

SkatePro ApS

Omega 6
8382 Hinnerup
Central Business Registration
No 28853866

Annual report 2019

The Annual General Meeting adopted the annual report on 24.03.2020

Chairman of the General Meeting

Name: Jesper Rasmussen

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Entity details

Entity

SkatePro ApS
Omega 6
8382 Hinnerup

Central Business Registration No (CVR): 28853866
Registered in: Favrskov
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jakob Høy Biegel, Chairman of the Board
Carsten Schmidt
Jesper Rasmussen

Executive Board

Carsten Schmidt, Chief Executive Officer
Thomas Falborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SkatePro ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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

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

Aarhus, 24.03.2020

Executive Board

Carsten Schmidt
Chief Executive Officer

Thomas Falborg

Board of Directors

Jakob Høy Biegel
Chairman of the Board

Carsten Schmidt

Jesper Rasmussen

Independent auditor's report

To the shareholders of SkatePro ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of SkatePro ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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'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 consolidated financial statements and the parent 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'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 24.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Morten Gade Steinmetz
State Authorised Public Accountant
Identification No (MNE) mne34145

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Financial highlights					
Key figures					
Gross profit	75.026	41.221	43.692	36.353	33.146
Operating profit/loss	24.471	2.766	12.062	9.289	9.378
Net financials	(625)	(398)	(247)	(219)	(91)
Profit/loss for the year	18.491	1.787	8.975	6.960	6.942
Profit/loss excl minority interests	18.491	1.787	8.975	7.249	7.263
Total assets	113.141	86.071	60.479	52.010	40.202
Investments in property, plant and equipment	829	558	972	585	1.035
Equity	48.046	29.555	29.768	22.988	18.596
Equity excl minority interests	48.046	29.555	29.768	23.064	18.315

Ratios

Return on equity (%)	47,7	6,0	34,0	35,0	35,1
Equity ratio (%)	42,5	34,3	49,2	44,3	45,6

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

Group overview



Ratios

Return on equity (%)

$$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity excl minority interests}}$$

Calculation formula reflects

The entity's return on capital invested in the entity by the owners.

Equity ratio (%)

$$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$$

The financial strength of the entity.

Management commentary

Primary activities

The Group's primary activity consists of selling leisure equipment as well as related activities.

Development in activities and finances

Profit for the year is above expectations, which is primarily attributable to faster impact of strategic initiatives from 2018 and the beginning of 2019.

Outlook

Before the outbreak of COVID-19, Management expected the profit for 2020 to be at the same level as 2019. It is still too early to say what impact COVID-19 will have on revenue and earnings, but Management still expects a profit for the year.

Intellectual capital resources

The Group consciously strives to hire highly qualified employees especially with high-level marketing, product and financial skills.

Environmental performance

The Group does not have its own production assets and does therefore not affect the external environment to an extent exceeding that of office enterprises in most liberal professions.

Research and development activities

The Group does not participate in actual research and development activities.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report; however, see note 1 of the notes to the consolidated and parent financial statements.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		75.026.324	41.221.390
Staff costs	2	(49.812.222)	(37.446.089)
Depreciation, amortisation and impairment losses		(742.844)	(1.009.367)
Operating profit/loss		24.471.258	2.765.934
Other financial income		8.181	33.995
Other financial expenses		(633.155)	(432.026)
Profit/loss before tax		23.846.284	2.367.903
Tax on profit/loss for the year	3	(5.354.911)	(581.145)
Profit/loss for the year	4	18.491.373	1.786.758

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Acquired patents		49.053	160.645
Goodwill		592.151	882.356
Intangible assets	5	641.204	1.043.001
Other fixtures and fittings, tools and equipment		636.540	371.545
Leasehold improvements		900.012	904.321
Property, plant and equipment	6	1.536.552	1.275.866
Deposits		2.026.115	1.976.780
Fixed asset investments	7	2.026.115	1.976.780
Fixed assets		4.203.871	4.295.647
Manufactured goods and goods for resale		82.304.587	65.813.516
Prepayments for goods		12.503.558	6.992.838
Inventories		94.808.145	72.806.354
Trade receivables		4.839.775	2.613.564
Deferred tax	8	0	51.000
Other receivables		500.705	293.361
Joint taxation contribution receivable		554.574	957.855
Prepayments		3.196	0
Receivables		5.898.250	3.915.780
Cash		8.231.015	5.053.477
Current assets		108.937.410	81.775.611
Assets		113.141.281	86.071.258

