

## **CROSSFIT COPENHAGEN APS**

Griffenfeldsgade 7 A, st.  
2200 København N  
Business Registration No  
31254418

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 29.05.2019

### **Chairman of the General Meeting**

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Name: Peder Andreas Bang

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## Entity details

### Entity

CROSSFIT COPENHAGEN APS

Griffenfeldsgade 7 A, st.

2200 København N

Central Business Registration No (CVR): 31254418

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Peder Andreas Bang

Klaus Vesti Andersen

### Executive Board

Peder Andreas Bang

Klaus Vesti Andersen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of CROSSFIT COPENHAGEN APS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.05.2019

### Executive Board

Peder Andreas Bang

Klaus Vesti Andersen

### Board of Directors

Peder Andreas Bang

Klaus Vesti Andersen

# Independent auditor's extended review report

## To the shareholders of CROSSFIT COPENHAGEN APS

### Conclusion

We have performed an extended review of the financial statements of CROSSFIT COPENHAGEN APS for the financial year 01.01.2018 - 31.12.2018, which comprise the 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

## Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 15.05.2019

## Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

## Management commentary

### Primary activities

The Company's activity consists in giving classes in CrossFit gyms.

### Development in activities and finances

Profit for the year amounts to DKK 7,887 thousand against a profit of DKK 4,512 thousand last year. Management considers the results satisfactory.

A write-down of DKK 3,183 thousand on a loan to the affiliated company [jo:ga] ApS is to be taken into account when assessing results for the year. Thus, the operating profit amounts to DKK 13.9 million against DKK 10.2 million last year. Management considers the increase of DKK 3,7 million very satisfactory.

### Events after the balance sheet date

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

## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross profit</b>		<b>38.039.518</b>	<b>33.091.452</b>
Staff costs	1	(18.869.412)	(18.617.380)
Depreciation, amortisation and impairment losses	2	<u>(5.273.976)</u>	<u>(4.291.376)</u>
<b>Operating profit/loss</b>		<b>13.896.130</b>	<b>10.182.696</b>
Other financial income	3	548.694	300.856
Other financial expenses	4	<u>(3.464.661)</u>	<u>(3.491.427)</u>
<b>Profit/loss before tax</b>		<b>10.980.163</b>	<b>6.992.125</b>
Tax on profit/loss for the year	5	<u>(3.093.076)</u>	<u>(2.479.872)</u>
<b>Profit/loss for the year</b>		<b><u>7.887.087</u></b>	<b><u>4.512.253</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		0	1.000.000
Retained earnings		<u>7.887.087</u>	<u>3.512.253</u>
		<b><u>7.887.087</u></b>	<b><u>4.512.253</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Goodwill		771.429	964.286
<b>Intangible assets</b>		<b>771.429</b>	<b>964.286</b>
Other fixtures and fittings, tools and equipment		7.149.015	7.492.104
Leasehold improvements		9.965.970	9.730.108
<b>Property, plant and equipment</b>	6	<b>17.114.985</b>	<b>17.222.212</b>
Receivables from group enterprises		5.489.052	2.443.515
Other receivables		1.194.529	1.398.763
<b>Fixed asset investments</b>	7	<b>6.683.581</b>	<b>3.842.278</b>
<b>Fixed assets</b>		<b>24.569.995</b>	<b>22.028.776</b>
Manufactured goods and goods for resale		341.821	275.289
<b>Inventories</b>		<b>341.821</b>	<b>275.289</b>
Trade receivables		472.276	136.170
Receivables from group enterprises		629.182	0
Receivables from associates		2.363.270	2.392.600
Other receivables		2.761.756	27.910
Prepayments		1.921.594	1.623.011
<b>Receivables</b>		<b>8.148.078</b>	<b>4.179.691</b>
<b>Cash</b>		<b>325.894</b>	<b>114.680</b>
<b>Current assets</b>		<b>8.815.793</b>	<b>4.569.660</b>
<b>Assets</b>		<b>33.385.788</b>	<b>26.598.436</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		16.614.170	8.727.083
Proposed dividend		<u>0</u>	<u>1.000.000</u>
<b>Equity</b>		<b><u>16.739.170</u></b>	<b><u>9.852.083</u></b>
Deferred tax		<u>430.143</u>	<u>437.687</u>
<b>Provisions</b>		<b><u>430.143</u></b>	<b><u>437.687</u></b>
Finance lease liabilities		<u>4.638.994</u>	<u>4.842.191</u>
<b>Non-current liabilities other than provisions</b>	8	<b><u>4.638.994</u></b>	<b><u>4.842.191</u></b>
Current portion of long-term liabilities other than provisions	8	1.744.070	1.277.434
Bank loans		1.539.240	1.614.972
Deposits		24.000	24.000
Prepayments received from customers		2.288.616	2.387.073
Trade payables		1.309.229	1.370.317
Payables to group enterprises		0	263
Joint taxation contribution payable		2.943.620	2.016.233
Other payables	9	<u>1.728.706</u>	<u>2.776.183</u>
<b>Current liabilities other than provisions</b>		<b><u>11.577.481</u></b>	<b><u>11.466.475</u></b>
<b>Liabilities other than provisions</b>		<b><u>16.216.475</u></b>	<b><u>16.308.666</u></b>
<b>Equity and liabilities</b>		<b><u>33.385.788</u></b>	<b><u>26.598.436</u></b>
Contingent liabilities	10		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	125.000	8.727.083	1.000.000	9.852.083
Ordinary dividend paid	0	0	(1.000.000)	(1.000.000)
Profit/loss for the year	0	7.887.087	0	7.887.087
<b>Equity end of year</b>	<b>125.000</b>	<b>16.614.170</b>	<b>0</b>	<b>16.739.170</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	18.560.962	18.245.491
Pension costs	108.698	118.329
Other social security costs	199.752	253.560
	<b><u>18.869.412</u></b>	<b><u>18.617.380</u></b>
Average number of employees	<b><u>38</u></b>	<b><u>37</u></b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	192.857	192.857
Depreciation of property, plant and equipment	5.233.209	4.098.519
Profit/loss from sale of intangible assets and property, plant and equipment	(152.090)	0
	<b><u>5.273.976</u></b>	<b><u>4.291.376</u></b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	374.707	114.182
Financial income from associates	173.987	186.674
	<b><u>548.694</u></b>	<b><u>300.856</u></b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Other financial expenses</b>		
Other interest expenses	106.345	39.463
Other financial expenses	3.358.316	3.451.964
	<b><u>3.464.661</u></b>	<b><u>3.491.427</u></b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	3.100.620	2.287.393
Change in deferred tax	(7.544)	192.479
	<b><u>3.093.076</u></b>	<b><u>2.479.872</u></b>
	<b>Other</b>	<b>Leasehold</b>
	<b>fixtures and</b>	<b>improve-</b>
	<b>fittings,</b>	<b>ments</b>
	<b>tools and</b>	<b>DKK</b>
	<b>equipment</b>	<b>DKK</b>
	<b>DKK</b>	<b>DKK</b>
<b>6. Property, plant and equipment</b>		
Cost beginning of year	13.135.007	16.569.117
Additions	1.907.539	3.218.443
Disposals	(229.356)	0
<b>Cost end of year</b>	<b><u>14.813.190</u></b>	<b><u>19.787.560</u></b>
Depreciation and impairment losses beginning of year	(5.642.903)	(6.839.009)
Depreciation for the year	(2.250.628)	(2.982.581)
Reversal regarding disposals	229.356	0
<b>Depreciation and impairment losses end of year</b>	<b><u>(7.664.175)</u></b>	<b><u>(9.821.590)</u></b>
<b>Carrying amount end of year</b>	<b><u>7.149.015</u></b>	<b><u>9.965.970</u></b>

