Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

TINKOFF SPORT A/S UNDER FRIVILLIG LIKVIDATION

ØRNEGÅRDSVEJ 18, 2820 GENTOFTE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2017

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 18 June 2018

Simon Trolle Markussen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 20 30 03 45

CONTENTS

COMPANY DETAILS

Company	Tinkoff Sport A/S under frivillig likvidation Ørnegårdsvej 18 2820 Gentofte	
	Telephone:	+45 45 87 38 20
	Telefax:	+45 97 16 84 80
	CVR no.:	20 30 03 45
	Established:	1 January 1997
	Registered Office:	Lyngby- Taarbæk
	Financial Year:	1 January - 31 December
Likvidator	Simon Trolle Markussen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C	
Bank	Jyske Bank Østergade 3 7600 Struer	

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Tinkoff Sport A/S under frivillig likvidation for the financial year 1 January - 31 December 2017.

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

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the review.

I recommend the Annual Report be approved at the Annual General Meeting.

Lyngby- Taarbæk, den 18. juni 2018

Likvidator:

Simon Trolle Markussen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tinkoff Sport A/S under frivillig likvidation

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion
We have audited the Financial Statements of Tinkoff Sport A/S under frivillig likvidation for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flows, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2017 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility 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 Responsibility for 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 judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

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

Statement on Management's Review
Liquidatoris responsible for Liquidator'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 Liquidator'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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the withholding tax act on payment to the capital owner
The company has violated its obligations to contain and report withholding tax on payments to a capital owner and the management can assume responsibility for this

Violation of the Danish Companies Act on loans to the capital owner
In violation of section 210 (1) of the Danish Companies Act. the company has granted loans to one of the company's capital owners, which the management can incur responsible for.

Aarhus, 18 June 2018

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper L. Christensen
State Authorised Public Accountant
MNE no. mne32168

Arne B. Jepsen
State Authorised Public Accountant
MNE no. mne7952

FINANCIAL HIGHLIGHTS

	2017 t.DKK	2016 t.DKK	2015 t.DKK	2014 t.DKK	2013 t.DKK
Income statement					
Gross profit/loss	22	138,598	169,584	109,852	86,798
Operating profit/loss before depreciation/EBITDA	0	0	0	0	0
Operating profit/loss	-262	-3,083	6,720	3,616	-7,637
Financial income and expenses, net	93	-788	549	-135	172
Profit/loss for the year before tax	692	-4,631	7,269	3,481	-7,458
Profit/loss for the year	692	-4,631	4,572	2,559	-7,754
Balance sheet					
Balance sheet total	4,159	31,020	82,900	83,534	50,447
Equity	3,799	3,107	7,504	2,941	459
Equity incl. minority interests	3,799	3,107	7,504	2,941	459
Cash flows					
Investment in tangible fixed assets	0	0	0	62	0
Ratios					
Rate of return	2.4	6.7	-9.7	-6.7	20.3
Solvency ratio	91.3	10.0	9.1	3.5	0.9
Return on equity	20.0	-87.3	87.5	150.5	-3,371.3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Rate of return:	Profit/loss on ordinary activities x 100 / Average invested capital
Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Solvency ratio:	Equity ex. minorities, at year end x 100 / Total equity and liabilities, at year end
Return on equity:	Profit/loss after tax x 100 / Average equity

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities
The principal activities comprise in running of the cycling Tinkoff Sport along with related activities in the form of events and merchandise sales.

Exceptional matters
The company's activities have fallen during the year, due to the fact that the Company's activities are under dismantling. The Financial statements are presented according to the realization principle, as the Management has recommend to the Annual General Meeting to voluntary liquidate the Company.

Development in activities and financial position
The income statement for 2017 shows a profit of 692 t.DKK, and at 31 December 2017 the balance sheet of the Company shows equity of 3,799 t.DKK. The profit for the year is considered satisfactory.

Profit/loss for the year compared to future expectations
The operations has developed as planned.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the company's financial position.