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		41.731.483	29.430.110
Proposed dividend		6.190.000	0
Equity		48.046.483	29.555.110
Deferred tax	8	21.510	0
Provisions		21.510	0
Other payables		1.032.320	0
Non-current liabilities other than provisions	9	1.032.320	0
Bank loans		14.036.794	21.688.686
Deposits		25.329	32.262
Prepayments received from customers		6.497.317	4.720.565
Trade payables		24.434.985	13.201.108
Payables to group enterprises		0	3.745.986
Payables to shareholders and management		0	1.715.501
Other payables	10	19.046.543	11.412.040
Current liabilities other than provisions		64.040.968	56.516.148
Liabilities other than provisions		65.073.288	56.516.148
Equity and liabilities		113.141.281	86.071.258
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		
Transactions with related parties	14		
Group relations	15		
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Consolidated statement of changes in equity for 2019

	<u>Contributed capital DKK</u>	<u>Retained earnings DKK</u>	<u>Proposed dividend DKK</u>	<u>Total DKK</u>
Equity beginning of year	125.000	29.430.110	0	29.555.110
Profit/loss for the year	<u>0</u>	<u>12.301.373</u>	<u>6.190.000</u>	<u>18.491.373</u>
Equity end of year	<u>125.000</u>	<u>41.731.483</u>	<u>6.190.000</u>	<u>48.046.483</u>

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Operating profit/loss		24.471.258	2.765.934
Amortisation, depreciation and impairment losses		742.844	1.009.367
Working capital changes	11	(8.229.510)	(26.198.989)
Cash flow from ordinary operating activities		16.984.592	(22.423.688)
Financial income received		8.181	33.995
Financial expenses paid		(633.155)	(432.026)
Income taxes refunded/(paid)		(4.879.120)	(2.477.794)
Cash flows from operating activities		11.480.498	(25.299.513)
Acquisition etc of property, plant and equipment		(829.233)	(558.400)
Sale of property, plant and equipment		227.500	42.900
Acquisition of fixed asset investments		(49.335)	(422.074)
Acquisition of enterprises		0	(20.000)
Cash flows from investing activities		(651.068)	(957.574)
Dividend paid		0	(2.000.000)
Cash flows from financing activities		0	(2.000.000)
Increase/decrease in cash and cash equivalents		10.829.430	(28.257.087)
Cash and cash equivalents beginning of year		(16.635.209)	11.621.878
Cash and cash equivalents end of year		(5.805.779)	(16.635.209)
Cash and cash equivalents at year-end are composed of:			
Cash		8.231.015	5.053.477
Short-term debt to banks		(14.036.794)	(21.688.686)
Cash and cash equivalents end of year		(5.805.779)	(16.635.209)

Notes to consolidated financial statements

1. Events after the balance sheet date

The outbreak and spread of COVID-19 at the beginning of 2020 may have an impact on profit and revenue, but we do not believe that this will have a significant impact on the Group's financial position and development. The closure of stores in Denmark due to COVID-19 may have a negative impact on the activities of Nordic Sport Import ApS in Copenhagen if the closure will extend over a long period of time.

