsvej 5
DK-8600 Silkeborg

The Annual Report was presented and adopted at the Annual General Meeting of the company

on 24/4 2025

Bjarne Brink Jeppesen
Chairman of the general meeting

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MANAGEMENT'S REVIEW

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Bjarne Brink Jeppesen, CEO

LETTER FROM OUR CEO & FOUNDER

RESILIENT PERFORMANCE IN AN UNCERTAIN WORLD

Reflections on 2024 and the Road Ahead from Our CEO

In 2024, we set out to reach new milestones, strengthen our business, and continue our journey of growth. As always, we did so with respect for our values and the founding spirit that has shaped Sports Group Denmark – and with a clear awareness that our results are closely tied to the responsibility we carry: to create value not only for our company, but also for the people, partners, and communities we are a part of.

This year brought significant challenges. The world around us is marked by geopolitical tension, ongoing wars, and rising instability.

Combined with high inflation and continued supply chain disruptions, these conditions created a volatile environment – one that affected the global economy and the sports and outdoor industry alike. Yet even in this complexity, we are proud to have delivered a very solid result.

"In a difficult and unpredictable world, we have proven that our concept works. Our multibrand house, our market diversification, and our strong teams provide a solid foundation – and give us every reason to be optimistic about the future."

This performance is more than a financial milestone. It is a proof of concept – a clear confirmation that our strategy is robust and relevant. Through our multi-brand setup, we achieved solid growth and reinforced our position across markets and concepts. Our brand portfolio continues to perform well – and we're seeing growing demand for both our products and our responsible way of doing business.

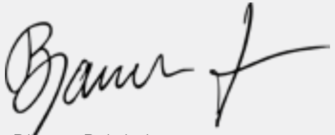
In 2024, we focused on making our business stronger – while also taking bold steps forward. We expanded into new markets, laid the groundwork for long-term commercial growth, and strengthened our sustainability efforts. With a presence in over 35 countries and a strategy rooted in diversification, we have many legs to stand on – making us more resilient, more agile, and better prepared for the world ahead.

Our ambition is to create long-term value for customers, partners, and society as a whole. That means viewing financial and sustainability goals not as competing priorities, but as interconnected responsibilities. In line with this thinking, we are now working toward fully integrating our sustainability and financial reporting into one joint reporting cycle – ensuring a clearer, more unified view of our overall performance and impact.

"We believe that responsibility and performance go hand in hand. Our long-term success depends on how well we combine financial strength with sustainable progress."

We also made important progress on our sustainability journey in 2024. Balancing growth and responsibility is no longer optional – it's essential. We took concrete steps to reduce our environmental footprint, increase transparency across the value chain, and prepare for future EU regulations. In 2025, we will introduce sustainability-linked incentives for all colleagues – reinforcing shared responsibility across the organization.

We began this journey back in 2012. Looking back, I'm proud of how far we've come – and even more excited about what lies ahead. Our purpose – We bring people together – remains our guiding star. Through strong partnerships, dedicated teams, and a shared passion for sport, movement and the outdoors, we keep growing stronger and moving forward together.



Bjarne Brink Jeppesen
CEO

KEY FIGURES 2024

20%
Revenue growth in 2024

270
Average number of Full Time Employees

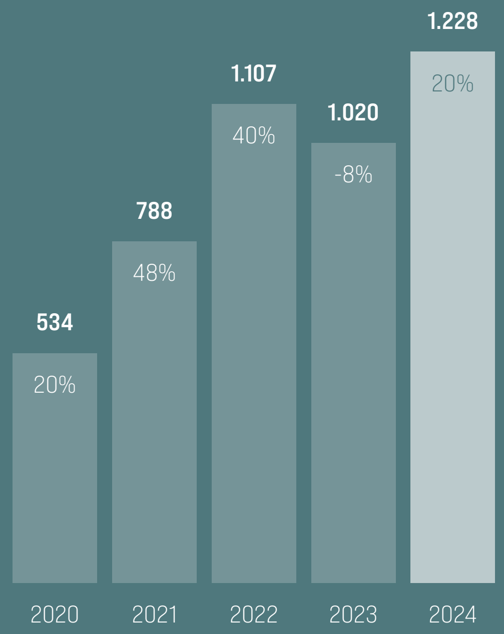
9
Countries host our employees

30
Total number of brands

35
Markets engaged globally

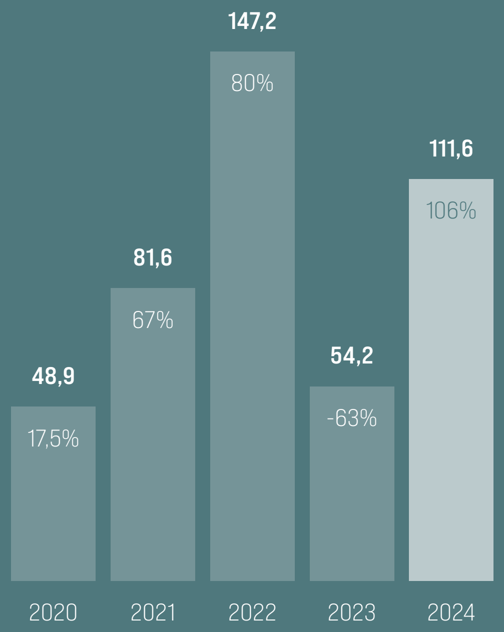
5-Year Growth Trend

Revenue growth over the last 5 years
(mDDK)



EBITDA

Last 5 years
(mDDK)



MARKET COVERAGE & DISTRIBUTION

4.000 customers

75 sales representatives in

35 countries in Europe

44.000 m^2 warehouse placed in Silkeborg, Denmark

JOINT LETTER FROM OUR CFO & CHIEF SUSTAINABILITY OFFICER

A STRONGER BUSINESS IN A CHANGING WORLD

”

We have safeguarded financial stability through targeted measures. While many external factors remain beyond our control, we remain committed to proactive risk assessment and long-term thinking.

- Martin Engelbreth Mortensen, CFO

A Shared reflection on 2024 from the CFO and Chief Sustainability Officer

2024 was a year marked by complexity. While global instability and changing market conditions affected much of the business landscape, we stayed focused on what we could influence: safeguarding our financial position and preparing for the future.

On the financial side, we implemented a number of strategic initiatives aimed at strengthening our foundation. These were necessary steps to ensure stability in an unpredictable environment -especially as we faced cost increases, currency fluctuations, and broader macroeconomic pressure. As always, we remain aware that many of the factors affecting our business lie outside our direct control. Still, we continue to perform regular risk assessments and adapt accordingly to stay resilient and responsible in our decisions.

At the same time, 2024 was also the year where we took significant steps to future-proof our business through sustainability. This meant prioritizing strong data collection and verification processes, so we can make informed, reliable decisions. But it also required internal transformation: supporting our teams across the company in understanding and engaging with ESG, and working actively with both suppliers and customers to build change-readiness across our value chains.

To us, sustainability is not a separate agenda, it is an essential component of long-term value creation. That is why we are committed to making ESG a consistent part of our operational and strategic thinking. By aligning our financial discipline with ambitious, realistic sustainability work, we aim to create a business that is strong, adaptable, and prepared for the demands of the future.

> Being future-ready means embedding ESG as both a hygiene factor and a set of KPIs. That's how sustainability becomes a natural part of how we do business.
>
> – Kristina Vigen,
> Chief Sustainability Officer

COMPANY INFORMATION

THE COMPANY
Sports Group Denmark A/S
Skærskovgårdsvej 5
DK-8600 Silkeborg
CVR No: 34 70 40 74
Financial period: 1 January - 31 December
Municipality of reg. office: Silkeborg

BOARD OF DIRECTORS
Dion Møberg Eriksen, chairman
Kasper Toftekær Philipsen
Dan Højgaard Jensen
Mark Thomas Christiansen
Bjarne Brink Jeppesen

EXECUTIVE BOARD
Bjarne Brink Jeppesen
Martin Engelbreth Mortensen

AUDITORS
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

BANKERS
Jyske Bank
Haraldsgade 36
DK-7400 Herning

GROUP CHART

COMPANY	RESIDENCE	OWNERSHIP
Sports Group Denmark A/S	**Silkeborg (DK)**	
Racket Group A/S	Frederikshavn (DK)	100%
Footwear Group International A/S	Silkeborg (DK)	90%
SGD Ejendomme A/S	Silkeborg (DK)	100%
Sports Group Asia Limited	Hong Kong	100%
Scandinavian Sports Group AB	Finland	100%
Sports Group Sweden AB	Sweden	100%
Sports Group Germany GmbH	Germany	100%
Sports Group Austria GmbH	Austria	100%
Sports Group France SAS	France	100%
Sports Group Norway AS	Norway	70%

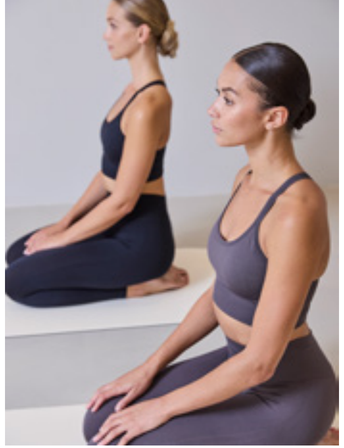
FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

Group

TDKK	2024	2023	2022	2021	2020
Key figures					
Profit/loss					
Revenue	1,228,169	1,019,505	1,106,763	787,950	534,311
Gross profit	238,319	149,384	229,562	138,723	95,347
Profit of primary operations	84,779	35,711	126,732	77,294	45,370
Net financials	-25,937	-24,303	-8,969	-4,813	-4,804
Profit for the year	42,496	8,643	89,462	56,212	31,408
Balance sheet					
Balance sheet total	808,508	673,039	657,504	353,779	259,675
Investment in property, plant and equipment	21,902	89,427	36,471	5,157	4,073
Equity	251,021	187,033	192,114	143,478	75,551
Number of employees	270	251	171	121	102
Ratios					
Return on assets	10.5%	5.3%	19.3%	21.8%	17.5%
Solvency ratio	31.0%	27.8%	29.2%	40.6%	29.1%
Return on equity	19.4%	4.6%	53.3%	51.3%	42.6%

OUR BRANDS



ATHLECIA

SOS

ENDURANCE

In line with its strategy, Sports Group Denmark focuses on delivering strong brands that combine quality, design, and functionality – always at a competitive price point. The brand portfolio includes 30 brands: both internationally recognized brands through distribution agreements and proprietary brands developed inhouse.

