



Skatepro ApS

Omega 6
8382 Hinnerup
CVR No. 28853866

Annual report 2020

The Annual General Meeting adopted the
annual report on 17.03.2021

Jesper Rasmussen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2020	9
Consolidated balance sheet at 31.12.2020	10
Consolidated statement of changes in equity for 2020	12
Consolidated cash flow statement for 2020	13
Notes to consolidated financial statements	15
Parent income statement for 2020	20
Parent balance sheet at 31.12.2020	21
Parent statement of changes in equity for 2020	23
Notes to parent financial statements	24
Accounting policies	28

Entity details

Entity

Skatepro ApS

Omega 6

8382 Hinnerup

Business Registration No.: 28853866

Registered office: Favrskov

Financial year: 01.01.2020 - 31.12.2020

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 01.01.2020 - 31.12.2020

The annual report is presented 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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, 17.03.2021

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Entity'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 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 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 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 Entity'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 Entity'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 and 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.

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, 17.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	161,313	75,026	41,221	43,692	36,353
Operating profit/loss	74,183	24,471	2,766	12,062	9,289
Net financials	(155)	(625)	(398)	(247)	(219)
Profit/loss for the year	55,225	18,491	1,787	8,975	6,960
Profit for the year excl. minority interests	55,225	18,491	1,787	8,975	7,249
Balance sheet total	217,401	113,141	86,071	60,479	52,010
Investments in property, plant and equipment	597	829	558	972	585
Equity	97,081	48,046	29,555	29,768	22,988
Equity excl. minority interests	97,081	48,046	29,555	29,768	23,064
Ratios					
Return on equity (%)	76.11	47.66	6.02	33.98	35.00
Equity ratio (%)	44.66	42.47	34.34	49.22	44.35

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

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. The focus for 2020 was back to the roots, where we sold our shop in Copenhagen. The outbreak of COVID-19 had a positive influence in some markets and negative impact in other markets. Overall COVID-19 had a positive influence resulting in market share increase.

Outlook

Management expected the profit for 2021 to be at bit below 2020, due to development and execution of the new strategy

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.

Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		161,312,930	75,026,324
Staff costs	1	(86,534,639)	(49,812,222)
Depreciation, amortisation and impairment losses		(595,400)	(742,844)
Operating profit/loss		74,182,891	24,471,258
Other financial income		80,985	8,181
Other financial expenses		(236,403)	(633,155)
Profit/loss before tax		74,027,473	23,846,284
Tax on profit/loss for the year	2	(17,045,318)	(5,354,911)
Profit/loss from continuing operations		56,982,155	18,491,373
Profit/loss from discontinued operations	3	(1,757,181)	0
Profit/loss for the year	4	55,224,974	18,491,373

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired patents		172,660	49,053
Goodwill		0	592,151
Intangible assets	5	172,660	641,204
Other fixtures and fittings, tools and equipment		696,673	636,540
Leasehold improvements		851,742	900,012
Property, plant and equipment	6	1,548,415	1,536,552
Deposits		2,357,667	2,026,115
Financial assets	7	2,357,667	2,026,115
Fixed assets		4,078,742	4,203,871
Manufactured goods and goods for resale		155,473,302	82,304,587
Prepayments for goods		26,149,065	12,503,558
Inventories		181,622,367	94,808,145
Trade receivables		7,577,226	4,839,775
Other receivables		8,247,182	500,705
Joint taxation contribution receivable		0	554,574
Prepayments	8	192,030	3,196
Receivables		16,016,438	5,898,250
Cash		15,683,660	8,231,015
Current assets		213,322,465	108,937,410
Assets		217,401,207	113,141,281

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,000	125,000
Retained earnings		77,456,457	41,731,483
Proposed dividend for the financial year		19,500,000	6,190,000
Equity		97,081,457	48,046,483
Deferred tax	9	43,000	21,510
Provisions		43,000	21,510
Other payables		3,302,926	1,032,320
Non-current liabilities other than provisions	10	3,302,926	1,032,320
Bank loans		4,488,685	14,036,794
Deposits		26,294	25,329
Prepayments received from customers		8,602,602	6,497,317
Trade payables		41,981,285	24,434,985
Joint taxation contribution payable		16,025,761	0
Other payables	11	45,849,197	19,046,543
Current liabilities other than provisions		116,973,824	64,040,968
Liabilities other than provisions		120,276,750	65,073,288
Equity and liabilities		217,401,207	113,141,281
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	125,000	41,731,483	6,190,000	48,046,483
Ordinary dividend paid	0	0	(6,190,000)	(6,190,000)
Profit/loss for the year	0	35,724,974	19,500,000	55,224,974
Equity end of year	125,000	77,456,457	19,500,000	97,081,457

