Unisport A/S

Bådehavnsgade 38, DK-2450 København SV

CVR no. 30 80 06 80

Annual report 2015

Approved at the Company's annual general meeting on 3/5-2016

Chairman:

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Unisport A/S for the financial year 1 January - 31 December 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 21 April 2016
Executive Board:

Filip Domagala CEO	Jesper Rechter Christensen CFO

Board of Directors:

Michael Christiansen Chairman	Chris Bigler	Jens Høgsted

Independent auditors' report

To the shareholder of Unisport A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Unisport A/S for the financial year 1 January - 31 December 2015. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation of financial statements that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements gives a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 21 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Henrik Kronborg Iversen State Authorised Public Accountant	Søren Christiansen State Authorised Public Accountant

Management's review

Company details

Name	Unisport A/S
Address, zip code, city	Bådehavnsgade 38, DK-2450 København SV
CVR no.	30 80 06 80
Established	29 June 2007
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Michael Christiansen, Chairman Chris Bigler Jens Høgsted
Executive Board	Filip Domagala, CEO Jesper Rechter Christensen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Financial highlights

	2015	2014	2013	2012	2011
Key figures (DKK'000)					
Gross profit	50,437	44,608	28,079	22,041	19,135
Operating profit/loss before depreciation and amortisation (EBITDA)	16,465	20,450	10,503	10,429	11,344
Operating profit	13,424	17,555	7,721	7,551	9,167
Profit/loss from financial income and expenses	-455	-1,062	-874	-536	-1,322
Profit for the year	**9,892**	**12,544**	**5,545**	**5,247**	**5,879**
Total assets	84,509	60,401	52,040	45,137	39,079
Investment in property, plant and equipment	6,574	345	1,550	563	208
Equity	**33,937**	**24,045**	**17,501**	**21,956**	**21,710**
Financial ratios (%)					
Solvency ratio	40.3	39.8	33.6	48.6	55.6
Return on equity	34.4	60.4	28.1	24.0	28.0
FTE (employees)	**89**	**69**	**53**	**43**	**29**

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

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

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

Development in activities and finances
Gross profit for 2015 amounts to DKK 50.4.million (2014: DKK 44,6 million).

The Company´s profit after tax amount to DKK 9.9 million (2014: DKK 12,5 million), which is considered satisfactory given the below mentioned conditions.

The revenue was positively impacted by high growth from sales and marketing activities that has led to a net increase in number of customers.

A significant part of the revenue is generated in SEK and NOK. The exchange rate for SEK and NOK has developed negatively during the year. Revenue and profits are negatively affected by the development in exchange rates.

Outlook
The Company expects to grow revenue as well as profits in 2016.

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.

Currency 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.

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

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK '000	2015	2014
	Gross profit	50,437	44,608
2	Staff costs	-33,972	-24,158
	Depreciation and amortisation	-3,041	-2,895
	Operating profit	13,424	17,555
3	Financial expenses	-455	-1,062
	Profit before tax	12,969	16,493
4	Tax on profit for the year	-3,077	-3,949
	Profit for the year	9,892	12,544

Proposed profit appropriation

	Retained earnings	9,892	12,544
	Profit for the year	9,892	12,544

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK '000	2015	2014
	ASSETS		
	Non-current assets		
5	**Intangible assets**		
	Goodwill	21,363	23,232
	Development costs	1,108	1,030
		22,471	24,262
6	**Property, plant and equipment**		
	Plant and equipment	848	1,230
	Leasehold improvements	6,256	0
		7,104	1,230
	Other non-current assets		
	Deposits	1,855	795
		1,855	795
	Total non-current assets	31,430	26,287
	Current assets		
	Inventories		
	Finished goods and goods for resale	31,605	25,664
		31,605	25,664
	Receivables		
	Trade receivables	4,908	786
	Amounts owed by group companies	0	1,192
	Other receivables	100	1,072
	Prepayments	419	8
		5,427	3,058
	Cash at bank and in hand	16,047	5,392
	Total current assets	53,079	34,114
	TOTAL ASSETS	84,509	60,401

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK '000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	5,626	5,626
	Retained earnings	28,311	18,419
	Total equity	33,937	24,045
	Provisions		
8	Deferred tax	3,539	3,718
	Total provisions	3,539	3,718
	Liabilities		
	Current liabilities		
	Current portion of long-term liabilities	0	12,883
	Prepayments from customers	1,206	839
	Trade payables	8,595	6,881
	Amounts owed to group companies	15,096	0
	Corporation tax	3,255	3,193
	Other payables	12,914	8,842
	Deferred income	5,967	0
		47,033	32,638
	Total liabilities	47,033	32,638
	TOTAL EQUITY AND LIABILITIES	84,509	60,401

9 **Mortgages and collateral**
10 **Contractual obligations and contingencies, etc.**
11 **Related party disclosures**

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK '000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	5,626	5,875	6,000	17,501
Distributed dividends during the year	0	0	-6,000	-6,000
Transferred, see appropriation of profit	0	12,544	0	12,544
Equity at 1 January 2015	5,626	18,419	0	24,045
Transferred, see appropriation of profit	0	9,892	0	9,892
Equity at 31 December 2015	5,626	28,311	0	33,937

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Unisport A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C middle sized enterprises under the Danish Financial Statements Act.