WHISTLER

ZIGZAG

OUR JOURNEY

Important dates in the history of Sports Group Denmark

2012

SGD Founded
by Bjarne Jeppesen

Opening office
in Fuzhou, China

2013

Opening office
in Aalborg, Denmark

2014

Opening office
in Copenhagen, Denmark

Export business
is launched

Opening office
in Kragerø, Norway

2015

2016

Opening office
in Helsinki, Finland

Investment fund
The Danish investment fund Dansk Ejerkapital joins the company with ownership of 28.5 %

New Board of Directors
is established

Entrepreneurial Award
We receive the Trade Council's Entrepreneurial Award

2017

Fashion Award
We receive the Danish Fashion Award

Gazelle Award
We receive the Børsen Gazelle Award

2018

Gazelle Award
We receive the Børsen Gazelle Award

New Headquarter
We move into our new HQ in Silkeborg containing brand new offices and a showroom of 3,300 sqm

2019

Managing Owner Award
We receive the Managing Owner Award

Gazelle Award
We receive the Børsen Gazelle Award

Business Award
We receive the business award for Company Of Success

Opening office
in Munich, Germany

2020

Racket Group HQ
New head quater for Racket Group in Frede-rikshavn, Denmark

Business Award
We receive the business award for Company Of Success

2021

Opening office
in Amersfoort, Netherlands

New logistic center
Opening of our new logistic center of 22,000 sqm in Silkeborg

Opening showroom
in Stockholm, Sweden

Opening office
in Salzburg, Austria

2022

Expansion HQ
Expansion of our office, showroom and warehouse facilities in Silkeborg, Denmark

Jan
We open our new office in Amersfoort, Netherlands

2023

May
We open our new 44,000 sqm logistic center in Silkeborg, Denmark

Jun
Autostore in our new logistic center goes live

Opening office
in Dhaka, Bangladesh

2024

Opening showroom
in Paris, France

Expansion showroom
Expansion of our showroom in Hamburg, Germany

Mar
We open our new showroom in Paris, France

2025

We open our new 6,000 sqm logistic center in Ikast, Denmark

Expansion showroom
Expansion of our office in Kragerø, Norway

Opening showroom
in Salzburg, Austria

Expansion office
Expansion of our office in Aalborg, Denmark

Automated picking with AutoStore improves speed, precision and scalability.

LOGISTICS & OPERATIONAL EXCELLENCE

Ahead of 2024, Sports Group Denmark made a major strategic decision to bring warehousing and logistics operations in-house. This shift marked a significant milestone in supporting our future growth, as well as in improving our ability to serve customers with greater accuracy and speed.

2024 was our first full year operating with our own logistics setup. As such, performance data cannot always be meaningfully compared to 2023, as the logistics model was fundamentally different at the time.

INBOUND LOGISTICS

72%

increase in the number of units received (Q1 2024 vs. Q1 2025) Primarily driven by improved goods flow from Asia, ensuring timely arrivals and fewer delays.

INBOUND LOGISTICS

34.5%

increase in total inbound units handled compared to 2023.

OUTBOUND LOGISTICS

54%

increase in items picked (Q1 2024 vs. Q1 2025) A direct result of better product availability in stock, enabling faster and more reliable outbound processing.

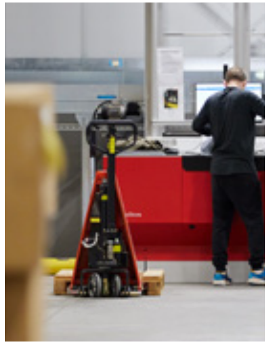
OUTBOUND LOGISTICS

20%

increase in total outbound orders compared to 2023

The decision to internalize our logistics has already shown positive results:

- **Stock delivery performance: 0.45 days**
  (The average time from stock arrival to warehouse readiness for picking – ensuring faster product availability.)
- **Preorders delivered on time: 96%**
  (A clear indicator of precision and reliability in our outbound operations.)



But this is not just an efficient logistics centre – it's also a great place to work. The warehouse team is fully integrated into company life and culture, and engagement is high. Notably, the sickness absence rate among warehouse staff (excluding administrative roles) is only 1.3% – a strong indicator of employee well-being and a healthy working environment.

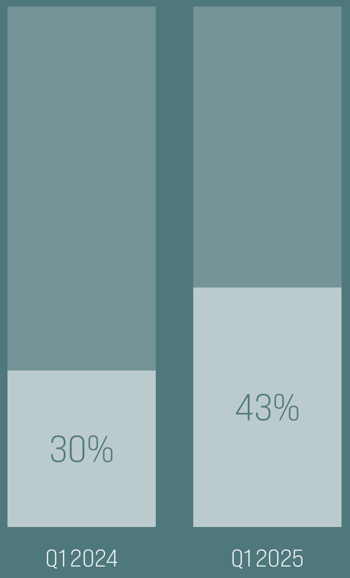
Optimizing Flow, Speed and Precision with AutoStore Technology

In 2024, we continued to invest in the future of our logistics operations by expanding our AutoStore setup – the core technology behind our fast, precise and secure order handling. To support increased volumes and improve flow efficiency, we implemented fully automated case erectors and conveyor systems, connecting AutoStore picking ports directly to our newly established sorting zone. These investments have significantly optimized our packing processes.

KEY FIGURES

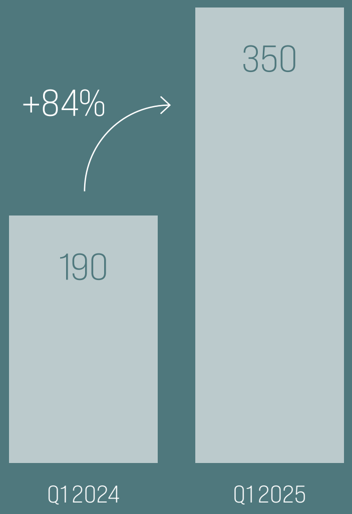
AUTOSTORE PERFORMANCE AND AUTOMATION GAINS

ROBOT UTILIZATION



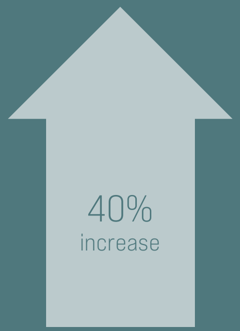
Indicates significantly higher use of robot capacity in AutoStore

NEW TASKS PER HOUR IN AUTOSTORE



Demonstrates greater throughput and higher system efficiency

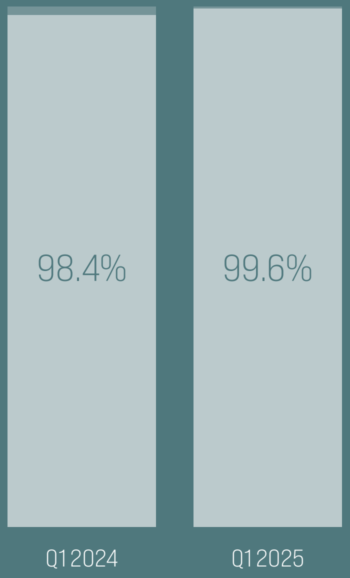
BIN PRESENTATIONS PER HOUR



from Q1 2024 to Q1 2025

More item bins presented to pickers = faster order processing

AUTOSTORE UPTIME



Ensures maximum system availability during operating hours

PRINCIPAL ACTIVITIES

The company's principal activity is the development, production, and sale of sportswear, footwear, and related accessories.

From left:
Mark Christiansen, CSO
John Erik Christiansen, Sales Outdoor Division
Bjarne Brink Jeppesen, CEO
Heidi Langergaard Kroer, Supply Chain Director

FINANCIAL DEVELOPMENT

Mette Thalund Andersen, COO

In 2024, the Group generated gross revenue of DKK 1,300 million. After deductions for chain discounts and similar items, net revenue amounted to DKK 1,228 million, which is recognized in the income statement. Profit before tax was DKK 59 million, and the Group's equity totaled DKK 251 million as of 31 December 2024.

Performance and Expectations

The Group has returned to a growth path, achieving double-digit growth in nearly all markets and brands. Investments initiated in 2023 continued in 2024, including organizational development and expansion into new markets. The logistics function was further developed through the implementation of conveyor systems and automated sorting based on AutoStore technology.

Initiatives and policies implemented or adjusted in the final quarter of 2023 contributed positively to the financial performance in 2024. Despite continued currency fluctuations, the Group's hedging strategy has been effective, and the financial result was not materially impacted. A similar outcome is expected in 2025.

The financial result for 2024 is considered satisfactory, with EBITDA performance above expectations. The lower-than-anticipated profit before tax reflects increased depreciation and amortization from unplanned investments, as well as higher-than-expected net financial expenses.

Risks – Currency Risk

The Group frequently engages in transactions denominated in foreign currencies, resulting in significant currency exposure. A currency policy has been established to reduce this risk, including matching cash flows in the same currency and the use of forward exchange contracts and currency options.

Skilled people and strong systems pave the way for future growth.

Outlook

Management expects continued positive development in 2025, including top-line growth and improved earnings. The order intake increased significantly at the beginning of the financial year. Further contributions to growth are expected from new markets and increased penetration of existing ones.

The major investments made in 2023 and 2024 in organization, logistics, and infrastructure are expected to stabilize during 2025, with increased focus on upgrading the IT infrastructure. Risk management efforts will continue, and the Group is considered well-prepared for future challenges.

Profit before tax for 2025 is expected to be in the range of DKK 90–110 million. The result for Q1 2025 is consistent with this outlook.

Knowledge Resources

The Group's earnings are not directly dependent on specific internal knowledge resources. Nevertheless, digitalization remains a key priority, and the Group continues to implement modern software solutions across the value chain. ESG considerations are integrated into the organization, with an ongoing focus on knowledge development and capacity building.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

In accordance with section 99a of the Danish Financial Statements Act, the Group has prepared a statutory statement on corporate social responsibility.

BUSINESS MODEL

The Group's business model remains focused on designing, sourcing, and selling sportswear and sports accessories that comply with legislation as well as our own and our customers' requirements and expectations regarding quality, functionality, safety, and ESG compliance.

