Unisport A/S

Bådehavnsgade 38, 2450 København SV

CVR no. 30 80 06 80

Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unisport A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

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

Copenhagen, 19 April 2018
Executive Board:

Michael Johannes Burk CEO	Jesper Rechter Christensen CFO

Board of Directors:

Filip Domagala Chairman	Jess Ørgaard Libak Tropp	Michael Haaning

Independent auditor's report

To the shareholders of Unisport A/S

Opinion

We have audited the financial statements of Unisport A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 19 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen	Michael Groth Hansen
State Authorised Public Accountant	State Authorised Public Accountant
MNE no.: mne24687	MNE no.: mne33228

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Gross margin	50,665	55,918	50,437	44,608	28,079
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,075	18,956	16,465	20,450	10,503
Operating profit/loss	-845	14,185	12,993	17,342	7,526
Net financials	-1,032	-1,445	-455	-1,062	-874
Profit/loss for the year	**-1,467**	**9,875**	**9,556**	**12,378**	**5,393**
Total assets	121,272	97,422	84,899	61,093	52,898
Equity	**41,691**	**43,158**	**33,283**	**23,727**	**17,349**
Financial ratios					
Solvency ratio	34.4%	44.3%	39.2%	38.8%	32.8%
Return on equity	-3.5%	25.8%	33.5%	60.3%	31.1%
Average number of employees	116	110	89	69	53

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

The activity in the Company is trade of football equipment from leading brands and clubs, mainly through the internet (e-commerce).

Unusual matters having affected the financial statements

The Company has not been influenced by unusual conditions in the financial year.

Financial review

The income statement for 2017 shows a loss of DKK 1,467 thousand against a profit of DKK 9,875 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 41,691 thousand. In the annual report for 2016, Management expected a growth in revenue and profits in 2017.

The revenue was positively impacted by growth from sales- and marketing activities that has led to a net increase in number of customers. A significant part of the growth comes from new markets requiring additional investments especially in terms of customer acquisition costs and last mile costs.

During the year the Management decided to discontinue the development of a new ERP-system causing a write-down of DKK 6,215 thousand.

Management considers the Company´s financial performance in the year satisfactory given the above-mentioned conditions.

Special risks

The Company´s revenue is generated in DKK, SEK, NOK and EUR. Purchases and other costs are primarily made in DKK.

According to an approved risk policy, the currency risk is not hedged.

Research and development activities

A substantial part of the business IT-system is developed and managed internally.

Foreign branches

The Company has a registered branch in Sweden without permanent establishment.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would significantly influence the evaluation of this annual report.

Outlook

The Company expects to grow revenue as well as profits in 2018.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2017	2016
	Gross margin	50,665	55,918
2	Staff costs	-40,375	-36,962
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,920	-4,771
3	Other operating expenses	-6,215	0
	Profit/loss before net financials	-845	14,185
4	Financial expenses	-1,032	-1,445
	Profit/loss before tax	-1,877	12,740
5	Tax for the year	410	-2,865
	Profit/loss for the year	-1,467	9,875

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Fixed assets		
6	**Intangible assets**		
	Completed development projects	2,866	3,033
	Goodwill	17,626	19,494
		20,492	22,527
7	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	844	916
	Leasehold improvements	3,323	5,014
		4,167	5,930
8	**Investments**		
	Deposits, investments	2,495	2,400
		2,495	2,400
	Total fixed assets	27,154	30,857
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	54,590	36,384
		54,590	36,384
	Receivables		
	Trade receivables	43	851
	Prepayments	295	328
		338	1,179
	Cash	39,190	29,002
	Total non-fixed assets	94,118	66,565
	TOTAL ASSETS	121,272	97,422

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	5,626	5,626
	Reserve for development costs	2,089	1,899
	Retained earnings	33,976	35,633
	Total equity	41,691	43,158
	Provisions		
10	Deferred tax	3,582	3,993
11	Other provisions	1,228	1,228
	Total provisions	4,810	5,221
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments received from customers	1,178	1,475
	Trade payables	30,403	10,066
	Payables to group entities	18,771	16,097
	Income taxes payable	0	2,126
	Other payables	22,544	15,358
12	Deferred income	1,875	3,921
		74,771	49,043
	Total liabilities other than provisions	74,771	49,043
	TOTAL EQUITY AND LIABILITIES	121,272	97,422

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2016	5,626	0	27,657	33,283
	Reserve for development costs	0	1,899	-1,899	0
16	Transfer, see "Appropriation of profit/loss"	0	0	9,875	9,875
	Equity at 1 January 2017	5,626	1,899	35,633	43,158
	Reserve for development costs	0	190	-190	0
16	Transfer, see "Appropriation of profit/loss"	0	0	-1,467	-1,467
	Equity at 31 December 2017	5,626	2,089	33,976	41,691

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Unisport A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Unisport Holding ApS.

Foreign currency translation

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

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

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received.

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

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.
Cost of sales is recognised after deduction of supplier discounts and bonuses.

Staff costs

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Completed development projects	3 years
Goodwill	20 years
Other fixtures and fittings, tools and equipment	3-5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial expenses

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

Tax

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

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

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

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's eperience of the specific business areas. Goodwill is amortised on a straight-line basis over a period of usually 20 years, longest for strategically acquired enterprises.