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		74,182,891	24,471,258
Amortisation, depreciation and impairment losses		595,400	742,844
Working capital changes	12	(48,762,138)	(8,229,510)
Cash flow from ordinary operating activities		26,016,153	16,984,592
Financial income received		80,958	8,181
Financial expenses paid		(236,403)	(633,155)
Taxes refunded/(paid)		(190,067)	(4,879,120)
Cash flows from operating activities		25,670,641	11,480,498
Acquisition etc. of intangible assets		(184,369)	0
Acquisition etc. of property, plant and equipment		(597,295)	(829,233)
Sale of property, plant and equipment		0	227,500
Acquisition of fixed asset investments		(331,552)	(49,335)
Sale of fixed asset investments		(1,324,518)	0
Acquisition of enterprises		(30,288)	0
Disposal of enterprises		(11,865)	0
Cash flows from investing activities		(2,479,887)	(651,068)
Free cash flows generated from operations and investments before financing		23,190,754	10,829,430
Dividend paid		(6,190,000)	0
Cash flows from financing activities		(6,190,000)	0
Increase/decrease in cash and cash equivalents		17,000,754	10,829,430
Cash and cash equivalents beginning of year		(5,805,779)	(16,635,209)
Cash and cash equivalents end of year		11,194,975	(5,805,779)

Cash and cash equivalents at year-end are composed of:

Cash	15,683,660	8,231,015
Short-term bank loans	(4,488,685)	(14,036,794)
Cash and cash equivalents end of year	11,194,975	(5,805,779)

Notes to consolidated financial statements

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	80,193,666	44,196,023
Pension costs	5,831,516	4,240,276
Other social security costs	711,744	630,635
Other staff costs	(202,287)	745,288
	86,534,639	49,812,222
Average number of full-time employees	144	101

	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Executive Board	1,468,712	
Board of Directors	8,783,075	
Total amount for management categories		2,978,347
	10,251,787	2,978,347

2 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	17,064,828	5,257,426
Change in deferred tax	(19,510)	72,510
Adjustment concerning previous years	0	24,975
	17,045,318	5,354,911

3 Discontinued operations

	2020
	DKK
Gross profit	319,249
Staff costs	(840,324)
Depreciation, amortisation and impairment losses	(17,849)
Other financial expenses	(12,716)
Tax on loss for the year	119,067
Profit/loss for the period	(432,573)
Loss from disposal of operations etc.	(1,324,608)
Post-tax profit/loss from discontinued operations	(1,757,181)

The management has in april 2020 sold the Group's activity regarding a physical store in Copenhagen, Denmark. As a result of this the activity is presented as discontinued operations.

The activity for the period 01.01.2020 - 30.04.2020, where the activity was sold, is presented on a separate line in the income statement as "Discontinued operations" and comprises a loss of DKK 1,757,181.

The comparative figures for 2019 has not been modified regarding discontinued operations.

4 Proposed distribution of profit/loss

	2020	2019
	DKK	DKK
Ordinary dividend for the financial year	19,500,000	6,190,000
Retained earnings	35,724,974	12,301,373
	55,224,974	18,491,373

5 Intangible assets

	Acquired patents	Goodwill
	DKK	DKK
Cost beginning of year	578,794	2,491,438
Disposals on divestments etc.	0	(2,491,438)
Additions	184,369	0
Cost end of year	763,163	0
Amortisation and impairment losses beginning of year	(529,741)	(1,899,287)
Disposals on divestments etc	0	1,899,287
Amortisation for the year	(60,762)	0
Amortisation and impairment losses end of year	(590,503)	0
Carrying amount end of year	172,660	0

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,404,332	2,366,314
Disposals on divestments etc.	(261,662)	(378,263)
Additions	290,000	307,295
Cost end of year	1,432,670	2,295,346
Depreciation and impairment losses beginning of year	(767,792)	(1,466,302)
Disposals on divestments etc	261,662	327,469
Depreciation for the year	(229,867)	(304,771)
Depreciation and impairment losses end of year	(735,997)	(1,443,604)
Carrying amount end of year	696,673	851,742

7 Financial assets

	Deposits DKK
Cost beginning of year	2,026,115
Disposals on divestments etc.	(170,780)
Additions	502,332
Cost end of year	2,357,667
Carrying amount end of year	2,357,667

8 Prepayments

Prepayments recognized as receivables comprises prepaid expenses.