At the core of our business is the delivery of high-quality products at competitive prices. Good products are measured in terms of functionality, quality/durability, delivery reliability, decent working conditions, and environmental profile. We continuously strive to optimize our products in all these aspects while maintaining competitive pricing to ensure accessibility for our primary target group—ordinary consumers across Europe. This is achieved through risk assessments and due diligence practices.

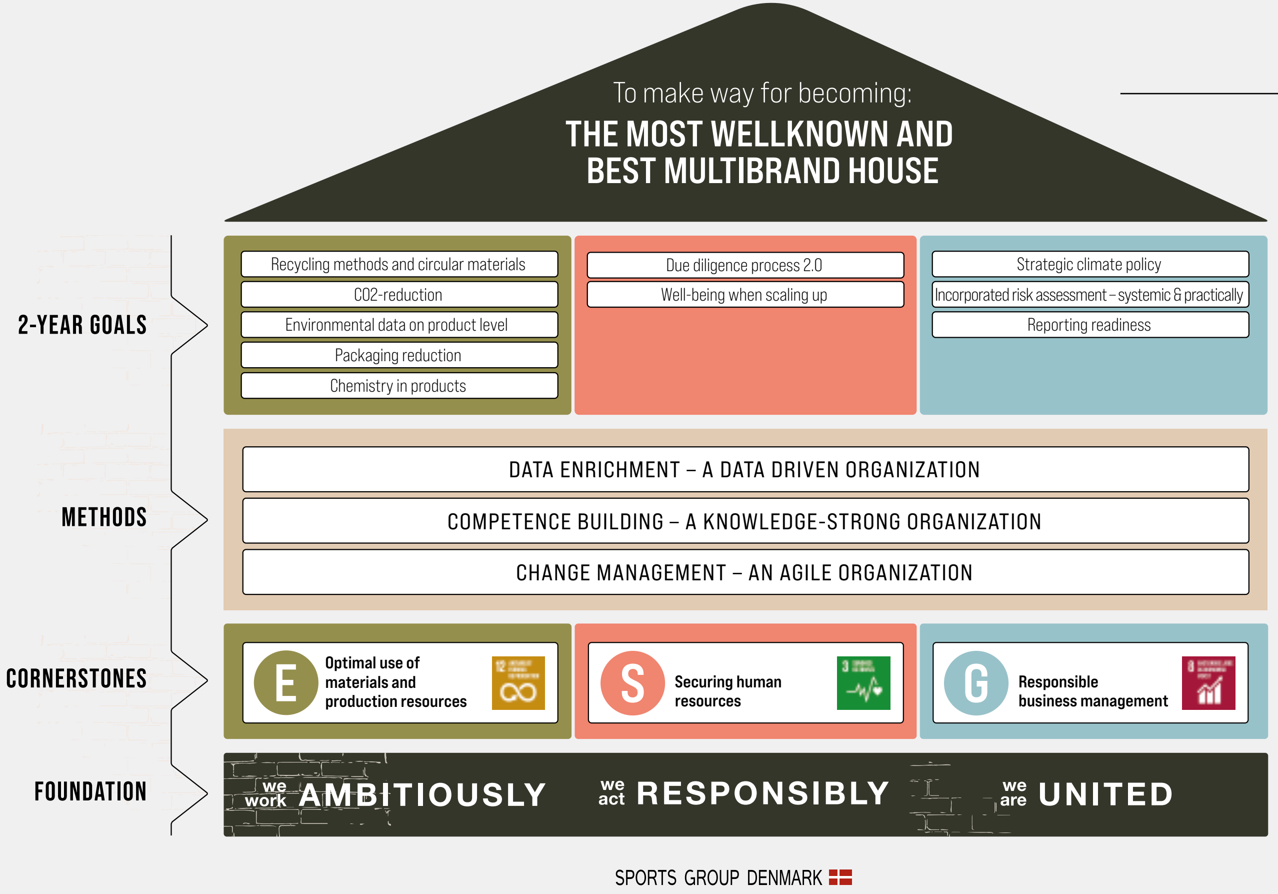
Sports Group Denmark has an integrated ESG department that works across the organization with project management and change management in accordance with the three-year strategy launched at the beginning of 2023. This strategy was developed based on a stakeholder and materiality analysis and identifies 16 focus areas within ESG. Additionally, the strategy emphasizes change management, capacity building, and data management as central and overarching themes.

"Sustainability is not a separate track – it's part of how we build a stronger and future-fit business.

– Kristina Vigen,
Chief Sustainability Officer

The building blocks of our strategy house

The strategy house combines important topics with Sports Group Denmark's mission and business model. The house must be read from the bottom up.



Sports Group Denmark's vision, which we use as a benchmark in all respects. We must be the best in all areas of our business – including ESG efforts.

Selected 2-year goals from 2025. Concrete projects within the areas are continuously defined and worked on.

Recognizing that the ESG field is so changeable, we have defined some methods to help us reach our goals. Obtaining and using data from new areas is essential for development. The same is the case with competences in new fields.

An overall focus on production resources, human resources, and good business management are fundamental ESG key areas for us and are integrated into the business.

At the foundation of the house are our values. These are the values on which the business is built, and they are of course the same values on which the ESG efforts are built.

> At Sports Group Denmark, ESG is not just an option but an actual strategy, because it is in our DNA to do things decently.

E

ENVIRONMENTAL MATTERS

ENVIRONMENTAL AND CLIMATE POLICY

Sports Group Denmark aims to operate a responsible and future-ready business, where environmental and climate considerations are integrated throughout the entire value chain – from product development and material choices to transport, packaging, and the full lifecycle of the product.

The Group's environmental and climate policy is built around seven key focus areas, identified as material by both internal and external stakeholders:

CO_2 Reduction

We are committed to reducing our climate footprint – both within our own operations and across our value chain – through data collection, energy improvements, and defined reduction targets.

Packaging

We continuously strive to reduce both the volume and environmental impact of our packaging – through material reduction, material substitution, and a shift to mono-materials wherever possible.

Chemicals in Products

We aim to minimize the use of potentially harmful substances and often go beyond regulatory requirements, including testing according to international standards such as AFIRM.

Product Circularity

We work to increase the use of recycled materials and actively participate in development projects that support future textile-to-textile recycling solutions.

Waste and Material Loss

We focus on optimizing our production and logistics processes to minimise waste and improve resource efficiency.

Environmental Documentation

We systematically ensure documentation of materials and products – including certifications, traceability, and transparency toward customers and regulatory bodies.

Climate Strategy

We are gradually building an integrated climate strategy, where data, carbon accounting, and future reduction goals are aligned with our business decisions and innovation priorities.

We view responsibility and business development as mutually dependent. For that reason, our environmental and climate policy is not a separate initiative, but an integrated part of how we design products, collaborate with suppliers, and deliver to customers – now and in the future. The policy is continuously adjusted as part of our work on risk assessments, follow-up, and corrective actions.

KEY RISKS

Environmental Matters

RISK

Recycling and Circularity

RISK

Emissions and Future Raw Material Consumption

RISK

Chemicals

RISK

EMISSIONS AND FUTURE RAW MATERIAL CONSUMPTION

”

At Sports Group Denmark, we have been well underway with data collection for some time, and it still requires effort.

For a textile-producing company, environmental considerations are particularly linked to raw material consumption. Therefore, in 2024, Sports Group Denmark placed significant focus on raw material volumes, consumption patterns, and outputs such as waste, surplus materials, and CO_2 emissions. The availability of future raw materials with the lowest possible environmental impact also presents a potential risk – both in terms of scarcity and the (missing) development of new alternatives. Addressing this requires extensive data collection, which the Group has systematically worked on throughout 2024. Data is the primary source of potential improvements, essential for regulatory compliance, and increasingly valuable to customers. Therefore, the lack of accurate and validated data represents a risk, making it crucial to ensure ongoing data collection and validation.

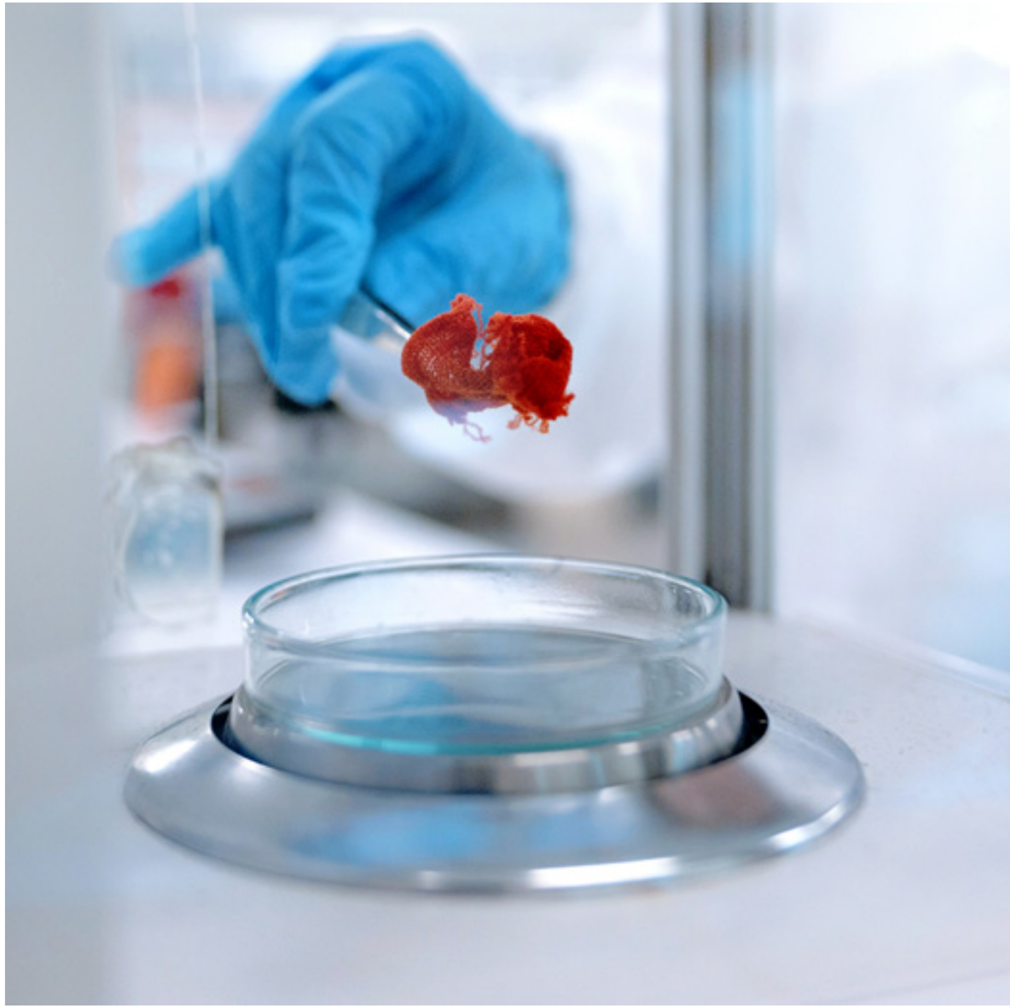
RISK

RECYCLING AND CIRCULARITY

Recycling, reuse, and circularity are encompassed in legislation and are customer-driven requirements for the future. A continuous challenge (and risk) is ensuring the right level of recycled materials in products while maintaining quality, durability, and delivery reliability, so that customers do not receive inferior products. This also applies to packaging, where customers are increasingly focused on reductions and the use of monomaterials to facilitate easier recycling.

