

# Sports Connection ApS

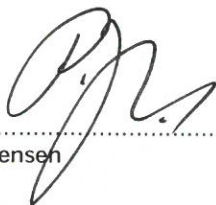
Kvaglundvej 89, 6705 Esbjerg Ø

CVR no. 18 13 38 81

## Annual report 2019

Approved at the Company's annual general meeting on 6 April 2020

Chairman:



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Peter Jørgensen





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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sports Connection ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Esbjerg, 6 April 2020

Executive Board:



Peter Jørgensen

Board of Directors:



Johannes Adrianus de  
Groot



Peter Jørgensen

## Independent auditor's report

To the shareholder of Sports Connection ApS

### Opinion

We have audited the financial statements of Sports Connection ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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.



## Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 6 April 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Morten Østergaard Koch  
State Authorised Public Accountant  
mne35420



## Management's review

### Company details

Name	Sports Connection ApS
Address, Postal code, City	Kvaglundvej 89, 6705 Esbjerg Ø
CVR no.	18 13 38 81
Established	25 October 1994
Registered office	Esbjerg
Financial year	1 January - 31 December
Website	<a href="http://www.sportsconnection.dk">www.sportsconnection.dk</a>
Telephone	+45 75 10 19 80
Telefax	+45 75 10 19 81
Board of Directors	Johannes Adrianus de Groot Peter Jørgensen
Executive Board	Peter Jørgensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33, 6700 Esbjerg, Denmark

## Management's review

### Financial highlights

DKK'000	2019	2018	2017	2016	2015
<b>Key figures</b>					
Gross profit	62,040	55,220	52,673	41,715	26,793
Operating profit/loss	24,740	16,457	39,184	28,059	16,587
Net financials	-1,755	3,269	-6,640	4,152	-206
Profit for the year	29,191	31,741	25,323	25,367	12,461
<b>Assets</b>					
Fixed assets	4,296	4,558	1,171	627	818
Non-fixed assets	128,761	87,178	82,098	61,067	39,738
Total assets	133,057	91,736	83,269	61,694	40,556
Investment in property, plant and equipment	643	3,349	944	290	0
Equity	49,064	53,620	37,926	37,603	17,936
<b>Financial ratios</b>					
Current ratio	270.4%	234.6%	181.1%	253.5%	175.7%
Equity ratio	36.9%	58.5%	45.5%	61.0%	44.2%
Return on equity	56.9%	69.3%	67.1%	91.3%	69.5%
<b>Average number of employees</b>					
Average number of employees	42	33	24	20	16

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$



## Management's review

### Business review

The principal activities are wholesale trading of shoes and related activities.

### Financial review

The income statement for 2019 shows a profit of DKK 29,191 thousand against a profit of DKK 31,741 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 49,064 thousand.

Management considers the Company's financial performance in the year satisfactory.

### Knowledge resources

The Company is continuously working to attract and maintain professionally qualified labour with expert knowledge of the Company's services and products.

### Special risks

#### Exchange rate risks

The company trades abroad and has the risk of exchange rate fluctuations. This risk is secured by hedging future transactions.

#### Impact on the external environment

The Company is environmentally aware and continuously works to reduce the environmental impact from its operations. The Company's operation already has a limited environmental impact.

#### Events after the balance sheet date

Although the full impact of COVID-19 is not yet clear, it is not considered to impact the company in such a manner that it needs further incorporation in the annual report for 2019.

#### Outlook

Due to the COVID-19 outbreak the Company expects a temporary slowdown in growth, but despite that a positive result for 2020 is still expected.





## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	Gross profit	62,040	55,220
2	Staff costs	-21,369	-17,316
	Depreciation of property, plant and equipment	-979	-447
	Profit before net financials	39,692	37,457
	Financial income	0	3,872
3	Financial expenses	-1,755	-603
	Profit before tax	37,937	40,726
4	Tax for the year	-8,746	-8,985
	Profit for the year	29,191	31,741

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	<b>ASSETS</b>		
	Fixed assets		
5	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	1,055	812
	Leasehold improvements	2,516	3,096
		<u>3,571</u>	<u>3,908</u>
6	Investments		
	Deposits	725	650
		<u>725</u>	<u>650</u>
	Total fixed assets	<u>4,296</u>	<u>4,558</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	60,180	56,498
	Prepayments for goods	0	75
		<u>60,180</u>	<u>56,573</u>
	Receivables		
	Trade receivables	13,416	7,885
	Receivables from group enterprises	46,410	10,358
	Other receivables	435	3,809
7	Prepayments	598	761
		<u>60,859</u>	<u>22,813</u>
	Cash	7,722	7,792
	Total non-fixed assets	<u>128,761</u>	<u>87,178</u>
	<b>TOTAL ASSETS</b>	<u>133,057</u>	<u>91,736</u>