	2019 DKK	2018 DKK
2. Staff costs		
Wages and salaries	44.196.023	29.270.563
Pension costs	4.240.276	3.566.596
Other social security costs	630.635	746.800
Other staff costs	745.288	3.862.130
	49.812.222	37.446.089
Average number of employees	101	91
	Remunera- tion of manage- ment 2019 DKK	Remunera- tion of manage- ment 2018 DKK
Total amount for management categories	2.978.347	797.028
	2.978.347	797.028
	2019 DKK	2018 DKK
3. Tax on profit/loss for the year		
Current tax	5.257.426	578.145
Change in deferred tax	72.510	3.000
Adjustment concerning previous years	24.975	0
	5.354.911	581.145
	2019 DKK	2018 DKK
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	6.190.000	0
Retained earnings	12.301.373	1.786.758
	18.491.373	1.786.758

Notes to consolidated financial statements

	Acquired patents DKK	Goodwill DKK
5. Intangible assets		
Cost beginning of year	578.794	2.491.438
Cost end of year	578.794	2.491.438
Amortisation and impairment losses beginning of year	(418.149)	(1.609.082)
Amortisation for the year	(111.592)	(290.205)
Amortisation and impairment losses end of year	(529.741)	(1.899.287)
Carrying amount end of year	49.053	592.151
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
6. Property, plant and equipment		
Cost beginning of year	1.184.246	2.081.191
Additions	544.110	285.123
Disposals	(324.024)	0
Cost end of year	1.404.332	2.366.314
Depreciation and impairment losses beginning of year	(812.701)	(1.176.870)
Depreciation for the year	(160.240)	(289.432)
Reversal regarding disposals	205.149	0
Depreciation and impairment losses end of year	(767.792)	(1.466.302)
Carrying amount end of year	636.540	900.012
		Deposits DKK
7. Fixed asset investments		
Cost beginning of year		1.976.780
Additions		49.335
Cost end of year		2.026.115
Carrying amount end of year		2.026.115

Notes to consolidated financial statements

	2019 DKK	2018 DKK
8. Deferred tax		
Intangible assets	(24.368)	(18.000)
Property, plant and equipment	45.878	(33.000)
	21.510	(51.000)

Changes during the year

Beginning of year	(51.000)
Recognised in the income statement	72.510
End of year	21.510

9. Liabilities other than provisions

Other payables	1.032.320
	1.032.320

	2019 DKK	2018 DKK
10. Other short-term payables		
VAT and duties	10.217.685	6.282.578
Wages and salaries, personal income taxes, social security costs, etc payable	5.698.571	585.261
Holiday pay obligation	2.486.495	3.273.970
Other costs payable	643.792	1.270.231
	19.046.543	11.412.040

Other costs payables include accrued profits on returned goods.

	2019 DKK	2018 DKK
11. Change in working capital		
Increase/decrease in inventories	(22.001.791)	(32.515.576)
Increase/decrease in receivables	(2.436.751)	91.023
Increase/decrease in trade payables etc	16.209.032	6.225.564
	(8.229.510)	(26.198.989)

	2019 DKK	2018 DKK
12. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	4.607.900	4.799.226

Notes to consolidated financial statements

13. Assets charged and collateral

A floating charge of a maximum of DKK 19,000k secured on unsecured claims, inventories, operating equipment and intellectual property rights has been provided as security for the Group's bank commitments.

The carrying amount of unsecured claims provided as security at 31.12.2018 is DKK 4,840k.

The carrying amount of inventories provided as security at 31.12.2019 is DKK 94,808k.

The carrying amount of operating equipment provided as security at 31.12.2019 is DKK 1,537k.

The carrying amount of intellectual property rights provided as security at 31.12.2019 is DKK 641k.

An unlimited guarantee has been provided as security for Carbie Omega A/S, Central Business Reg. No. 34893586 and its bank commitment. The debt guaranteed at 31.12.2019 is DKK 0k.

14. Transactions with related parties

Related party transactions have been conducted on a normal arm's length basis.

15. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Biegel Holding ApS, Solmarksvej 29, Risskov, CVR-nr.: 28853874

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Biegel Holding ApS, Solmarksvej 29, Risskov, CVR-nr.: 28853874

16. Subsidiaries

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Skatepro Retail ApS	Hinnerup	ApS	100,0
Nordic Sport Import ApS	København K	ApS	100,0

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		71.472.196	38.636.282
Staff costs	2	(47.560.239)	(35.503.044)
Depreciation, amortisation and impairment losses	3	(376.618)	(549.532)
Operating profit/loss		23.535.339	2.583.706
Income from investments in group enterprises		633.411	33.695
Other financial income		42.566	68.597
Other financial expenses		(625.458)	(414.665)
Profit/loss before tax		23.585.858	2.271.333
Tax on profit/loss for the year	4	(5.094.485)	(484.576)
Profit/loss for the year	5	18.491.373	1.786.757

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Acquired patents		49.053	160.645
Intangible assets	6	49.053	160.645
Other fixtures and fittings, tools and equipment		636.540	359.713
Leasehold improvements		849.218	811.857
Property, plant and equipment	7	1.485.758	1.171.570
Investments in group enterprises		1.308.638	675.227
Deposits		1.855.335	1.801.296
Fixed asset investments	8	3.163.973	2.476.523
Fixed assets		4.698.784	3.808.738
Manufactured goods and goods for resale		78.992.349	62.889.295
Prepayments for goods		12.503.558	6.992.838
Inventories		91.495.907	69.882.133
Trade receivables		4.831.775	2.594.814
Receivables from group enterprises		2.006.246	2.449.460
Deferred tax	10	0	3.000
Other receivables		290.537	68.967
Joint taxation contribution receivable		808.000	1.058.424
Prepayments	9	3.196	0
Receivables		7.939.754	6.174.665
Cash		8.192.787	5.018.540
Current assets		107.628.448	81.075.338
Assets		112.327.232	84.884.076

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		41.731.482	29.430.109
Proposed dividend		6.190.000	0
Equity		48.046.482	29.555.109
Deferred tax	10	62.510	0
Provisions		62.510	0
Other payables		973.586	0
Non-current liabilities other than provisions	11	973.586	0
Bank loans		13.683.358	20.855.114
Deposits		25.329	32.262
Prepayments received from customers		6.472.951	4.720.565
Trade payables		24.395.241	13.117.169
Payables to group enterprises		0	3.745.986
Payables to shareholders and management		0	1.715.501
Other payables	12	18.667.775	11.142.370
Current liabilities other than provisions		63.244.654	55.328.967
Liabilities other than provisions		64.218.240	55.328.967
Equity and liabilities		112.327.232	84.884.076
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2019

	<u>Contributed capital DKK</u>	<u>Retained earnings DKK</u>	<u>Proposed dividend DKK</u>	<u>Total DKK</u>
Equity beginning of year	125.000	29.430.109	0	29.555.109
Profit/loss for the year	<u>0</u>	<u>12.301.373</u>	<u>6.190.000</u>	<u>18.491.373</u>
Equity end of year	<u>125.000</u>	<u>41.731.482</u>	<u>6.190.000</u>	<u>48.046.482</u>

Notes to parent financial statements

1. Events after the balance sheet date

The outbreak and spread of COVID-19 at the beginning of 2020 may have an impact on profit and revenue, but we do not believe that this will have a significant impact on the Entity's position and development.

	2019 DKK	2018 DKK
2. Staff costs		
Wages and salaries	42.252.489	30.950.583
Pension costs	3.996.030	3.363.096
Other social security costs	593.629	712.532
Other staff costs	718.091	476.833
	47.560.239	35.503.044
Average number of employees	95	86
	Remunera- tion of manage- ment 2019 DKK	Pension liabilities 2019 DKK
Total amount for management categories	2.978.347	797.028
	2.978.347	797.028
	2019 DKK	2018 DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	111.592	115.759
Depreciation of property, plant and equipment	373.651	435.073
Profit/loss from sale of intangible assets and property, plant and equipment	(108.625)	(1.300)
	376.618	549.532
	2019 DKK	2018 DKK
4. Tax on profit/loss for the year		
Current tax	5.004.000	477.576
Change in deferred tax	65.510	7.000
Adjustment concerning previous years	24.975	0
	5.094.485	484.576