RISK

CHEMICALS



Potentially harmful chemicals present another risk in the textile and sports industry. As a result, an increasing number of tests for potentially harmful substances in clothing were conducted by the group in 2024. For testing and validation, Sports Group Denmark uses the international testing and validation firm SGS, which operates according to the AFIRM guidelines. These guidelines set stricter limits on certain substances than those mandated by law.

ACTIONS AND RESULTS

Environmental matters

ACTION
Recycling and Circularity

ACTION
Emissions and Future Raw Material Consumption

ACTION
Chemicals

ACTION

EMISSIONS AND FUTURE RAW MATERIAL CONSUMPTION

Solar energy supports our transition to lower-impact operations.

The CO_2 accounting was conducted internally in 2024, providing a better overview of the figures while simultaneously ensuring data storage in the appropriate databases, data verification, and easier data retrieval. This practice will continue beyond 2024.

Additionally, an investment was made in solar panels for the head-quarters' administration building in Funder. The solar panels began generating solar energy in July, so it is still uncertain what proportion of the Group's electricity consumption will be self-supplied over a full year and how much will be removed from Scope 2 from the current installation. However, despite simultaneous business growth, it is expected to be a significant share. Any surplus electricity is fed back into the grid.

The textile industry is facing a future where used textiles must be utilized as raw materials for new textiles to reduce the consumption of virgin/new materials and thereby decrease CO_2 emissions. However, textile-totextile recycling technologies are still underdeveloped

– especially at scale. Therefore, we have invested in participating in a two-year project supported by MUDP (the Environmental Technology Development and Demonstration Program under the Ministry of Environment and Gender Equality) and led by the Danish Technological Institute in collaboration with Sports Group Denmark and two other companies in the consortium.

A significant share of Sports Group Denmark's products consists of fiber blends of polyester and elastane. Elastane provides stretch functionality but also makes existing mechanical recycling processes difficult. For this reason, Sports Group Denmark joined a project focused on removing elastane from polyester, enabling the polyester to be recycled into new polyester products. This investment is also made with a view to ensuring that the textile industry can comply with future EU requirements for increased textile waste recycling, where fiber blends present a particular challenge. 2024 was the first year of the project, which has progressed according to plan with achieved milestones, although concrete results from the technology will only become visible in the project's second year (2025), when completion is also expected. The goal is to develop one of the future technologies for textile recycling, targeting a particularly challenging textile waste fraction.

DANISH TECHNOLOGICAL INSTITUTE

In collaboration with the Danish Technological Institute and other project partners, Sports Group Denmark is helping to develop future solutions for textile-to-textile recycling.

ACTION

RECYCLING AND CIRCULARITY

Plastic bottles, once waste – now a verified source of recycled polyester.

One widely established recycling method is the conversion of plastic bottles (rPET) into polyester fibers. Although this has been practiced for many years, there is now a growing need to verify that the plastic actually comes from used bottles. Therefore, at the beginning of 2024, the Group initiated the process of obtaining the Global Recycled Standard (GRS) certification for the first time. The GRS ensures transparency in materials while also monitoring chemical content and securing good social conditions. GRS certification is granted through an annual audit, and Sports Group Denmark obtained certification without any remarks.

Several of Sports Group Denmark's customers had requested this documentation, as GRS is a recognized standard across Europe, where most of the Group's customers are based. The first products with GRS certification were for the FW24 season (Athlecia range).

Throughout 2024, efforts were also made to prepare company data and contracts in anticipation of the Extended Producer Responsibility on packaging, which will be implemented across all European countries by early 2025 (latest). Work continued on transitioning to materials with a lower environmental footprint and generally reducing packaging without compromising product protection. This remains an ongoing project in the pursuit of minimizing unnecessary packaging.

Global Recycled Standard

Certified recycled content with Global Recycled Standard (GRS)

Sports Group Denmark is certified to the Global Recycled Standard (GRS). This provides our customer with the opportunity to choose GRS certified products with verified recycled content.

Products certified to the Global Recycled Standard (GRS) contain recycled material independently verified at each stage of the supply chain from the recycled raw material to the final product. In addition, social, environmental, and chemical criteria related to processing are required.

Sports Group Denmark is GRS certified, certified by SGS 00107690.

ACTION

CHEMICALS

In 2023, the Group increased the number of chemical tests (a comprehensive test package covering substances such as bisphenols, phthalates, and banned PFAS chemicals), and the frequency of testing was further increased in 2024. No violations of minimum thresholds were found in 2024, either concerning REACH or AFIRM standards.

However, since PFAS remains a concern for both the Group and our customers, we tightened our policy on water-repellent treatments at the beginning of 2024, requiring proof of fluorocarbon-free treatments. As we were unable to obtain sufficient proof, we took decisive action in October 2024 by mandating that all waterrepellent treatments must be performed using Bionic Finish Eco, with whom we have entered into a partnership. Bionic Finish is a well-established and thoroughly tested impregnation treatment in the industry.

Additionally, we have expanded chemical testing efforts with the TOF (Total Organic Fluorine) test, which screens for all more than 10,000 types of PFAS – including both banned and currently legal substances.

Strengthened testing and clear standards – our commitment to safer chemistry.

SOCIAL MATTERS, EMPLOYEE RELATIONS, AND RESPECT FOR HUMAN RIGHTS

KEY RISKS

Social Matters, Employee Relations, and Respect for Human Rights

RISK

Employees in the Supply Chain

RISK

Own Employees

RISK

OWN EMPLOYEES

At the core of Sports Group Denmark's foundation is a strong commitment to providing a good working environment for our employees, including flexible working conditions in relation to illness, parental leave, and other family or life circumstances. This is crucial to creating the workplace we aspire to have and for our continued development. Ensuring employee well-being across all parts of the Group is a key priority. Sports Group Denmark is driven by a unique company culture, and as the Group has grown over the years, it has been essential to maintain this culture and spirit internally to retain employees.

For an internationally oriented and growing group, personnel-related risks also include recruitment, retention, and skills development – especially in a market with high competition for qualified talent. Sports Group Denmark places strong emphasis on maintaining a strong culture and leadership as the organization evolves. It is considered a risk that core internal values could be diluted in connection with growth, structural changes, or increasing organizational complexity.

In addition, there is a potential risk if employee well-being, engagement, and job satisfaction are not closely monitored – for example, due to lack of data, limited dialogue, or inconsistent leadership practices across departments. To mitigate this risk, employee surveys are conducted, and continuous efforts are made in areas such as well-being, team development, and onboarding processes.

> ”
> We want to promote a healthy work environment and a safe workplace – a culture that cares about our employees’ well-being.

RISK

EMPLOYEES IN THE SUPPLY CHAIN

We recognize that a significant part of our corporate responsibility risks lies within our value chain, particularly in production outside the EU, where potential risks related to labor rights and working conditions exist. Our primary focus is on Tier 1 suppliers, typically the level where products are assembled, manufactured, or sewn. Through risk analyses, ESG questionnaires, country-specific studies, site visits, and audits, we have mapped the overall risk landscape.

Our work remains guided by international principles and standards for respecting human rights, and we continually strive to mitigate or prevent any negative impacts that our operations may contribute to. This is achieved through risk assessments, proactive measures, remediation efforts, and ongoing follow-up.

Labor conditions in the supply chain may be affected by local labor laws, wage levels, working hours, and access to collective rights. These conditions often vary depending on the country and region, and it is considered an inherent risk in the textile industry that suppliers – particularly outside the EU – may not always comply with internationally recognized standards.

There is also a risk related to the lack of transparency in deeper tiers of the supply chain (Tier 2 and Tier 3), where working conditions are more difficult to map and monitor. Sports Group Denmark addresses these risks through continuous data collection, contractual commitments with suppliers, and third-party audits. In addition, identified deviations or concerns are followed up through dialogue and corrective actions in cooperation with the relevant suppliers.

We manage our responsibility through risk assessments, supplier dialogue, and increased transparency.

ACTIONS AND RESULTS

Social Matters, Employee Relations, and Respect for Human Rights

ACTION

Employees in the Supply Chain

ACTION

Own Employees

ACTION

OWN EMPLOYEES

Working Conditions

There were no reported violations or remarks from the Danish Working Environment Authority regarding our working conditions in 2024.

Employee health and well-being are safeguarded through good ergonomics, knowledge-sharing, and professional training. In 2024, there was also a particular focus on indoor climate improvements, with new initiatives implemented to ensure a healthy working environment.

Three smaller employee well-being surveys were conducted throughout 2024, serving as tools for follow-up and prioritization of initiatives. Overall, however, the need for improvements has been minimal, as we have consistently maintained a high average employee satisfaction score.

Additionally, an expanded health insurance plan was introduced in 2024, offering better coverage, including extended support for

All things considered, how satisfied are you with your job overall?

1: Very dissatisfied, 2: Dissatisfied, 3: Satisfied, 4: Very satisfied

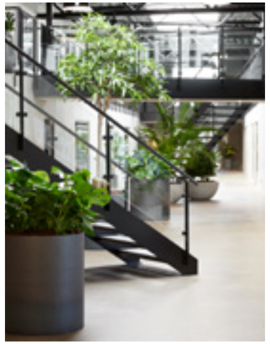
Apr. 2022	3,66
Sep. 2022	3,67
Dec. 2022	3,47
May 2023	3,57
Aug. 2023	3,52
Dec. 2023	3,52
May 2024	3,56
Aug. 2024	3,51
Dec. 2024	3,61

"

I love the pace and that every day is different

- Tenna Nielsen, Buyer, Outdoor Division

family members. A major digitization effort of HR-related documents was also carried out. A significant number of process documents, including employment contracts and performance review records, are now managed directly through the HR system, ensuring greater precision, faster processing, and efficient data protection. process- ing, and efficient data protection.



