
Endomondo ApS

Langebrogade 5, DK-1411 København K

Annual Report for 1 Januar 2018 - 31 December 2018

CVR No 31 05 57 76

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
5 /6 2019

Kristin Donohoe
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Endomondo 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.

Copenhagen, 5 June 2019

Executive Board

Kristin Donohoe
CEO

Board of Directors

Kristin Donohoe
Chairman

David Eric Bergman

Independent Auditor's Report

To the Shareholder of Endomondo ApS

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, 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 Endomondo ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Qualified Opinion

In 2017 the Company implemented a new ERP system. In connection with the 2017 year-end close a number of unclarified reconciliation differences relating to different accounts were identified. The reconciliation differences amounting to net cost of DKK 1.1 million before tax were charged to the Income Statement.

We were unable to obtain sufficient appropriate audit evidence about these reconciliation differences, and consequently unable to determine whether any adjustments to the Income Statement were necessary.

Our audit opinion on the financial statements for the period ended December 31, 2017 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

The current period's figures on a stand-alone basis are not affected by the matters stated above.

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 qualified 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.

Independent Auditor's Report

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 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 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 ef-

Independent Auditor's Report

fectiveness 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, 5 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Allan Knudsen

statsautoriseret revisor

mne29465

Company Information

The Company

Endomondo ApS
Langebrogade 5
DK-1411 København K

CVR No: 31 05 57 76
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Kristin Donohoe, Chairman
David Eric Bergman

Executive Board

Kristin Donohoe

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Endomondo ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Endomondo is an app and website that makes aims to make fitness fun while helping users to stay motivated. Endomondo is designed to track user workouts, provide audio feedback, and offer guidance on how to reach goals. It acts as personal trainer in the user's pocket and syncs with Endomondo.com, where the user can access a full training log and analyze their fitness activity.

Development in the year

The income statement of the Company for 2018 shows a profit of DKK 1,887,597 for the period ending 31.12.2018. In November 2018 the Company announced the closure of its office in Copenhagen. The Endomondo application will continue to be owned by the Under Armour Europe B.V., and operations will be consolidated with the other digital platforms owned by Under Armour, Inc. outside of Copenhagen.

Financial position

The result of the year is a profit of DKK 1,887,597 and Equity is positive with DKK 1,578,984 at 31 December 2018.

Subsequent events

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Gross profit/loss		21.639.714	20.810.112
Staff expenses	1	<u>-20.034.753</u>	<u>-21.836.472</u>
Profit/loss before financial income and expenses		1.604.961	-1.026.360
Income/loss from investments in subsidiaries		-270.070	8.902
Financial income	2	603.097	131.123
Financial expenses	3	<u>-50.391</u>	<u>-518.424</u>
Profit/loss before tax		1.887.597	-1.404.759
Tax on profit/loss for the year		<u>0</u>	<u>499.589</u>
Net profit/loss for the year		<u>1.887.597</u>	<u>-905.170</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>1.887.597</u>	<u>-905.170</u>
		<u>1.887.597</u>	<u>-905.170</u>

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Investments in subsidiaries	4	0	0
Other receivables		724.124	724.124
Fixed asset investments		724.124	724.124
Fixed assets		724.124	724.124
Trade receivables		1.799.616	2.407.925
Receivables from group enterprises		10.299.979	2.453.367
Tax receivables		0	499.589
Receivables		12.099.595	5.360.881
Cash at bank and in hand		9.301.188	11.453.328
Currents assets		21.400.783	16.814.209
Assets		22.124.907	17.538.333

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		2.779.681	2.779.681
Retained earnings		-1.200.697	-3.100.055
Equity	5	1.578.984	-320.374
Trade payables		97.757	97.484
Payables to group enterprises		162.923	3.898.241
Other payables		8.733.682	3.985.769
Deferred income		11.551.561	9.877.213
Short-term debt		20.545.923	17.858.707
Debt		20.545.923	17.858.707
Liabilities and equity		22.124.907	17.538.333
Accounting Policies	6		

Notes to the Financial Statements

	2018	2017
	DKK	DKK
1 Staff expenses		
Wages and salaries	19.236.641	20.799.389
Pensions	652.612	960.361
Other social security expenses	145.500	76.722
	20.034.753	21.836.472
Average number of employees	27	25
2 Financial income		
Exchange gains	603.097	131.123
	603.097	131.123
3 Financial expenses		
Other financial expenses	50.391	75.802
Exchange loss	0	442.622
	50.391	518.424

Notes to the Financial Statements

	2018 DKK	2017 DKK
4 Investments in subsidiaries		
Cost at 1 January	26.417	26.417
Cost at 31 December	26.417	26.417
Value adjustments at 1 January	-26.417	-26.417
Net profit/loss for the year	-30.289	8.902
Revaluations for the year, net	-239.781	-8.902
Value adjustments at 31 December	-296.487	-26.417
Equity investments with negative net asset value amortised over receivables	270.070	0
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Endomondo US LLC	Baltimore, United States	0	100%	-270.070	-30.289

5 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	2.779.681	-3.100.055	-320.374
Exchange adjustments relating to foreign entities	0	11.761	11.761
Net profit/loss for the year	0	1.887.597	1.887.597
Equity at 31 December	2.779.681	-1.200.697	1.578.984

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of Endomondo ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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.

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.

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.

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.

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service com-

Notes to the Financial Statements

6 Accounting Policies (continued)

pleted for the year. This method is applied when total revenues and expenses in respect of the service 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 service.

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

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 and other external expenses.

Staff expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Notes to the Financial Statements

6 Accounting Policies (continued)

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other receivables

Other receivables consist of deposit for lease.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

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 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.

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.

Notes to the Financial Statements

6 Accounting Policies (continued)

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.