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	400	400
	Retained earnings	33,664	22,520
	Dividend proposed	15,000	30,700
	<b>Total equity</b>	<b>49,064</b>	<b>53,620</b>
	Provisions		
8	Deferred tax	221	90
	Other provisions	443	866
10	<b>Total provisions</b>	<b>664</b>	<b>956</b>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Bank debt	35,000	0
	Other payables	715	0
		<b>35,715</b>	<b>0</b>
	Current liabilities other than provisions		
	Bank debt	26,606	5,252
	Trade payables	11,350	19,638
	Payables to group enterprises	374	1,360
	Joint taxation contribution payable	4,474	7,927
	Other payables	4,810	2,983
		<b>47,614</b>	<b>37,160</b>
	<b>Total liabilities other than provisions</b>	<b>83,329</b>	<b>37,160</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>133,057</b>	<b>91,736</b>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Collateral
- 13 Currency risks and use of derivative financial instruments
- 14 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2019	400	22,520	30,700	53,620
15	Transfer, see "Appropriation of profit"	0	14,191	15,000	29,191
	Other value adjustments of equity	0	-3,906	0	-3,906
	Tax on items recognised directly in equity	0	859	0	859
	Dividend distributed	0	0	-30,700	-30,700
	Equity at 31 December 2019	400	33,664	15,000	49,064

The company's share capital has remained DKK 400,004 for the past 5 years.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Sports Connection ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Sports Connection Holding ApS.

#### Reporting currency

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

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

#### Income statement

##### Revenue

Income from the sale of goods for resale is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Investments

Deposits are measured at cost and represents rent deposits.

##### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Impairment of fixed assets

The carrying amount of property, plant and equipment and investments is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

##### Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018
2 Staff costs		
Wages/salaries	18,695	14,979
Pensions	2,297	1,899
Other social security costs	377	438
	<u>21,369</u>	<u>17,316</u>
Average number of full-time employees	<u>42</u>	<u>33</u>

Remuneration for the Executive Board and the Board of Directors totalled DKK 1,586 thousand (2018: DKK 1,583 thousand).

3 Financial expenses		
Interest expenses, group entities	40	0
Other financial expenses	1,715	603
	<u>1,755</u>	<u>603</u>
4 Tax for the year		
Estimated tax charge for the year	8,335	8,884
Deferred tax adjustments in the year	131	101
Tax adjustments, prior years	280	0
	<u>8,746</u>	<u>8,985</u>

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2019	1,133	3,668	4,801
Additions	512	131	643
Cost at 31 December 2019	<u>1,645</u>	<u>3,799</u>	<u>5,444</u>
Impairment losses and depreciation at 1 January 2019	321	572	893
Depreciation	269	711	980
Impairment losses and depreciation at 31 December 2019	<u>590</u>	<u>1,283</u>	<u>1,873</u>
Carrying amount at 31 December 2019	<u>1,055</u>	<u>2,516</u>	<u>3,571</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Investments

DKK'000	Deposits
Cost at 1 January 2019	650
Additions	75
Cost at 31 December 2019	725
Carrying amount at 31 December 2019	725

#### 7 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and other advances.

DKK'000	2019	2018
8 Deferred tax		
Deferred tax at 1 January	90	-11
Deferred tax adjustment for the year	131	101
Deferred tax at 31 December	221	90

Deferred tax assets mainly comprise deferred tax relating to property, plant and equipment, etc.

Deferred tax assets is expected to crystallise within the coming 3-5 years.

#### 9 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	35,000	0	35,000	0
Other payables	715	0	715	0
	35,715	0	35,715	0

Long-term other payables comprises holiday pay for employees and falls due within 5 years.

#### 10 Provisions

Other provisions comprise provisions for the committed return policy towards retail stores, totalling DKK 443 thousand.

#### 11 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its ultimate parent, Jørgensen Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### Other financial obligations

The company has entered rent agreements with remaining contract terms up to 4 years. The total rent obligation amounts to DKK 11,156 thousand, of which DKK 3,157 thousand falls due within one year.

The Company has entered operational leasing contracts related to cars and IT-equipment with remaining contract terms up to 3 years. The total lease liabilities amounts to DKK 1,866 thousand, of which DKK 1,080 thousands fall due within one 1 year.

The Company provided bank guarantees of DKK 8,900 thousand as collateral for rent obligations and towards suppliers.

#### 12 Collateral

A company charge with a nominal value of DKK 13,000 thousand secured on trade receivables, inventories and operating equipment with at a carrying amount of DKK 77,168 thousand at 31 December 2019 has been put up as security for bank debt, totalling DKK 61,606 thousand.

#### 13 Currency risks and use of derivative financial instruments

##### Currency hedging

The Company hedges foreign currencies whereby the exchange rates from USD, NOK and SEK has been fixed towards DKK.

The Company has entered foreign currency contracts with a contractual value of DKK 162,697 thousand and a negative market value of DKK 191 thousand at 31 December 2019 (2018: positive DKK 3,786 thousand).

#### 14 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Sports Connection Holding ApS	Esbjerg	www.cvr.dk
Jørgensen Holding ApS	Bramming	www.cvr.dk

##### Related party transactions

Sports Connection ApS was engaged in the below related party transactions:

DKK'000	2019	2018
Sales of goods	109,769	110,888
Sales of retail equipment and other services, etc.	3,224	0
Management fees (income)	14,952	21,000
Interest expenses	40	0
Receivables from group enterprises	46,410	10,358
Payables to group enterprises	374	1,360

All transactions have been carried out on an arm's length basis.





Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		<u>2019</u>	<u>2018</u>
15	Appropriation of profit		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	15,000	30,700
	Retained earnings	<u>14,191</u>	<u>1,041</u>
		<u>29,191</u>	<u>31,741</u>