Culture and Values

In 2024, a culture committee was established at Sports Group Denmark. This cross-organizational committee aims to implement well-being initiatives beyond standard HR activities, such as social events, leadership development ideas, and everyday culture-building efforts. Senior management actively participates in the committee, and the initiative has been well received by employees.

The company also continued the rollout of its new corporate values, introduced in 2023. In 2024, this effort began with leadership engagement and workshops focused on values, followed by sessions for all employees, including those in our China and Bangladesh offic- es. These discussions have generated valuable insights and helped align mission and vision ambitions. Each department has compiled its interpretation of the values, which are now integrated into annual performance reviews as a tool for motivation and engagement.

ACTION

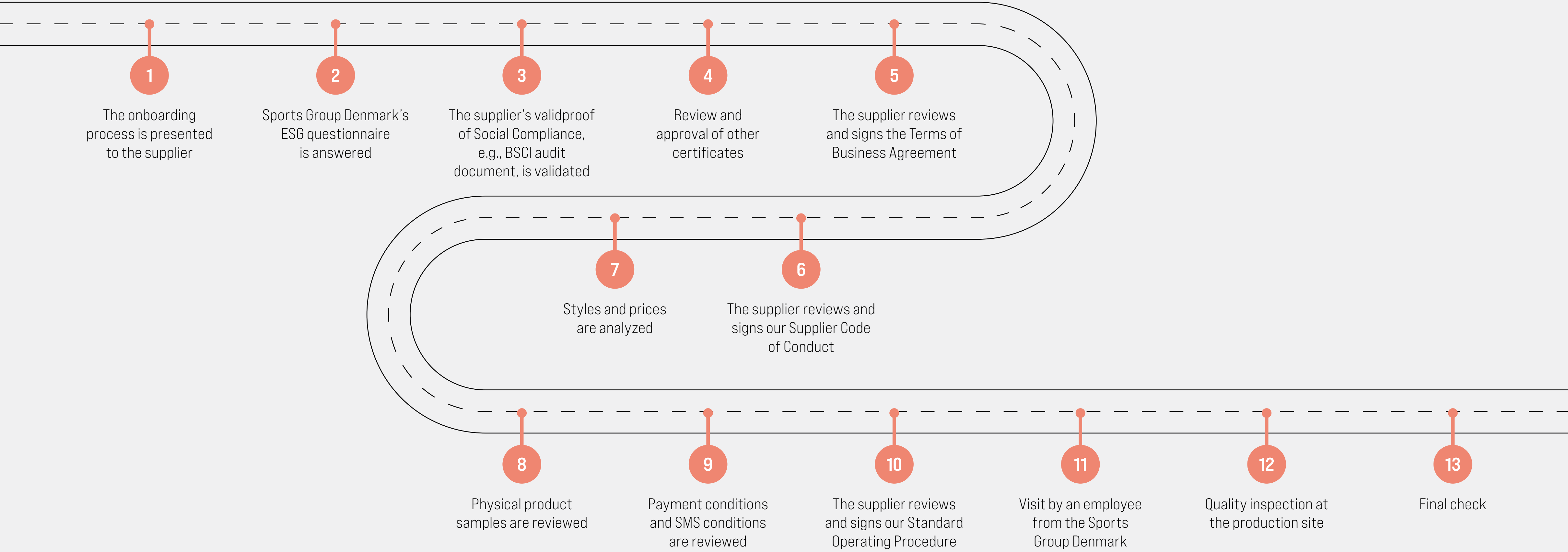
EMPLOYEES IN THE SUPPLY CHAIN

The supplier onboarding procedure, introduced in 2023, was refined and fully implemented across all steps in 2024. From the outset of potential collaborations, suppliers are introduced to the onboarding process and due diligence requirements set by Sports Group Denmark. The goal is to establish a mutual quality partnership while ensuring good social conditions for workers in production. The onboarding steps generate extensive data, which is used to assess workplace quality and, more importantly, the supplier's potential for development and improvement in follow-up efforts.

A key focus in ensuring proper employment conditions and decent working environments is third-party validation through audits. The production sites we work with typically document their labor rights and working conditions through third-party evaluations under recognized international standards, with the majority following amfori BSCI, the most widely used audit framework in the textile industry. Rather than merely monitoring social performance via audit reports, Sports Group Denmark became an amfori member in Q1 2024. This membership provides a stronger foundation for actively improving supplier performance in areas such as labor rights, worker health, and workplace safety.

Documents such as the Code of Conduct and Terms of Business Agreement were continuously updated throughout 2024 with enhanced provisions for specific priority areas requiring additional attention.

THE SUPPLIER CHAIN ROADMAP



amfori BSCI

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Documents such as the Code of Conduct and Terms of Business Agreement were continuously updated throughout 2024 with enhanced provisions for specific priority areas requiring additional attention.

Manufacturing outside the EU is subject to close and ongoing monitoring, occasionally requiring extra efforts. For example, worker rights and health conditions in Bangladesh were a specific focus in 2024, partly due to flooding.

Our local presence is invaluable in these efforts, with more than 50 employees in China and 15 in Bangladesh actively supporting and monitoring conditions on-site. From our headquarters in Denmark, we also conduct regular visits to production countries, particularly within sourcing, ESG, and product teams.

A large ESG conference was hosted in November 2024 in Fuzhou, China, bringing together all key suppliers. The primary objective was to prepare suppliers for the increasing data requirements and follow-up efforts necessary for doing business with European textile brands in the future.

Training sessions focused on equipping suppliers to conduct their own risk assessments – not only within their own operations (Tier 1) but also with their suppliers (Tier 2). This effort will continue in 2025, reinforcing the core ESG principle of ensuring no one is left behind as European regulations intensify.

Our local colleagues play a vital role in supporting and strengthening ESG efforts on the ground.

SOCIAL AND EMPLOYEE MATTERS – LOOKING AHEAD

Looking ahead, Sports Group Denmark will continue to prioritize employee well-being, engagement, and a strong internal culture – with a particular focus on leadership and retention as the organization grows. Further development of systematic employee experience measurement and leadership development across units and functions will be a key focus area.

In the supply chain, the Group expects increasing focus on documentation and labor conditions, including strengthened due diligence and supplier engagement on improvements. Transparency and credible data collection will remain a strategic priority in view of upcoming reporting requirements.

Governance, including Anti-Corruption and Bribery

KEY RISKS

Governance, including Anti-Corruption and Bribery

RISK
Supply Chain

RISK
Corruption

RISK
Compliance with New Legal Requirements

RISK

CORRUPTION

Sports Group Denmark is an international company with global activities, which presents a risk of corruption and/or bribery. This risk must be continuously monitored, assessed, and, if necessary, mitigated.

RISK

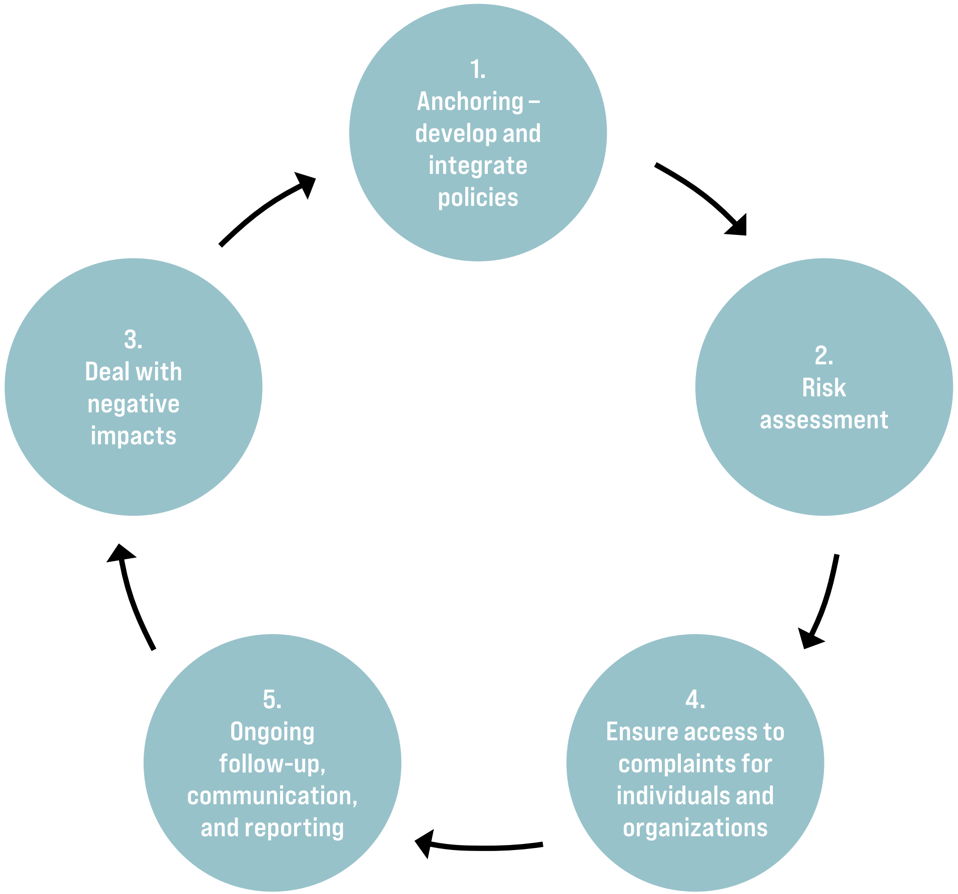
SUPPLY CHAIN RISKS

Operating production facilities far from the headquarters and outside the EU involves specific risks that must be managed. One such risk is the use of subcontractors without the Group's knowledge, which could lead to poor working conditions and breaches of company policies. This could, in turn, damage the company's reputation and ultimately result in lost orders.