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

No cash flow statement has been prepared as the cash flow statement of Unisport A/S is included in the cash flow of Anpartsselskabet af 23. Januar 2014 II.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Revenue, cost of goods sold and other external costs are presented in gross profit in accordance with §32 in the Danish Financial Statements Act.

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 net of VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of goods sold

Cost of sales includes the cost of goods used in generating the year's revenue.

Cost of goods sold is recognised after deduction of supplier discounts and bonuses.

Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

Staff costs

Staff costs comprise wages, salaries, pensions and other staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation with Anpartsselskabet af 23. Januar 2014 II. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

Anpartsselskabet af 23. Januar 2014 II is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience 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

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Company's development activities.

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

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

Property, plant and equipment

Plant and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Plant and equipment 3-5 years

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and 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 costs 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 account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Prepayments from customers

Prepayments from customers comprise liabilities regarding issued gift vouchers, recognised at the date of issue.

Prepayments from customers are measured at amortised cost.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 comprises payments received concerning income in subsequent years.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

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

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK '000	2015	2014
2	**Staff costs**		
	Wages and salaries	31,091	22,313
	Other social security costs	674	533
	Other staff costs	2,207	1,312
		33,972	24,158
	FTE (employees)	89	69

Remuneration of the Executive Board amounts to DKK 3,011 thousand (2014: DKK 1,813 thousand).
Remuneration of the Board of directors amounts to DKK 150 thousand (2014: 0).

	DKK '000	2015	2014
3	**Financial expenses**		
	Amortisation of financing costs	117	36
	Foreign currency adjustments	106	270
	Other interest expenses	232	756
		455	1,062
4	**Tax on the profit/loss for the year**		
	Current tax for the year	3,256	3,193
	Adjustment of deferred tax	-179	756
		3,077	3,949

Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 **Intangible assets**

DKK '000	Goodwill	Other intangible assets	Development costs	Total
Cost at 1 January 2015	37,369	528	2,303	40,200
Additions	0	0	550	550
Cost at 31 December 2015	37,369	528	2,853	40,750
Impairment losses and amortisation at 1 January 2015	14,137	528	1,273	15,938
Amortisation	1,869	0	472	2,341
Impairment losses and amortisation at 31 December 2015	16,006	528	1,745	18,279
Carrying amount at 31 December 2015	21,363	0	1,108	22,471
Amortised over	20 years	5 years	3 years	

6 **Property, plant and equipment**

DKK '000	Plant and equipment	Leasehold improvements	Total
Cost at 1 January 2015	2,356	0	2,356
Additions	317	6,257	6,574
Transferred from other accounts	-382	382	0
Cost at 31 December 2015	2,291	6,639	8,930
Impairment losses and depreciation at 1 January 2015	1,126	0	1,126
Depreciation	471	229	700
Transferred from other accounts	-154	154	0
Impairment losses and depreciation at 31 December 2015	1,443	383	1,826
Carrying amount at 31 December 2015	848	6,256	7,104
Depreciated over	3-5 years	3-5 years	

7 **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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK '000		2015	2014
8	**Deferred tax**		
	Deferred tax assets at the beginning of the period	3,718	2,962
	Adjustment of deferred tax	-179	756
	Deferred tax assets at 31 December	3,539	3,718
	Deferred tax assets relates to:		
	Intangible assets	4,593	3,812
	Property, plant and equipment	259	-28
	Deferred income	-1,313	0
	Liabilities other than provisions	0	-66
		3,539	3,718

9 **Mortgages and 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.

10 **Contractual obligations and contingencies, etc.**

Contingent assets and liabilities

The Company is jointly taxed with the Danish parent company Anpartsselskabet af 23. Januar 2014 II. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes.

Operating lease obligations

The Company has entered into operating leases with a total obligation of DKK 3,897 thousand at 31 December 2015 (2014: DKK 4,116 thousand) of which DKK 2,839 thousand (2014: DKK 1,752 thousand) is due within a year.

11 **Related party disclosures**

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

Anpartsselskabet af 23. Januar 2014 II, Hellerup