Notes to parent financial statements

	2019 DKK	2018 DKK
5. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	6.190.000	0
Retained earnings	12.301.373	1.786.757
	18.491.373	1.786.757
		Acquired patents DKK
6. Intangible assets		
Cost beginning of year		578.794
Cost end of year		578.794
Amortisation and impairment losses beginning of year		(418.149)
Amortisation for the year		(111.592)
Amortisation and impairment losses end of year		(529.741)
Carrying amount end of year		49.053
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	922.584	1.725.447
Additions	544.110	262.604
Disposals	(324.024)	0
Cost end of year	1.142.670	1.988.051
Depreciation and impairment losses beginning of year	(562.871)	(913.590)
Depreciation for the year	(148.408)	(225.243)
Reversal regarding disposals	205.149	0
Depreciation and impairment losses end of year	(506.130)	(1.138.833)
Carrying amount end of year	636.540	849.218

Notes to parent financial statements

	Investments in group enterprises DKK	Deposits DKK
8. Fixed asset investments		
Cost beginning of year	2.835.200	1.801.296
Additions	0	54.039
Cost end of year	2.835.200	1.855.335
Impairment losses beginning of year	(2.159.973)	0
Share of profit/loss for the year	633.411	0
Impairment losses end of year	(1.526.562)	0
Carrying amount end of year	1.308.638	1.855.335

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9. Prepayments

Prepayments under current assets relate to prepayments for costs.

	2019 DKK	2018 DKK
10. Deferred tax		
Intangible assets	(24.368)	(18.000)
Property, plant and equipment	86.878	15.000
	62.510	(3.000)
Changes during the year		
Beginning of year	(3.000)	
Recognised in the income statement	65.510	
End of year	62.510	

	Outstanding after 5 years DKK
11. Liabilities other than provisions	
Other payables	973.586
	973.586

Notes to parent financial statements

	2019 DKK	2018 DKK
12. Other payables		
VAT and duties	10.217.685	6.282.579
Wages and salaries, personal income taxes, social security costs, etc payable	5.481.015	484.049
Holiday pay obligation	2.325.283	3.105.511
Other costs payable	643.792	1.270.231
	18.667.775	11.142.370

Other costs payables include accrued profits on returned goods

	2019 DKK	2018 DKK
13. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	4.046.965	3.989.820

14. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Biegel Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15. Assets charged and collateral

A floating charge of a maximum of DKK 17,500k secured on unsecured claims, inventories, operating equipment and intellectual property rights has been provided as security for the Entity's bank commitments.

The carrying amount of unsecured claims provided as security at 31.12.2018 is DKK 4,832k.

The carrying amount of inventories provided as security at 31.12.2019 is DKK 91,496k.

The carrying amount of operating equipment provided as security at 31.12.2019 is DKK 1,486k.

The carrying amount of intellectual property rights provided as security at 31.12.2019 is DKK 49k.

An unlimited guarantee has been provided as security for Carbie Omega A/S, Central Business Reg. No. 34893586 and its bank commitment. The debt guaranteed at 31.12.2019 is DKK 0k.

Collateral for group enterprises

The Company has provided an unlimited joint and several supplementary guarantee for the subsidiary Nordic Sport Import ApS, Central Business Reg. No. 32326870. The bank debt amounts to DKK 353k at 31.12.2019.

Notes to parent financial statements

16. Related parties with controlling interest

Biegel Holding ApS, Risskov owns 60% of the shares in the Company and thus has a controlling interest therein.

Biegel Holding ApS, Risskov is owned 100% by Jakob Høy Biegel, who thus has a controlling interest.

17. Transactions with related parties

Related party transactions have been conducted on a normal arm's length basis.

The Entity is jointly taxed with the Parent and the Parent's Danish subsidiaries. Current income tax is allocated among the jointly taxed enterprises proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, yet with some reclassifications

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Accounting policies

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. Useful lives are reassessed annually. The amortisation periods used are 7 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle

Accounting policies

the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash with an insignificant price risk less short-term bank loans.