RISK

COMPLIANCE WITH NEW LEGAL REQUIREMENTS

The textile industry is currently undergoing significant changes due to evolving legislation affecting both textile-producing companies and their products. Brands must be proactive in conducting risk assessments, collecting data in advance, and gaining insights into reporting requirements before the various regulations take effect. Failure to report in compliance with both legal obligations and customer demands (soft laws) may lead to loss of market share or a weakened business position.



ACTIONS AND RESULTS

Governance, including Anti-Corruption and Bribery

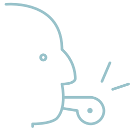
ACTION
Supply Chain

ACTION
Corruption

ACTION
Compliance with New Legal Requirements

ACTION

ANTI-CORRUPTION



A zero-tolerance approach supported by clear policies and reporting channels.

The established whistleblower system recorded zero (0) reports in 2024. Consequently, no issues required formal action or disciplinary measures.

Anti-bribery and anti-corruption remain key elements of our Code of Conduct and the internationally recognized ethical principles we adhere to. The Group's commitment to corporate responsibility and zero tolerance for bribery and corruption is continuously reinforced through ongoing dialogue with our employees and business partners, particularly those operating in high-risk regions. Suppliers are required to sign our Code of Conduct, and a structured follow-up process is in place. The Code of Conduct is regularly updated to reflect ongoing risk assessments.

Sports Group Denmark maintains a zero-tolerance policy towards corruption and bribery. Going forward, efforts in this area will be strengthened through increased awareness, follow-up, and systematization of relevant procedures – in line with growing expectations from partners and regulatory requirements. Greater emphasis will be placed on implementing clear internal guidelines and providing targeted training for relevant functions.

ACTION

SUPPLY CHAIN

> Our 13-step onboarding strategy has served as the foundation for our approach to supplier onboarding and long-term engagement.

2024 marked the first full year of a verified listing of production, processing and packing sites used in the manufacturing of the Group's products. These site records are cross-referenced with quality control data collected through the Group's digital quality management system. This system enhances transparency, as, for example, GPS coordinates in images provide verification of quality control locations.

Through regular visits, self-assessments, annual audits, and ongoing communication, we maintain close and verifiable collaboration with our suppliers in Asia. Our 13-step onboarding strategy has served as the foundation for our approach to supplier onboarding and long-term engagement. The vast majority of our suppliers have been working with us for many years – some since our founding in 2012. This long-term collaboration allows us to strengthen partnerships, ensure compliance with our requirements, drive continuous improvements, and confirm that our suppliers remain viable business partners for the future. Today, supplier evaluations are not only based on price, quality, and delivery reliability – but also on working conditions and ESG compliance at production sites.

Geopolitical, political, and weather-related risks are difficult to predict, but we continuously conduct risk assessments, discussing both reactive and proactive measures.

ACTION

COMPLIANCE WITH NEW LEGAL REQUIREMENTS

When we launched our three-year strategy at the beginning of 2023, we were already aware of the emerging legislation that would significantly impact the Group from 2025 onward. As a result, data management was made a core focus of the strategy. We structured our data efforts into three key areas: Data localization and collection, Data storage, and Data verification.

Throughout 2024, we worked extensively on supplier data, product data, and component data. This was also the first full year in which we expanded our Bill of Materials (BOM) to include additional data points such as packaging and production data, alongside more comprehensive product data. This expansion supports compliance with the Extended Producer Responsibility (EPR) for packaging and the EU EcoDesign Regulation. We continue to enhance our data collection efforts, ensuring integration into various software platforms and systems.

Data often comes paired with knowledge, which is why different teams at Sports Group Denmark participated in several industry knowledge-sharing projects in 2024. These included initiatives under the industry cluster organization LDC, such as the Durability Project, Strategic Product Design, and Digital Transformation. These projects spanned multiple industries, including furniture manufacturing, and provided insights and hands-on experience with emerging legislation, such as the EU EcoDesign Regulation.

Throughout 2024, we also strengthened industry collaboration, working closely with peers to understand challenges and regulations collectively and share knowledge and experiences. We continue to hold a leading position in the Voluntary Sector Collaboration, which unites the textile industry, supported by the Ministry of Environment, and we are also represented in the board of the Danish Textile & Fashion Association (DM&T) and its Sustainability Advisory Board.

"Reliable data is not only key to compliance – it's key to running a better business.

Company Policies on ESG

The Group's overall ESG policy, along with its Code of Conduct, adheres to internationally recognized ethical frameworks, including the UN Global Compact, amfori BSCI, and Sedex Members Ethical Trade Audit (SMETA). Additionally, it is based on key conventions such as the ILO conventions on labor rights, the UN Convention on the Rights of the Child, and the UN Human Rights Convention.

Our direct suppliers are required to sign the company's Code of Conduct and Standard Operating Procedure (SOP) and are also subject to our Terms of Business Agreement. Under these agreements, suppliers commit to acting in compliance with responsible ESG-practices and are obligated to implement their own risk mitigation measures within their own supply chains.

The ESG focus areas we work with, align with legislation or, where applicable, follow internationally recognized standards and guidelines. These include best practices for digital quality management, carbon accounting, and whistleblower mechanisms.

EXPECTATIONS FOR 2025

Strategy

The ESG efforts in 2025 will follow the established three-year strategy (2023-2025). So far, no external factors have necessitated changes to the overarching strategy, which is designed to ensure the company's compliance with future reporting requirements, product requirements, and other ESG-related stakeholder expectations through a set of predefined focus areas.

Policies and Reporting Practices

At the beginning of 2025, a new stakeholder analysis was initiated, and its results will serve as the foundation for a revision of the current strategy. At the time of this Statement on ESG, it remains undetermined whether the Group will be subject to CSRD. However, if it is not covered by CSRD, the company will likely adopt the VSME standard.

Data

Once again, data will be a key focus in 2025. Increasingly, data functions as an additional currency – flowing from our suppliers to us to provide value and assurance, and from us to our customers, where we see it creating measurable value in collaborations. One example is the ability to provide audit information from production sites.

In 2024, we witnessed how data helped us establish baseline measurements in several areas, allowing us to set realistic targets. This effort will continue in new areas in 2025. We will maintain our focus on storing data in relevant databases, ensuring data verification, and making it 'reporting-ready' – whether for customers or regulatory compliance.

Knowledge Development

The ESG field is highly dynamic, driven by technological advancements and supply chain transformations. We look forward to continuing the SynthiCycle project, where we are scaling fiber blend separation technology for the broader textile industry. We are now entering the second year of this two-year project and will begin to reap the results of our foundational work.

Additionally, we have initiated a smaller project with AAUBS focusing on Circular Transformations, alongside a range of internal learning workshops to foster knowledge development.

Memberships and Certifications

To enhance our competitiveness and align with upcoming reporting directives, we are increasingly in need of validation tools for our initiatives. As a result, we will continue as an amfori brand member and further engage with the organization's tools to ensure better working conditions in production.

Furthermore, we will undergo a new GRS certification process in Q1 2025. In the second half of the year, we also plan to initiate the process for the Science Based Target Initiative (SBTi).

Due Diligence 2.0

A key strategic focus for 2025 will be our supplier due diligence process, where we are continuously working towards greater transparency and closer collaboration with suppliers to follow up on and address audit findings, on-site visits, etc. Several new subprojects are planned for 2025. Among these, we aim to explore the integration of BEPI (amfori's environmental initiative), where applicable, to complement our own supplier assessments.

Data Ethics

The company processes general data such as customer and employee data. All data is handled in compliance with GDPR and internal privacy and information security policies. Since the company operates primarily in a B2B capacity and has very limited processing of sensitive personal data, it has been assessed that a specific data ethics policy is not currently necessary. However, the company will continuously evaluate the need for such a policy and closely monitor developments in this area.

Exceptional Circumstances

The Group's assets, liabilities, financial position as of December 31, 2024, and financial performance and cash flows for 2024 were not affected by any exceptional circumstances.

Events After the Balance Sheet Date

No events have occurred after the balance sheet date that would significantly impact the assessment of the annual report.

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT

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64 Independent Auditor's Report

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sports Group Denmark A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Silkeborg, 24 April 2025

Executive Board

Bjarne Brink Jeppesen
CEO

Martin Engelbreth Mortensen
CFO

Board of Directors

Dion Møberg Eriksen
Chairman

Kasper Toftekær Philipsen

Dan Højgaard Jensen

Mark Thomas Christiansen

Bjarne Brink Jeppesen

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF SPORTS GROUP DENMARK A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and ofthe results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Sports Group Denmark 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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

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

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance 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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Herning, 24 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Poul Spencer Poulsen
State Authorised Public Accountant
mne23324

Kim Vorret
State Authorised Public Accountant
mne33256

FINANCIAL STATEMENTS

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INCOME STATEMENT

1 January - 31 December

		Group		Parent company	
TDKK	Note	**2024**	2023	**2024**	2023
Revenue	1	1,228,169	1,019,505	1,146,919	940,776
Other operating income		8,925	3,548	8,434	2,678
Expenses for raw materials and consumables		-804,666	-702,851	-755,756	-644,804
Other external expenses		-194,109	-170,818	-244,886	-232,805
Gross profit		**238,319**	**149,384**	**154,711**	**65,845**
Staff expenses	2	-126,711	-95,150	-88,584	-70,820
Earnings Before Interest Taxes Depreciation and Amortization		**111,608**	**54,234**	**66,127**	**-4,975**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-24,937	-18,523	-18,766	-13,543
Other operating expenses		-1,892	0	-1,892	0
Profit/loss before financial income and expenses		**84,779**	**35,711**	**45,469**	**-18,518**
Income from investments in subsidiaries	4	0	0	19,904	31,136
Income from investments in associates	5	2,123	2,082	0	0
Financial income	6	6,196	4,869	8,233	7,391
Financial expenses	7	-34,256	-31,254	-33,597	-29,981
Profit/loss before tax		**58,842**	**11,408**	**40,009**	**-9,972**
Tax on profit/loss for the year	8	-16,346	-2,765	-4,638	8,737
Net profit/loss for the year	9	**42,496**	**8,643**	**35,371**	**-1,235**

