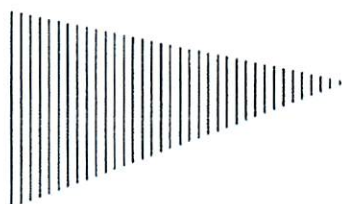


Ironman Denmark ApS

Hannovergade 8, 2300 København S

CVR no. 32 30 12 66



Annual report 2015

Approved at the annual general meeting of shareholders on 7 June 2016

Chairman:



Building a better
working world



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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 Ironman Denmark ApS for the financial year 1 January - 31 December 2015.

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 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, 7 June 2016
Executive Board:

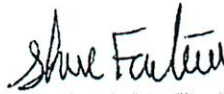


Thomas Veje Olsen

Board of Directors:



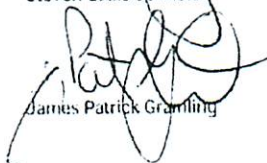
Steven Louis Johnston



Shane M Fecteau



Andrew Lawrence Messick



James Patrick Gramling

Independent auditors' report

To the shareholders of Ironman Denmark ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Ironman Denmark ApS for the financial year 1 January - 31 December 2015, which comprise an 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 give 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 are 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 regulations. 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 Company's preparation of financial statements that give 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 give 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, 7 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28


Peter Jensen
State Authorised Public Accountant



Management's review

Company details

Name	Ironman Denmark ApS
Address, Postal code, City	Hannovergade 8, 2300 København S
CVR No.	32 30 12 66
Established	10 April 2010
Registered office	København
Financial year	1 January - 31 December
Website	http://www.ironman.com/
Board of Directors	Steven Louis Johnston Shane M Facticeau Andrew Lawrence Messick James Patrick Gramling
Executive Board	Thomas Veje Olsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank

Management's review

Operating review

The Company's business review

IM Denmark ApS operates triathlon, duathlon, and distance running events under the IRONMAN, IRONMAN 70.3, 5i50™, IRON GIRL and IRONKIDS brands throughout Denmark. Beginning in 1978 as a challenge between a US naval commander and his group of friends, the IRONMAN has grown to become the most recognized full distance triathlon in the world.

Originally a combination of the Waikiki Rough Water Swim, the Around Oahu Bike Race, and the Honolulu Marathon, the IRONMAN® events consist of a 2.4-mile swim, a 112-mile bike ride, and a 26.2-mile run. IRONMAN 70.3® races are long-distance triathlons (half the distances of the IRONMAN® event). 5i50™ events are Olympic-distance triathlons. IRON GIRL® and IRONKIDS® events include triathlons, duathlons, or distance running events. The events are operated in Denmark by IRONMAN Denmark ApS. In addition to operating events, IRONMAN Denmark ApS is committed to growing the sport of triathlon through a comprehensive program of sponsorships, media sources, and other event production opportunities.

Financial review

The income statement for 2015 shows a loss of DKK 1,544,599 against a loss of DKK 278,455 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 4,815,816. Management considers the results of operations for 2015 satisfactory. Looking into 2016 and 2017, Management expects equity to be restored through revenue growth and higher profits, driven by increased sports events activity. Also, the parent company, World Endurance BV, IRONMAN Germany GmbH, and World Triathlon Corporation have issued a letter of subordination agreeing to let all other creditors take precedence over payables to the parent company and entities fully controlled by the parent company until at least 12 months after the approval of the financial statements for 2015 on the annual general meeting. Against this background, Management has presented the financial statements based on a going concern assumption.

18 November 2015, the IRONMAN group was acquired by Wanda Group, one of the leading Chinese private conglomerates.

The financial results for 2015 were expected to be better than the 2014-results, but due to a longer period of integration into the group than expected the economic benefits of the integration have not yet been realized. Although the 2016 results are expected to be similar to 2015, IRONMAN Denmark ApS is planning key investments in the event infrastructure. However, the benefits of the investments will not be visible until after 2016.

Post balance sheet events

No significant events have occurred subsequent to the financial year-end.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit	1,827,713	2,889,454
3	Staff costs	-2,917,654	-2,454,938
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-251,709	-288,271
	Operating profit/loss	-1,341,650	146,245
5	Financial expenses	-202,949	-424,700
	Profit/loss before tax	-1,544,599	-278,455
	Tax for the year	0	0
	Profit/loss for the year	-1,544,599	-278,455
	Proposed profit appropriation/distribution of loss	-1,544,599	-278,455
	Retained earnings/accumulated loss	-1,544,599	-278,455

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Non-current assets		
6	Intangible assets		
	Acquired intangible assets	246,012	107,948
		<u>246,012</u>	<u>107,948</u>
7	Property, plant and equipment		
	Plant and machinery	170,252	67,892
	Other fixtures and fittings, tools and equipment	116,405	213,063
	Leasehold improvements	0	11,375
		<u>286,657</u>	<u>292,330</u>
	Investments		
	Other receivables	56,403	55,118
		<u>56,403</u>	<u>55,118</u>
	Total non-current assets	<u>589,072</u>	<u>455,396</u>
	Current assets		
	Receivables		
	Trade receivables	189,588	0
	Receivables from group entities	12,884,434	11,106,344
	Deferred income	105,438	90,092
		<u>13,179,460</u>	<u>11,196,436</u>
	Cash	<u>1,868,238</u>	<u>5,524,136</u>
	Total current assets	<u>15,047,698</u>	<u>16,720,572</u>
	TOTAL ASSETS	<u>15,636,770</u>	<u>17,175,968</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	80,000	80,000
	Retained earnings	-4,895,816	-3,310,993
	Total equity	<u>-4,815,816</u>	<u>-3,230,993</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments received from customers	10,628,080	10,824,661
	Trade payables	851,078	239,709
	Payables to group entities	7,843,693	5,923,246
	Other payables	1,129,735	3,419,345
		<u>20,452,586</u>	<u>20,406,961</u>
	Total liabilities other than provisions	<u>20,452,586</u>	<u>20,406,961</u>
	TOTAL EQUITY AND LIABILITIES	<u>15,636,770</u>	<u>17,175,968</u>