## Notes

	<b>Receivables from group enterprises DKK</b>	<b>Other receivables DKK</b>
<b>7. Fixed asset investments</b>		
Cost beginning of year	5.573.293	1.398.763
Additions	8.671.898	143.670
Disposals	<u>(2.443.515)</u>	<u>(347.904)</u>
<b>Cost end of year</b>	<b><u>11.801.676</u></b>	<b><u>1.194.529</u></b>
Impairment losses beginning of year	(3.129.778)	0
Impairment losses for the year	<u>(3.182.846)</u>	<u>0</u>
<b>Impairment losses end of year</b>	<b><u>(6.312.624)</u></b>	<b><u>0</u></b>
<b>Carrying amount end of year</b>	<b><u>5.489.052</u></b>	<b><u>1.194.529</u></b>

The total receivable from group enterprises amounts to DKK 11,802 thousand. Of this, DKK 6,313 thousand has been written down this year given that the Company has issued a letter of subordination and that the group enterprise has a negative equity.

	<b>Due within 12 months 2018 DKK</b>	<b>Due within 12 months 2017 DKK</b>	<b>Due after more than 12 months 2018 DKK</b>	<b>Outstanding after 5 years DKK</b>
<b>8. Liabilities other than provisions</b>				
Finance lease liabilities	<u>1.744.070</u>	<u>1.277.434</u>	<u>4.638.994</u>	<u>58.303</u>
	<b><u>1.744.070</u></b>	<b><u>1.277.434</u></b>	<b><u>4.638.994</u></b>	<b><u>58.303</u></b>

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>9. Other payables</b>		
VAT and duties	0	367.168
Wages and salaries, personal income taxes, social security costs, etc payable	1.703.778	1.789.980
Other costs payable	<u>24.928</u>	<u>619.035</u>
	<b><u>1.728.706</u></b>	<b><u>2.776.183</u></b>

## Notes

### 10. Contingent liabilities

The Company has entered into tenancy agreements with non-cancellable periods of 3, 6, 7 and 24 months respectively. The total rental obligation amounts to DKK 16,804 thousand (2017: DKK 20,447 thousand) at the balance sheet date.

The Entity has guaranteed for banking arrangements of the associated company Grundlagt ApS. At 31 December 2018, the associated company had no debt.

The Entity has guaranteed for banking arrangements of the group company [jo:ga] ApS. At 31 December 2018, the total bank arrangement amounted to DKK 2,046 thousand.

The Company is jointly registered for VAT with the affiliated company [jo:ga] ApS. Therefore, the Company is jointly and severally liable for VAT liabilities.

The Entity participates in a Danish joint taxation arrangement in which World Of Boxes ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

## Accounting policies

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### Other financial income

Other financial income comprises interest income as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

## Accounting policies

### Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.