BALANCE SHEET

31 December

Assets

		Group		Parent company	
TDKK	Note	**2024**	2023	**2024**	2023
Acquired trademarks		14,093	12,011	14,093	12,011
Goodwill		26,607	11,567	0	0
Intangible assets	10	**40,700**	**23,578**	**14,093**	**12,011**
Land and buildings		57,323	54,884	0	0
Other fixtures and fittings, tools and equipment		63,110	63,308	61,979	62,521
Leasehold improvements		13,052	12,456	10,758	11,643
Property, plant and equipment	11	**133,485**	**130,648**	**72,737**	**74,164**
Investments in subsidiaries	12	0	0	80,559	77,529
Investments in associates	13	11,145	9,022	0	0
Deposits	14	5,887	4,418	2,937	1,857
Fixed asset investments		**17,032**	**13,440**	**83,496**	**79,386**
Fixed assets		**191,217**	**167,666**	**170,326**	**165,561**
Inventories	15	**398,548**	**322,952**	**362,801**	**288,396**

		Group		Parent company	
TDKK	Note	**2024**	2023	**2024**	2023
Trade receivables		139,678	120,122	132,527	110,732
Receivables from group enterprises	16	0	0	61,864	55,059
Receivables from associates		15,772	16,536	15,772	16,536
Other receivables	17	31,735	6,911	27,744	0
Deferred tax asset	19	0	12,310	0	12,181
Corporation tax		4,404	0	3,439	4,078
Corporation tax receivable from group enterprises		0	0	2,750	862
Prepayments	18	9,726	5,467	6,197	4,798
Receivables		**201,315**	**161,346**	**250,293**	**204,246**
Cash at bank and in hand		**17,428**	**21,075**	**2,174**	**3,546**
Current assets		**617,291**	**505,373**	**615,268**	**496,188**
Assets		**808,508**	**673,039**	**785,594**	**661,749**

Liabilities and equity

TDKK	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Share capital		2,429	2,429	2,429	2,429
Reserve for net revaluation under the equity method		5,120	2,997	38,985	56,221
Reserve for hedging transactions		21,777	-11,008	21,777	-11,008
Reserve for exchange rate conversion		-657	146	0	0
Retained earnings		214,897	181,648	180,375	128,570
Equity attributable to share-holders of the Parent Company		**243,566**	**176,212**	**243,566**	**176,212**
Minority interests		7,455	10,821	0	0
Equity		**251,021**	**187,033**	**243,566**	**176,212**
Provision for deferred tax	19	3,124	0	1,849	0
Provisions		**3,124**	**0**	**1,849**	**0**
Mortgage loans		7,413	7,816	0	0
Lease obligations		41,870	40,742	41,870	40,742
Trade payables		0	210	0	0
Other payables		6,000	7,000	6,000	7,000
Long-term debt	20	**55,283**	**55,768**	**47,870**	**47,742**

TDKK	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Mortgage loans	20	443	442	0	0
Credit institutions		223,256	263,109	190,393	233,461
Lease obligations	20	7,406	5,878	7,406	5,878
Prepayments received from customers		522	194	522	0
Trade payables	20	215,506	115,169	217,352	108,200
Payables to group enterprises		0	0	46,031	54,069
Corporation tax		5,929	1,212	0	0
Payables to group enterprises relating to corporation tax		0	0	1,159	105
Other payables	20,17	46,018	44,234	29,446	36,082
Short-term debt		**499,080**	**430,238**	**492,309**	**437,795**
Debt		**554,363**	**486,006**	**540,179**	**485,537**
Liabilities and equity		**808,508**	**673,039**	**785,594**	**661,749**
Contingent assets, liabilities and other financial obligations	23				
Related parties	24				
Fee to auditors appointed at the general meeting	25				
Accounting Policies	26				

STATEMENT OF CHANGES IN EQUITY

Group

TDKK	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	2,429	2,997	-11,008	146	181,649	176,213	10,821	187,034
Exchange adjustments	0	0	0	-803	0	-803	0	-803
Ordinary dividend paid	0	0	0	0	0	0	-10,491	-10,491
Fair value adjustment of hedging instruments, beginning of year	0	0	14,793	0	0	14,793	0	14,793
Fair value adjustment of hedging instruments, end of year	0	0	27,239	0	0	27,239	0	27,239
Tax on adjustment of hedging instruments for the year	0	0	-9,247	0	0	-9,247	0	-9,247
Net profit/loss for the year	0	2,123	0	0	33,248	35,371	7,125	42,496
Equity at 31 December	**2,429**	**5,120**	**21,777**	**-657**	**214,897**	**243,566**	**7,455**	**251,021**

STATEMENT OF CHANGES IN EQUITY

Parent company

TDKK	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
Equity at 1 January	2,429	56,221	-11,008	128,571	176,213
Exchange adjustments	0	-803	0	0	-803
Fair value adjustment of hedging instruments, beginning of year	0	0	14,793	0	14,793
Fair value adjustment of hedging instruments, end of year	0	0	27,239	0	27,239
Tax on adjustment of hedging instruments for the year	0	0	-9,247	0	-9,247
Net profit/loss for the year	0	-16,433	0	51,804	35,371
Equity at 31 December	**2,429**	**38,985**	**21,777**	**180,375**	**243,566**

CASH FLOW STATEMENT

1 January - 31 December

TDKK	Note	Group 2024	Group 2023
Result of the year		42,496	8,643
Adjustments	21	65,933	44,837
Change in working capital	22	19,801	6,398
Cash flow from operations before financial items		**128,230**	**59,878**
Financial income		6,196	4,869
Financial expenses		-34,256	-31,254
Cash flows from ordinary activities		**100,170**	**33,493**
Corporation tax paid		-9,846	-23,830
Cash flows from operating activities		**90,324**	**9,663**
Purchase of intangible assets		-22,510	-6,648
Purchase of property, plant and equipment		-21,902	-89,429
Fixed asset investments made etc		-1,469	-2,412
Cash flows from investing activities		**-45,881**	**-98,489**

TDKK	Note	Group 2024	Group 2023
Repayment of mortgage loans		-402	-401
Reduction of lease obligations		-5,883	46,620
Lease obligations incurred		8,539	0
Dividend paid		-10,491	-12,130
Change in debt to credit institutions		-39,853	64,669
Cash flows from financing activities		**-48,090**	**98,758**
Change in cash and cash equivalents		**-3,647**	**9,932**
Cash and cash equivalents at 1 January		21,075	11,143
Cash and cash equivalents at 31 December		**17,428**	**21,075**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17,428	21,075
Cash and cash equivalents at 31 December		**17,428**	**21,075**

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Geographical segments				
Denmark	410,001	322,857	355,140	271,873
Norway	285,857	238,647	281,012	235,620
Other Nordic countries	148,475	136,363	133,845	123,372
Germany, Austria and Switzerland	309,437	256,192	303,731	247,216
Other countries	74,399	65,446	73,191	62,695
	1,228,169	**1,019,505**	**1,146,919**	**940,776**

2. Staff expenses

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Wages and salaries	107,181	83,394	75,867	60,301
Pensions	13,329	10,655	11,455	9,514
Other social security expenses	6,201	1,101	1,262	1,005
	126,711	**95,150**	**88,584**	**70,820**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	3,135		3,135	
Board of directors	560		560	
	3,695		**3,695**	
Including remuneration to the Executive Board and Board of Directors		**2,585**		**2,585**
Average number of employees	**270**	**251**	**180**	**165**

NOTES TO THE FINANCIAL STATEMENTS

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

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Amortisation of intangible assets	5,388	4,793	1,511	1,539
Depreciation of property, plant and equipment	19,549	13,730	17,255	12,004
	24,937	**18,523**	**18,766**	**13,543**

4. Income from investments in subsidiaries

	Parent company	
TDKK	**2024**	2023
Share of profits	23,781	34,390
Amortisation of goodwill	-3,877	-3,254
	19,904	**31,136**

5. Income from investments in associates

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Share of profits	2,123	2,082	0	0
	2,123	**2,082**	**0**	**0**

6. Financial income

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Interest received from group enterprises	0	0	2,471	2,033
Interest received from associates	772	938	772	938
Other financial income	5,424	3,931	4,990	4,420
	6,196	**4,869**	**8,233**	**7,391**

NOTES TO THE FINANCIAL STATEMENTS

7. Financial expenses

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Interest paid to group enterprises	0	0	2,103	1,264
Other financial expenses	30,389	30,931	27,628	28,394
Exchange adjustments, expenses	3,867	323	3,866	323
	34,256	**31,254**	**33,597**	**29,981**

8. Income tax expense

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Current tax for the year	11,092	11,271	582	-757
Deferred tax for the year	14,501	-9,169	13,303	-8,643
	25,593	**2,102**	**13,885**	**-9,400**
Thus distributed:				
Income tax expense	16,346	2,765	4,638	-8,737
Tax on equity movements	9,247	-663	9,247	-663
	25,593	**2,102**	**13,885**	**-9,400**

NOTES TO THE FINANCIAL STATEMENTS

9. Profit allocation

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Reserve for net revaluation under the equity method	2,123	2,082	-16,433	4,091
Minority interests' share of net profit/loss of subsidiaries	7,125	9,878	0	0
Retained earnings	33,248	-3,317	51,804	-5,326
	42,496	**8,643**	**35,371**	**-1,235**

10. Intangible fixed assets

	Group		Parent company
TDKK	Acquired trademarks	Goodwill	Acquired trademarks
Cost at 1 January	15,870	18,102	15,839
Additions for the year	3,593	18,916	3,593
Cost at 31 December	19,463	37,018	19,432
Impairment losses and amortisation at 1 January	3,859	6,534	3,828
Amortisation for the year	1,511	3,877	1,511
Impairment losses and amortisation at 31 December	5,370	10,411	5,339
Carrying amount at 31 December	**14,093**	**26,607**	**14,093**
Amortised over	3-10 years	5 years	3-10 years

NOTES TO THE FINANCIAL STATEMENTS

11. Property, plant and equipment

	Group			Parent company	
TDKK	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	57,680	82,202	23,357	80,240	21,892
Exchange adjustment	0	8	31	0	0
Additions for the year	3,949	13,295	4,658	12,279	2,492
Disposals for the year	0	-3,076	-3,220	-2,796	-3,031
Cost at 31 December	61,629	92,429	24,826	89,723	21,353
Impairment losses and depreciation at 1 January	2,795	18,895	10,902	17,720	10,250
Exchange adjustment	0	8	31	0	0
Depreciation for the year	1,511	14,315	3,872	13,923	3,376
Reversal of impairment and depreciation of sold assets	0	-3,899	-3,031	-3,899	-3,031
Impairment losses and depreciation at 31 December	4,306	29,319	11,774	27,744	10,595
Carrying amount at 31 December	**57,323**	**63,110**	**13,052**	**61,979**	**10,758**
Amortised over	5-30 years	3-10 years	5 years	3-10 years	5 years
Including assets under finance leases amounting to	0	50,920	0	50,920	0