The amortisation period is 20 years as the business strategy and earning potential is considered long-term.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

The depreciation period is determined at the time of acquisition and is reassessed every year. In case of changes in the amortisation period, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant and equipment

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

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other external income and other external costs.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

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

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

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

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

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into accuont marketability, obsolescence and development in expected selling price.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

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

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

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

Prepayments

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

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

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes to the discount factor during the year are recognised as financial expenses.

Restructuring costs are recognised as liabilities once a detailed, formal restructuring plan has been published no later than on the balance sheet date to the persons affected by the plan.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions for restoration of leasehold improvements, etc. are measured at the present value of the expected future restoration costs at the end of the reporting period. The provision is calculated on the basis of current public authority orders and estimated costs that are discounted at present value. Specific risks associated with the provision are included in the estimated costs. A discount factor reflecting the general interest rate levels is used. Provisions are recognised as they arise and are adjusted on an ongoing basis in order to reflect changes in requirements and prices, etc. The present value of the costs is recognised in the cost of the property, plant and equipment in question and is depreciated with these assets. The increase of the present value due to the passage of time is recognised in the income statement as financial expenses.

Corporation tax and deferred tax

Joint taxation contribution payable and receivable is recognised in the balance sheet as corporation tax receivable and corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

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

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Equity ratio $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity $$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$$

	DKK'000	2017	2016
2	**Staff costs**		
	Wages/salaries	39,494	36,139
	Other social security costs	881	823
		40,375	36,962
	Average number of full-time employees	116	110
	Remuneration to members of management:		
	Executive board	2,664	2,176
	Board of Directors	416	276
		3,080	2,452

3 Other operating expenses

Other operating expenses include costs relating to ERP implementation, totalling DKK 6,215 thousand.

		2017	2016
4	**Financial expenses**		
	Interest expenses to Group Company	547	900
	Other interest expenses	216	422
	Foreign currency adjustments	269	123
		1,032	1,445
5	**Tax for the year**		
	Estimated tax charge for the year	0	2,126
	Deferred tax adjustments in the year	-410	707
	Tax adjustments, prior years	0	32
		-410	2,865

Financial statements 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK'000	Completed development projects	Goodwill	Total
Cost at 1 January 2017	5,392	37,369	42,761
Additions in the year	6,853	0	6,853
Disposals in the year	-6,215	0	-6,215
Cost at 31 December 2017	6,030	37,369	43,399
Impairment losses and amortisation at 1 January 2017	2,359	17,875	20,234
Amortisation/depreciation in the year	805	1,868	2,673
Impairment losses and amortisation at 31 December 2017	3,164	19,743	22,907
Carrying amount at 31 December 2017	2,866	17,626	20,492

7 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	2,707	7,995	10,702
Additions in the year	483	0	483
Cost at 31 December 2017	3,190	7,995	11,185
Impairment losses and depreciation at 1 January 2017	1,791	2,981	4,772
Amortisation/depreciation in the year	555	1,691	2,246
Impairment losses and depreciation at 31 December 2017	2,346	4,672	7,018
Carrying amount at 31 December 2017	844	3,323	4,167

8 Investments

DKK'000	Deposits, investments
Cost at 1 January 2017	2,400
Additions in the year	95
Cost at 31 December 2017	2,495
Carrying amount at 31 December 2017	2,495

Financial statements 1 January - 31 December

Notes to the financial statements

9 Share capital

The share capital comprises 5,626,086 shares of DKK 1 each. The share capital has remained unchanged since the Company's establishment.

No shares contain special rights.

DKK'000	2017	2016
10 Deferred tax		
Deferred tax at 1 January	3,993	3,355
Adjustment of deferred tax relating to prior period	0	-69
Adjustment of deferred tax	-411	707
Deferred tax at 31 December	3,582	3,993
Deferred tax relates to:		
Intangible assets	4,508	4,956
Property, plant and equipment	-128	-100
Tax loss	-385	0
Other taxable temporary differences	-413	-863
	3,582	3,993

11 Other provisions

	2017	2016
Opening balance at 1 January	1,228	1,228
Other provisions at 31 December	**1,228**	**1,228**

Provisions include liabilities for restoration upon the vacation of premises. The liability accumulates as wear and tear increase on the premises and is reassessed annually to determine the state of the premises at the balance sheet date.

Costs are expected to incur upon the expected termination of the premises which depends on potential extensions of the leases.

12 Deferred income

Deferred income, DKK 1,875 thousand (2016: DKK 3,921 thousand), consists of payments received from vendors that may not be recognised until the subsequent financial year.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with the Danish parent company Unisport Holding ApS. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes. At 31 December 2017, the net taxes receivable from the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 676 thousand. Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase.

Financial statements 1 January - 31 December

Notes to the financial statements

Other financial obligations

The Company has entered into operating leases with a total obligation of DKK 2,185 thousand at 31 December 2017 (2016: DKK 2,953 thousand) of which DKK 2,185 thousand (2016: DKK 2,953 thousand) is due within a year.

14 Collateral

As collateral for the Company's bank credit facility, the Company has provided floating charge of DKK 15 million in the Company's receivables, inventories and non-current assets.

15 Related parties

Unisport A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Unisport Holding ApS	Bådehavnsgade 38, 2450 København SV	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Unisport Holding ApS	Bådehavnsgade 38, 2450 København SV	CVR.dk

Related party transactions

Transactions with related parties in 2017 relate to joint taxation contribution, interest expenses as disclosed in note 3 and remuneration of the executive board and board of directors as disclosed in note 2.

DKK'000	2017	2016
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-1,467	9,875
	-1,467	9,875