9 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	(13,750)	(24,368)
Property, plant and equipment	56,750	45,878
Deferred tax	43,000	21,510

	2020 DKK	2019 DKK
Changes during the year		
Beginning of year	21,510	(51,000)
Recognised in the income statement	21,490	72,510
End of year	43,000	21,510

10 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	3,302,926	3,302,926
	3,302,926	3,302,926

11 Other payables

	2020 DKK	2019 DKK
VAT and duties	20,487,818	10,217,685
Wages and salaries, personal income taxes, social security costs, etc. payable	21,969,763	5,698,571
Holiday pay obligation	2,095,883	2,486,495
Other costs payable	1,295,733	643,792
	45,849,197	19,046,543

12 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in inventories	(86,814,222)	(22,001,791)
Increase/decrease in receivables	(10,672,762)	(2,436,751)
Increase/decrease in trade payables etc.	48,724,846	16,209,032
	(48,762,138)	(8,229,510)

13 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	4,962,783	4,607,900

14 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Biegel Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividends 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 12,500k 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 31.12.2020 is DKK 7,577k.

The carrying amount of inventories provided as security at 31.12.2020 is DKK 181,622k.

The carrying amount of operating equipment provided as security at 31.12.2020 is DKK 1,548k.

The carrying amount of intellectual property rights provided as security at 31.12.2020 is DKK 173k.

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 31.12.2020 is DKK 254 k.

An unlimited guarantee has been provided as security for Nordic Sport Import ApS, Central Business Reg. No. 32326870, and its bank commitment. The debt guaranteed at 31.12.2020 is DKK 0.

16 Transactions with related parties

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

17 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

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Skatepro Inc.	USA	Inc.	100

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		161,312,930	71,472,196
Staff costs	1	(86,534,639)	(47,560,239)
Depreciation, amortisation and impairment losses		(595,400)	(376,618)
Operating profit/loss		74,182,891	23,535,339
Income from investments in group enterprises		(1,757,181)	633,411
Other financial income		80,985	42,566
Other financial expenses		(236,403)	(625,458)
Profit/loss before tax		72,270,292	23,585,858
Tax on profit/loss for the year	2	(17,045,318)	(5,094,485)
Profit/loss for the year	3	55,224,974	18,491,373

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired patents		172,660	49,053
Intangible assets	4	172,660	49,053
Other fixtures and fittings, tools and equipment		696,673	636,540
Leasehold improvements		851,742	849,218
Property, plant and equipment	5	1,548,415	1,485,758
Investments in group enterprises		30,288	1,308,638
Deposits		2,357,667	1,855,335
Financial assets	6	2,387,955	3,163,973
Fixed assets		4,109,030	4,698,784
Manufactured goods and goods for resale		155,473,302	78,992,349
Prepayments for goods		26,149,065	12,503,558
Inventories		181,622,367	91,495,907
Trade receivables		7,577,226	4,831,775
Receivables from group enterprises		102,215	2,006,246
Other receivables		8,114,679	290,537
Joint taxation contribution receivable		0	808,000
Prepayments	7	192,030	3,196
Receivables		15,986,150	7,939,754
Cash		15,683,660	8,192,787
Current assets		213,292,177	107,628,448
Assets		217,401,207	112,327,232