NOTES TO THE FINANCIAL STATEMENTS

12. Investments in subsidiaries

	Parent company	
TDKK	**2024**	2023
Cost at 1 January	21,309	14,585
Additions for the year	20,266	6,723
Cost at 31 December	41,575	21,308
Value adjustments at 1 January	56,221	51,585
Exchange adjustment	-803	510
Net profit/loss for the year	23,984	34,391
Dividend to the Parent Company	-36,338	-27,046
Amortisation of goodwill	-3,877	-3,254
Other adjustments	-203	35
Value adjustments at 31 December	38,984	56,221
Carrying amount at 31 December	**80,559**	**77,529**
Positive differences arising on initial measurement of subsidiaries at net asset value	18,916	6,649
Remaining positive difference included in the above carrying amount at	26,607	11,567

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Sports Group Asia Limited	Hong Kong	TCNY 0	100%
SGD Ejendomme A/S	Silkeborg (DK)	TDKK 500	100%
Scandinavian Sports Group AB	Finland	TEUR 3	100%
Sports Group Germany GmbH	Germany	TEUR 50	100%
Sports Group Sweden AB	Sweden	TSEK 1,000	100%
Racket Group A/S	Frederikshavn (DK)	TDKK 500	100%
Footwear Group International A/S	Silkeborg (DK)	TDKK 1,000	90%
Sports Group Norway AS	Norway	TNOK 30	70%
Sports Group France SAS	France	TEUR 10	100%
Sports Group Austria GmbH	Austria	TEUR 10	100%

NOTES TO THE FINANCIAL STATEMENTS

13. Investments in associates

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Cost at 1 January	6,025	6,025	0	0
Cost at 31 December	6,025	6,025	0	0
Value adjustments at 1 January	2,997	915	0	0
Net profit/loss for the year	2,123	2,082	0	0
Value adjustments at 31 December	5,120	2,997	0	0
Carrying amount at 31 December	**11,145**	**9,022**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Ejendomsselskabet Skærskovgårdsvej ApS	Silkeborg (DK)	TDKK 400	50%

14. Other fixed asset investments

	Group	Parent company
TDKK	Deposits	Deposits
Cost at 1 January	4,419	1,857
Additions for the year	1,468	1,080
Cost at 31 December	5,887	2,937
Carrying amount at 31 December	**5,887**	**2,937**

15. Inventories

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Finished goods and goods for resale	245,058	241,267	216,366	211,768
Prepayments for goods	153,490	81,685	146,435	76,628
	398,548	**322,952**	**362,801**	**288,396**

NOTES TO THE FINANCIAL STATEMENTS

16. Receivables from group enterprises

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Other receivables	0	0	61,864	55,059
	0	**0**	**61,864**	**55,059**

17. Derivative financial instruments

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

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Assets	27,239	0	27,239	0
Liabilities	0	14,793	0	14,793
Change in fair value recognized in equity	42,033	-3,011	42,033	-3,011

Forward exchange contracts have been concluded to hedge future purchase of goods in USD and sale of goods in SEK og NOK. At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK 27 million. Purchase of goods in USD of USD 61 million, corresponding to approx 67% of the expected sales, has been hedged. Sale of goods in NOK of NOK 110 million, corresponding to approx 34% of the expected sales, has been hedged. Sale of goods in SEK of SEK 110 million, corresponding to approx 45% of the expected sales, has been hedged. The forward exchange contracts have a term of 1-14 months.

NOTES TO THE FINANCIAL STATEMENTS

18. Prepayments

Prepayments relate to prepaid costs for advertising, membership fees, rent and insurance.

19. Provision for deferred tax

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Deferred tax liabilities at 1 January	-12,310	-3,142	-12,181	-3,539
Amounts recognised in the income statement for the year	6,187	-8,506	4,783	-7,980
Amounts recognised in equity for the year	9,247	-662	9,247	-662
Deferred tax liabilities at 31 December	**3,124**	**-12,310**	**1,849**	**-12,181**

NOTES TO THE FINANCIAL STATEMENTS

20. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. The debt falls due for payment as specified below:

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Mortgage loans				
After 5 years	5,520	5,953	0	0
Between 1 and 5 years	1,893	1,863	0	0
Long-term part	7,413	7,816	0	0
Within 1 year	443	442	0	0
	7,856	**8,258**	**0**	**0**
Lease obligations				
After 5 years	4,766	13,643	4,766	13,643
Between 1 and 5 years	37,104	27,099	37,104	27,099
Long-term part	41,870	40,742	41,870	40,742
Within 1 year	7,406	5,878	7,406	5,878
	49,276	**46,620**	**49,276**	**46,620**

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Trade payables				
After 5 years	0	0	0	0
Between 1 and 5 years	0	210	0	0
Long-term part	0	210	0	0
Other short-term trade payables	215,506	115,169	217,352	108,200
	215,506	**115,379**	**217,352**	**108,200**
Other payables				
After 5 years	2,000	3,000	2,000	3,000
Between 1 and 5 years	4,000	4,000	4,000	4,000
Long-term part	6,000	7,000	6,000	7,000
Within 1 year	1,000	1,000	1,000	1,000
Other short-term payables	45,018	43,234	28,446	35,082
	52,018	**51,234**	**35,446**	**43,082**

NOTES TO THE FINANCIAL STATEMENTS

21. Cash flow statement - Adjustments

	Group	
TDKK	**2024**	2023
Financial income	-6,196	-4,869
Financial expenses	34,256	31,254
Depreciation, amortisation and impairment losses, including losses and gains on sales	24,453	18,523
Income from investments in associates	-2,123	-2,082
Tax on profit/loss for the year	16,346	2,765
Exchange adjustments	-803	0
Other adjustments	0	-754
	65,933	**44,837**

22. Cash flow statement - Change in working capital

	Group	
TDKK	**2024**	2023
Change in inventories	-75,596	116,533
Change in receivables	-47,875	-30,954
Change in trade payables, etc	101,240	-82,193
Fair value adjustments of hedging instruments	42,032	3,012
	19,801	**6,398**

NOTES TO THE FINANCIAL STATEMENTS

23. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Mortgage deed totaling TDKK 10,489 with mortgage on land and buildings with a carrying amount of	55,948	54,884	0	0
The following assets have been placed as security with bankers:				
Owner mortgage deeds totaling TDKK 20,000 with mortgage on land and buildings with a carrying amount of	55,948	54,884	0	0
Business mortgage of nominal TDKK 70,000 with mortgage on inventories, simple receivables and tangible fixed assets with a value of	533,431	445,952	533,431	445,952
Business mortgage of nominal TDKK 5,000 with mortgage on inventories, simple receivables and tangible fixed assets with a value of	35,808	33,386	0	0

	Group		Parent company	
TDKK	**2024**	2023	**2024**	2023
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,935	1,919	2,889	1,340
Between 1 and 5 years	3,635	1,966	3,325	1,310
	7,570	**3,885**	**6,214**	**2,650**
Lease obligations, period of non-terminability up to 6 months	1,072	1,090	1,072	1,090
Lease obligations, period of non-terminability more than 6 months	78,322	124,286	109,160	110,030

Guarantee obligations

The parent company has provided surety bonds to bankers for all outstanding balances with the subsidiaries SGD Ejendomme A/S and Racket Group A/S, as well as the associated company Ejendomsselskabet Skærskovgårdsvej ApS.

The parent company has issued a statement of support to a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

23. Contingent assets, liabilities and other financial obligations

Other contingent liabilities
The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 5,929. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

24. Related parties

	Basis
Controlling interest	
Bjarne Brink Jeppesen	CEO, board member and shareholder
Mark Thomas Christiansen	Board member and shareholder
Dion Møberg Eriksen	Chairman
Dan Højgaard Jensen	Board member
Kasper Philipsen	Board member
Martin Engelbreth Mortensen	CFO

	Basis
Other related parties	
Sports Group Asia Limited	Subsidiary
SGD Ejendomme A/S	Subsidiary
Scandinavian Sports Group AB	Subsidiary
Sports Group Germany GmbH	Subsidiary
Sports Group Sweden AB	Subsidiary
Racket Group A/S	Subsidiary
Footwear Group International A/S	Subsidiary
Sports Group Norway AS	Subsidiary
Sports Group France SAS	Subsidiary
Sports Group Austria GmbH	Subsidiary

Transactions
During the year, apart from intra-group transactions and normal management remuneration, no transactions were carried out with the Board of Directors, the Executive Board, senior executives, significant shareholders, affiliated companies or other related parties that were not carried out on normal market terms pursuant to section 98 c, subsection 7.

NOTES TO THE FINANCIAL STATEMENTS

25. Fee to auditors appointed at the general meeting

	Group	
TDKK	**2024**	2023
PricewaterhouseCoopers		
Audit fee	288	273
Tax advisory services	239	35
Non-audit services	201	179
	728	**487**

26. Accounting policies

The Annual Report of Sports Group Denmark A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

Recognition and measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Sports Group Denmark A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Translation policies
Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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.

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

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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 the fair value reserve 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.

Segment information on revenue

Information on geographical segments is based on the Group´s risks and returns and its internal financial reporting system.

The Group does not make any other segmentation in its internal financial reporting system.

INCOME STATEMENT

Revenue

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

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity’s employees.

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

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

Income from investments in subsidiaries and associates
The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses
Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

BALANCE SHEET

Intangible fixed assets

Goodwill
Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas. The amortisation period for goodwill is based on strategic investments for the Group. The Group expect the investments will contribute positively to the group's results for a longer period.

Other intangible fixed assets
Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 3-10 years.

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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. 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:

Buildings	5-30 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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Other fixed asset investments
Other fixed asset investments consist of deposits.

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 and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

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

Prepayments
Prepayments comprise prepaid expenses concerning costs incurred in in subsequent years.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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

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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.

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

Cash Flow Statement
With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise "Cash at bank and in hand".

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

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FINANCIAL HIGHLIGHTS

Explanation of financial ratios

$$\text{Return on assets} = \frac{\text{Profit/loss of primary operations x 100}}{\text{Total assets at year end}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

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

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