Unisport Scandinavia ApS

Lejrvej 29, DK-3500 Værløse

Annual Report for 1 January - 31 December 2018

CVR No 30 27 73 25

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/6 2019

Pernille France
Chairman of the General Meeting

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Contents

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Unisport Scandinavia ApS for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

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

Værløse, 26 June 2019

Executive Board

Pernille France
CEO

Board of Directors

Petteri Laaksomo
Chairman

Independent Auditor's Report

To the Shareholder of Unisport Scandinavia ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Unisport Scandinavia ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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.

Hellerup, 26 June 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild	Ferass Hamade
State Authorized Public Accountant	State Authorized Public Accountant
mne33262	mne35441

Company Information

The Company	Unisport Scandinavia ApS Lejrvej 29 DK-3500 Værløse Website: www.unisport-scandinavia.dk CVR No: 30 27 73 25 Financial period: 1 January - 31 December Incorporated: 13 February 2007 Financial year: 11st financial year Municipality of reg. office: Furesø
Board of Directors	Petteri Laaksomo, Chairman
Executive Board	Pernille France
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management’s Review

Key activities

The company develope, produce and install sportsfacilityprojects for inddor and outdoor ativities, primarily in Denmark, but also in cooperations with its sistercompanies in Norway, Finland and Sweden. The company is ultimate owned by Vaaka Partners, that owns the group Unisport Saltex OY.

Development in the year

The income statement of the Company for 2018 shows a loss of DKK 11,908,295, and at 31 December 2018 the balance sheet of the Company shows negative equity of DKK 8,618,303.

In 2018 the company acquired assets and activity from Virklund Sport. Relevant products and the brand "Virklund Sport" has been integrated in the Unisport business, as well as the number of employees has been tripled. Integration of the activities and a increased level of activity has created a good growth, and the Company expect a significant and positive effect for the financial year 2019.

2018 has in many ways been a turbulent year with focus on building a united group. Unisport has left 2018 with strengh and look very positive on the future.

Subsequent events

In order to strenghen the Company's capital resources, the parent company has converted their debt to equity and given a taxfree group contribution, in total amounting to DKK 11,6 million.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018	2017
		DKK	DKK
Gross profit/loss		**11.967.586**	**4.654.937**
Staff expenses	2	-21.670.815	-6.962.301
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-1.828.979	-1.390.345
Profit/loss before financial income and expenses		**-11.532.208**	**-3.697.709**
Financial income		72.553	74.334
Financial expenses	4	-448.640	-162.992
Profit/loss before tax		**-11.908.295**	**-3.786.367**
Tax on profit/loss for the year		0	0
Net profit/loss for the year		**-11.908.295**	**-3.786.367**

Distribution of profit

Proposed distribution of profit

Retained earnings	-11.908.295	-3.786.367
	-11.908.295	**-3.786.367**

Balance Sheet 31 December

Assets

	Note	2018	2017
		DKK	DKK
Goodwill		1.931.490	3.124.182
Intangible assets	5	**1.931.490**	**3.124.182**
Other fixtures and fittings, tools and equipment		905.382	593.669
Leasehold improvements		124.702	0
Property, plant and equipment	6	**1.030.084**	**593.669**
Deposits		220.024	220.024
Fixed asset investments		**220.024**	**220.024**
Fixed assets		**3.181.598**	**3.937.875**
Inventories		**5.182.318**	**791.912**
Trade receivables		31.418.445	6.202.364
Contract work in progress	7	602.000	499.933
Receivables from group enterprises		3.696.315	0
Other receivables		45.728	14.018
Prepayments		205.141	64.692
Receivables		**35.967.629**	**6.781.007**
Cash at bank and in hand		**728.696**	**2.618.327**
Currents assets		**41.878.643**	**10.191.246**
Assets		**45.060.241**	**14.129.121**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		125.000	125.000
Retained earnings		-8.743.303	3.164.992
Equity		**-8.618.303**	**3.289.992**
Other provisions		297.001	605.000
Provisions		**297.001**	**605.000**
Credit institutions		3.643.462	0
Trade payables		26.139.399	5.029.627
Contract work in progress, liabilities	7	6.629.746	1.579.566
Payables to group enterprises		10.069.182	2.486.929
Other payables		6.899.754	1.138.007
Short-term debt		**53.381.543**	**10.234.129**
Debt		**53.381.543**	**10.234.129**
Liabilities and equity		**45.060.241**	**14.129.121**
Capital resources and capital loss	1		
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	125.000	3.164.992	3.289.992
Net profit/loss for the year	0	-11.908.295	-11.908.295
Equity at 31 December	**125.000**	**-8.743.303**	**-8.618.303**