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,000	125,000
Retained earnings		77,456,456	41,731,482
Proposed dividend for the financial year		19,500,000	6,190,000
Equity		97,081,456	48,046,482
Deferred tax	8	43,000	62,510
Provisions		43,000	62,510
Other payables		3,302,926	973,586
Non-current liabilities other than provisions	9	3,302,926	973,586
Bank loans		4,488,685	13,683,358
Deposits		26,294	25,329
Prepayments received from customers		8,602,602	6,472,951
Trade payables		41,981,286	24,395,241
Joint taxation contribution payable		16,025,761	0
Other payables	10	45,849,197	18,667,775
Current liabilities other than provisions		116,973,825	63,244,654
Liabilities other than provisions		120,276,751	64,218,240
Equity and liabilities		217,401,207	112,327,232
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	125,000	41,731,482	6,190,000	48,046,482
Ordinary dividend paid	0	0	(6,190,000)	(6,190,000)
Profit/loss for the year	0	35,724,974	19,500,000	55,224,974
Equity end of year	125,000	77,456,456	19,500,000	97,081,456

Notes to parent financial statements

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	80,193,666	42,252,489
Pension costs	5,831,516	3,996,030
Other social security costs	711,744	593,629
Other staff costs	(202,287)	718,091
	86,534,639	47,560,239

Average number of full-time employees	144	95
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Executive Board	1,468,712	
Board of Directors	8,783,075	
Total amount for management categories		2,978,347
	10,251,787	2,978,347

2 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	17,064,828	5,004,000
Change in deferred tax	(19,510)	65,510
Adjustment concerning previous years	0	24,975
	17,045,318	5,094,485

3 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	19,500,000	6,190,000
Retained earnings	35,724,974	12,301,373
	55,224,974	18,491,373

4 Intangible assets

	Acquired patents DKK
Cost beginning of year	578,794
Additions	184,369
Cost end of year	763,163
Amortisation and impairment losses beginning of year	(529,741)
Amortisation for the year	(60,762)
Amortisation and impairment losses end of year	(590,503)
Carrying amount end of year	172,660

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,142,670	1,988,051
Additions	290,000	307,295
Cost end of year	1,432,670	2,295,346
Depreciation and impairment losses beginning of year	(506,130)	(1,138,833)
Depreciation for the year	(229,867)	(304,771)
Depreciation and impairment losses end of year	(735,997)	(1,443,604)
Carrying amount end of year	696,673	851,742

6 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,835,200	1,855,335
Additions	30,288	502,332
Disposals	(2,835,200)	0
Cost end of year	30,288	2,357,667
Impairment losses beginning of year	(1,526,562)	0
Reversal regarding disposals	1,526,562	0
Impairment losses end of year	0	0
Carrying amount end of year	30,288	2,357,667

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

7 Prepayments

Prepayments recognized as receivables comprises prepaid expenses.

8 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	(13,750)	(24,368)
Property, plant and equipment	56,750	86,878
Deferred tax	43,000	62,510

	2020 DKK	2019 DKK
Changes during the year		
Beginning of year	21,510	(3,000)
Recognised in the income statement	21,490	65,510
End of year	43,000	62,510

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	3,302,926	3,302,926
	3,302,926	3,302,926

10 Other payables

	2020 DKK	2019 DKK
VAT and duties	20,487,818	10,217,685
Wages and salaries, personal income taxes, social security costs, etc. payable	21,969,763	5,481,015
Holiday pay obligation	2,095,883	2,325,283
Other costs payable	1,295,733	643,792
	45,849,197	18,667,775

11 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	4,962,783	4,046,965

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Biegel Holding ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividends 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.

13 Assets charged and collateral

A floating charge of a maximum of DKK 12,500k 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 31.12.2020 is DKK 7,577k.

The carrying amount of inventories provided as security at 31.12.2020 is DKK 181,622k.

The carrying amount of operating equipment provided as security at 31.12.2020 is DKK 1,548k.

The carrying amount of intellectual property rights provided as security at 31.12.2020 is DKK 173k.

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 31.12.2020 is DKK 254 k.

An unlimited guarantee has been provided as security for Nordic Sport Import ApS, Central Business Reg. No. 32326870, and its bank commitment. The debt guaranteed at 31.12.2020 is DKK 0.

14 Related parties with controlling interest

Biegel Holding ApS, Risskov owns 60% of the shares in the Entity, thus exercising control.

Biegel Holding ApS, Risskov is owned 100 % by Jakob Høy Biegel, thus exercising control.

15 Transactions with related parties

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

Accounting policies

Reporting class

This annual report has been prepared 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.

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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively.

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.

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 and prepayments.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis 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 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 payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

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.