Special risks
The Company is not exposed to any unnuual risks

Future expectations
Is is expected that the Company will be liquidated in 2018, which is not expected to entail significant costs for the Company. The company expect a loss of 500 - 1,000 t.DKK in 2018.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2017 DKK	2016 DKK
GROSS PROFIT		**21,925**	**138,598,014**
Staff costs	1	-283,974	-141,628,690
Depreciation, amortisation and impairment losses		0	-44,504
Other operating expenses		0	-7,699
OPERATING LOSS		**-262,049**	**-3,082,879**
Result of equity investments in group and associates		861,431	-73,140
Other financial income	2	107,630	654
Impairment of asset investments		0	-687,003
Other financial expenses		-14,930	-788,461
PROFIT BEFORE TAX		**692,082**	**-4,630,829**
Tax on profit/loss for the year		0	0
PROFIT FOR THE YEAR	3	**692,082**	**-4,630,829**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK	2016 DKK
Equity investments in group enterprises		0	74,344
Rent deposit and other receivables		0	88,211
Fixed asset investments	4	**0**	**162,555**
FIXED ASSETS		**0**	**162,555**
Trade receivables		13,627	2,407,101
Receivables from owners and management	5	2,677,880	0
Other receivables		20,936	1,022,433
Receivables		**2,712,443**	**3,429,534**
Cash and cash equivalents		**1,446,548**	**27,428,089**
CURRENT ASSETS		**4,158,991**	**30,857,623**
ASSETS		**4,158,991**	**31,020,178**
EQUITY AND LIABILITIES			
Share capital	6	537,000	537,000
Retained profit		3,262,129	2,570,046
EQUITY		**3,799,129**	**3,107,046**
Trade payables		0	1,527,162
Payables to group enterprises		0	61,157
Other liabilities		359,862	26,324,813
Current liabilities		**359,862**	**27,913,132**
LIABILITIES		**359,862**	**27,913,132**
EQUITY AND LIABILITIES		**4,158,991**	**31,020,178**
Related parties	8		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2017	537,000	2,570,047	3,107,047
Proposed distribution of profit		692,082	692,082
Equity at 31 December 2017	**537,000**	**3,262,129**	**3,799,129**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2017 DKK	2016 DKK
Profit/loss for the year	692,082	-4,630,829
Reversed depreciation of the year	0	44,504
Profit/loss from subsidiaries	-861,431	73,140
Change in receivables	805,302	6,299,022
Change in current liabilities (ex bank and tax)	-27,553,268	-47,309,990
CASH FLOWS FROM OPERATING ACTIVITY	**-26,917,315**	**-45,524,153**
Sale of tangible fixed assets	0	20,680
Sale of financial assets	935,774	0
CASH FLOWS FROM INVESTING ACTIVITY	**935,774**	**20,680**
CHANGE IN CASH AND CASH EQUIVALENTS	**-25,981,541**	**-45,503,473**
Cash and cash equivalents at 1. januar	27,428,089	72,931,562
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**1,446,548**	**27,428,089**
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents	1,446,548	27,428,089
CASH AND CASH EQUIVALENTS, NET DEBT	**1,446,548**	**27,428,089**

NOTES

	2017 DKK	2016 DKK	Note
Staff costs			1
Average number of employees			
1 (2016: 72)			
Wages and salaries	210,166	141,394,858	
Pensions	87,723	142,158	
Social security costs	-13,915	91,674	
	283,974	**141,628,690**	

Other financial income			2
Group enterprises	107,630	0	
Other interest income	0	654	
	107,630	**654**	

Proposed distribution of profit			3
Accumulated profit	692,082	-4,630,829	
	692,082	**-4,630,829**	

Fixed asset investments	Equity investments in group enterprises	Rent deposit and other receivables	4
Cost at 1 January 2017	96,150	88,211	
Disposals	-96,150	-88,211	
Cost at 31 December 2017	**0**	**0**	
Revaluation at 1 January 2017	-21,650	0	
Revaluation and impairment losses for the year	21,650	0	
Revaluation at 31 December 2017	**0**	**0**	
Carrying amount at 31 December 2017	**0**	**0**	

Receivables from owners and management 5

Receivables from owners amounts 2,678 t.DKK. The receivable is at interest rate equal to Nationalbankens lending rate plus 10 % equivalent of 10,05 %. There is no special security for the loan.

	2017 DKK	2016 DKK	
Share capital			6
Specification of the share capital:			
A-shares, 1,074 in the denomination of 500 DKK	537,000	537,000	
	537,000	**537,000**	

NOTES

			Note
Deferred tax assets Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets.			**7**
	2017 DKK	**2016** DKK	
Deferred tax assets 31 December 2017............................	**0**	**0**	

Related parties **8**

The **Controlling interest**
Holbird Group Ltd.
Geneva Place, Waterfront Drive,
P.O. Box 3469
Road Town, Tortola,
British Virgin Islands

Other related parties having performed transactions with the company
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions.

ACCOUNTING POLICIES

The Annual Report of Tinkoff Sport A/S under frivillig likvidation for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries
The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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

BALANCE SHEET

Fixed asset investments
Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

ACCOUNTING POLICIES

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor’s opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management’s experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

Impairment of fixed assets
The carrying amount of fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.