
Endomondo ApS

Gammel Kongevej 1, DK-1610 København V

Annual Report for 1 January - 31 December 2019

CVR No 31 05 57 76

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
02/09 2020

Nicholas Grant Carrillo
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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 2 September 2020

Executive Board

Nicholas Grant Carrillo
CEO

Board of Directors

Nicholas Grant Carrillo

David Eric Bergman

Independent Auditor's Report

To the Shareholder of Endomondo ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet 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-

Independent Auditor's Report

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.

Independent Auditor's Report

- 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, 2 September 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Allan Knudsen

statsautoriseret revisor

mne29465

Company Information

The Company

Endomondo ApS
Gammel Kongevej 1
DK-1610 København V

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

Board of Directors

Nicholas Grant Carrillo
David Eric Bergman

Executive Board

Nicholas Grant Carrillo

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Endomondo ApS for 2019 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 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 2019 shows a profit of DKK 14.528.886 for the period ending 31.12.2019. The Endomondo application continues 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 14.528.886 and Equity is positive with DKK 13.797.941 at 31 December 2019.

Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the company. At this time, it is not possible to calculate the size of the negative COVID-19 impact. No other significant events have occurred after the balance sheet date up through the date of this report which would influence the evaluation of this annual report.

Income Statement 1 January - 31 December

| | Note | 2019 DKK | 2018 DKK |
|---|------|-------------------|-------------------|
| Gross profit/loss | | 15.923.047 | 21.639.714 |
| Staff expenses | 1 | 0 | -22.369.344 |
| Profit/loss before financial income and expenses | | 15.923.047 | -729.630 |
| Income/loss from investments in subsidiaries | | -40.385 | -270.070 |
| Financial income | 2 | 0 | 603.097 |
| Financial expenses | 3 | -434.340 | -50.391 |
| Profit/loss before tax | | 15.448.322 | -446.994 |
| Tax on profit/loss for the year | | -651.586 | 0 |
| Net profit/loss for the year | | 14.796.736 | -446.994 |

Distribution of profit

Proposed distribution of profit

| | | |
|--------------------------------|-------------------|-----------------|
| Proposed dividend for the year | 11.731.300 | 0 |
| Retained earnings | 3.065.436 | -446.994 |
| | 14.796.736 | -446.994 |

Balance Sheet 31 December

Assets

| | Note | 2019 DKK | 2018 DKK |
|------------------------------------|------|-------------------|-------------------|
| Investments in subsidiaries | 4 | 0 | 0 |
| Other receivables | | 0 | 724.124 |
| Fixed asset investments | | 0 | 724.124 |
| Fixed assets | | 0 | 724.124 |
| Trade receivables | | 1.218.833 | 1.799.616 |
| Receivables from group enterprises | | 4.241.680 | 10.299.979 |
| Other receivables | | 86.143 | 0 |
| Receivables | | 5.546.656 | 12.099.595 |
| Cash at bank and in hand | | 33.665.731 | 9.301.188 |
| Currents assets | | 39.212.387 | 21.400.783 |
| Assets | | 39.212.387 | 22.124.907 |

Balance Sheet 31 December

Liabilities and equity

| | Note | 2019 DKK | 2018 DKK |
|--------------------------------|------|-------------------|-------------------|
| Share capital | | 2.779.681 | 2.779.681 |
| Retained earnings | | -445.190 | -3.535.288 |
| Proposed dividend for the year | | 11.731.300 | 0 |
| Equity | 5 | 14.065.791 | -755.607 |
| Trade payables | | 2.642 | 97.757 |
| Payables to group enterprises | | 12.881.880 | 162.923 |
| Corporation tax | | 651.586 | 0 |
| Other payables | | 835.673 | 11.068.273 |
| Deferred income | | 10.774.815 | 11.551.561 |
| Short-term debt | | 25.146.596 | 22.880.514 |
| Debt | | 25.146.596 | 22.880.514 |
| Liabilities and equity | | 39.212.387 | 22.124.907 |
| Accounting Policies | 6 | | |

Notes to the Financial Statements

| | <u>2019</u> DKK | <u>2018</u> DKK |
|--|--------------------|--------------------|
| 1 Staff expenses | | |
| Wages and salaries | 0 | 21.317.718 |
| Pensions | 0 | 652.612 |
| Other social security expenses | 0 | 399.014 |
| | <u>0</u> | <u>22.369.344</u> |
| Average number of employees | <u>0</u> | <u>27</u> |
| 2 Financial income | | |
| Exchange gains | <u>0</u> | <u>603.097</u> |
| | <u>0</u> | <u>603.097</u> |
| | | |
| | <u>2019</u> DKK | <u>2018</u> DKK |
| 3 Financial expenses | | |
| Exchange loss | <u>434.340</u> | <u>50.391</u> |
| | <u>434.340</u> | <u>50.391</u> |

Notes to the Financial Statements

| | 2019 DKK | 2018 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 | -296.487 | -26.417 |
| Net profit/loss for the year | -40.385 | -30.289 |
| Revaluations for the year, net | 24.662 | -239.781 |
| Value adjustments at 31 December | -312.210 | -296.487 |
| Equity investments with negative net asset value amortised over receivables | 285.793 | 270.070 |
| 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% | -285.793 | -15.723 |

Notes to the Financial Statements

5 Equity

| | Share capital | Retained earnings | Proposed dividend for the year | Total |
|--|------------------|-------------------|--------------------------------|-------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 2.779.681 | -1.200.697 | 0 | 1.578.984 |
| Net effect of correction of material misstatements | 0 | -2.334.591 | 0 | -2.334.591 |
| Adjusted equity at 1 January | 2.779.681 | -3.535.288 | 0 | -755.607 |
| Exchange adjustments relating to foreign entities | 0 | 24.662 | 0 | 24.662 |
| Net profit/loss for the year | 0 | 3.065.436 | 11.731.300 | 14.796.736 |
| Equity at 31 December | 2.779.681 | -445.190 | 11.731.300 | 14.065.791 |

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of Endomondo ApS for 2019 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 2019 are presented in DKK.

Correction of material misstatements

We have made correction of material misstatement in the comparative numbers for FY 2018. The correction relates to severance pay and holiday pay relating to 2018 but was not identified until later during 2019.

The correction amounts to a total DKK 1.6m which has been adjusted in the comparative figures for 2018 and in the opening Equity for 2019.

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.

Notes to the Financial Statements

6 Accounting Policies (continued)

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 completed 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.

Notes to the Financial Statements

6 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

6 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.

Deferred income

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