Notes to the Financial Statements

1 Capital resources and capital loss

At the balance sheet date the Company has current assets of DKK 41,879k against short-term liabilities of DKK 53,382k. Included in short-term liabilities are debt to the parent company of DKK 7,891k. In May 2019, the parent company has decided to convert their receivable of DKK 7,891k to equity and further decided to give a tax-free group contribution amounting to DKK 4,470k to the company.

On this basis management has chosen to prepare the annual report on the basis of going concern.

With this years result, the Company has lost the Share Capital, and are therefore subject to the rules on capital loss in the Companies Act. The Share Capital has been restored in 2019 due to the debt convertion and group contribution from the parent company.

	2018	2017
	DKK	DKK

2 Staff expenses

	2018	2017
Wages and salaries	19.299.566	6.437.313
Pensions	1.159.633	240.607
Other social security expenses	359.809	153.271
Other staff expenses	851.807	131.110
	21.670.815	**6.962.301**
Average number of employees	**33**	**10**

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	2018	2017
Amortisation of intangible assets	1.192.692	1.192.693
Depreciation of property, plant and equipment	636.287	197.652
	1.828.979	**1.390.345**

4 Financial expenses

	2018	2017
Interest paid to group enterprises	253.006	108.569
Other financial expenses	195.634	45.559
Exchange adjustments, expenses	0	8.864
	448.640	**162.992**

Notes to the Financial Statements

5 Intangible assets

	Goodwill
	DKK
Cost at 1 January	6.666.594
Cost at 31 December	6.666.594
Impairment losses and amortisation at 1 January	3.542.412
Amortisation for the year	1.192.692
Impairment losses and amortisation at 31 December	4.735.104
Carrying amount at 31 December	**1.931.490**
Amortisation period	5 years

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 January	1.363.810	0	1.363.810
Additions for the year	948.000	124.702	1.072.702
Cost at 31 December	2.311.810	124.702	2.436.512
Impairment losses and depreciation at 1 January	770.141	0	770.141
Depreciation for the year	636.287	0	636.287
Impairment losses and depreciation at 31 December	1.406.428	0	1.406.428
Carrying amount at 31 December	**905.382**	**124.702**	**1.030.084**
Depreciation period	3-8 years	5 years	

Notes to the Financial Statements

		2018	2017
		DKK	DKK
7	**Contract work in progress**		
	Selling price of work in progress	64.581.769	4.894.840
	Payments received on account	-70.609.515	-5.974.473
		-6.027.746	**-1.079.633**
	Recognised in the balance sheet as follows:		
	Contract work in progress recognised in assets	602.000	499.933
	Prepayments received recognised in debt	-6.629.746	-1.579.566
		-6.027.746	**-1.079.633**

8 Contingent assets, liabilities and other financial obligations

	2018	2017
Rental and lease obligations	2.854.854	344.063

There are no other security and contingent liabilitites at 31 December 2018.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Unisport Scandinavia ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

9 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when a contract has a total value above DKK 750,000, and total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract. When a contract is below DKK 750,000, the income from the contract is recognised when finalised.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

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

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Notes to the Financial Statements

9 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8	years
Leasehold improvements	5	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

9 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-3 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

9 **Accounting Policies** (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.