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 9 Collateral
- 10 Contractual obligations and contingencies, etc.
- 11 Contingent assets
- 12 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	80,000	-3,310,993	-3,230,993
Profit/loss for the year	0	-1,544,599	-1,544,599
Exchange adjustment	0	-40,224	-40,224
Equity at 31 December 2015	80,000	-4,895,816	-4,815,816

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ironman Denmark ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Reporting currency

The financial statements are presented in Danish kroner.

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

Revenue

Income from the rendering of services, comprising registration fees for participation in sports events, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method).

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Software	5 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5 years
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3 years

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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.

Balance sheet

Intangible assets

Other intangible assets include acquired intangible rights, including software licences and distribution rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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.

Impairment of non-current assets

Intangible assets and property, plant and equipment as well as investments in subsidiaries and associates are reviewed for impairment on an annual basis. Where there is evidence of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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 comprise prepaid expenses regarding subsequent financial reporting years.

Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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 on office premises 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 alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Deferred income

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

2 Material uncertainties regarding going concern

The Company has lost its equity and must, according to the Danish Companies Act, adopt measures to restore it. Management still expects to recover the lost equity through positive results going forward. IRONMAN Denmark ApS is planning key investments in the event infrastructure. However, the benefits of the investments will not be visible until after 2016.

The Company's budget for 2016 shows a profit based on Management's expectations of cost reductions compared to 2015 as the Company is now fully integrated in the Group.

Moreover, the parent company, World endurance BV, IRONMAN Germany GmbH and World Triathlon Corporation, have issued a letter of subordination agreeing to let all other creditors take precedence over payables to the parent company and entities fully controlled by the parent company until at least 12 months after the approval on the annual general meeting of the financial statements for 2015.

Against this background, Management presents the financial statements based on a going concern assumption.

DKK	2015	2014
3 Staff costs		
Wages/salaries	2,881,081	2,279,235
Other social security costs	36,573	175,703
	<u>2,917,654</u>	<u>2,454,938</u>
4 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	111,936	114,880
Depreciation of property, plant and equipment	139,773	173,391
	<u>251,709</u>	<u>288,271</u>
5 Financial expenses		
Interest expenses, group entities	53,661	6,464
Other interest expenses	0	24
Exchange losses	149,288	418,212
	<u>202,949</u>	<u>424,700</u>



Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2015	628,451
Additions in the year	250,000
Cost at 31 December 2015	878,451
Impairment losses and amortisation at 1 January 2015	520,503
Amortisation/depreciation in the year	111,936
Impairment losses and amortisation at 31 December 2015	632,439
Carrying amount at 31 December 2015	246,012

7 Property, plant and equipment

DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2015	396,824	289,972	246,295	933,091
Additions in the year	134,101	0	0	134,101
Cost at 31 December 2015	530,925	289,972	246,295	1,067,192
Impairment losses and depreciation at 1 January 2015	328,932	76,909	234,920	640,761
Amortisation/depreciation in the year	31,741	96,658	11,375	139,774
Impairment losses and depreciation at 31 December 2015	360,673	173,567	246,295	780,535
Carrying amount at 31 December 2015	170,252	116,405	0	286,657

DKK	2015	2014
8 Share capital		
The share capital consists of the following:		
80 shares of DKK 1,000.00 each	80,000	80,000
	80,000	80,000

The Company's share capital has remained DKK 80,000 over the past 5 years.

9 Collateral

The Company has not placed any assets or other as security for loans at 31/12 2015.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other contingent liabilities include the Company's debt to group entities of DKK 7,843,693. The debt subordinates for any other creditor to at least 3 June 2015.

Ironman Denmark has a lawsuit with Team Challenge Germany which also included a court hearing for settlement held on April 6, 2016. The core issue is whether Ironman Denmark has breached the license agreement between YWC Sports ApS and Team Challenge. The Sole Judge at the settlement hearing proposed that a payment of EUR 150.000,00 was a reasonable settlement amount. The lawsuit is still ongoing, given that we have not accepted the settlement amount.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	112,806	110,236

Rent and lease liabilities include a rent obligation totalling DKK 112.806, which is equal to six months' rent.

11 Contingent assets

The Company has tax loss carry-forwards totalling DKK 5,148,042, resulting in a deferred tax asset. This has not been recognised in the balance sheet due to uncertainty as to the timing and utilisation of the tax losses.

12 Related parties

Ironman Denmark ApS' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile
World Endurance holdings, inc	Delaware, USA
World Endurance B.V.	Amsterdam, The Netherlands

Ownership

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

Name	Domicile
World Endurance B.V.	Amsterdam, The Netherlands