

# Shimano Nordic Denmark ApS

Forbindelsesvej 4, st.  
2100 Copenhagen  
Denmark

CVR no. 35 14 02 98

## Annual report 2020

The annual report was presented and approved at the  
Company's annual general meeting on

10 June 2021

Andrew Thomas Cowan  
chairman

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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 Shimano Nordic Denmark ApS for the financial year 1 January – 31 December 2020.

The annual report has been 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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, 10 June 2021  
Executive Board:

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Andrew Thomas Cowan

Board of Directors:

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Johannes Cornelis Maria  
van Rooij

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Andrew Thomas Cowan

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Frank Claudius Peiffer



## Independent auditor's report

### To the shareholder of Shimano Nordic Denmark ApS

#### Independent auditor's report on the financial statements

##### *Opinion*

We have audited the financial statements of Shimano Nordic Denmark ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

##### *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 rules and requirements.

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

##### *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.

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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

## Independent auditor's report

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.
- 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.

### ***Statement on the Management's review***

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

## Report on other legal and regulatory requirements

### ***Non-compliance with VAT legislation***

In violation of VAT legislation, the Company has not timely filed VAT returns to the Danish tax authorities. The Company's Management may incur liability in this respect.



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## Independent auditor's report

Copenhagen, 10 June 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Christian Friis Engelbrecht  
State Authorised  
Public Accountant  
mne44180

**Shimano Nordic Denmark ApS**  
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## Management's review

### Company details

Shimano Nordic Denmark ApS  
Forbindelsesvej 4, st.  
2100 Copenhagen  
Denmark

CVR no.:	35 14 02 98
Established:	11 March 2013
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### Board of Directors

Johannes Cornelis Maria van Rooij  
Andrew Thomas Cowan  
Frank Claudius Peiffer

### Executive Board

Andrew Thomas Cowan

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
Denmark

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's activity comprises trade with bicycles, sports goods, etc.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK 7,285 thousand as against DKK 4,804 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 14,783 thousand as against DKK 7,499 thousand at 31 December 2019.

The financial year was in line with forecast, and results for the year are considered satisfactory.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that may significantly affect the Company's financial position at 31 December 2020.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2020	2019
<b>Gross profit</b>		15,133	10,297
Staff costs	2	-4,925	-3,884
Depreciation, amortisation and impairment losses		-264	-316
<b>Operating profit</b>		9,944	6,097
Other financial income		219	105
Other financial expenses	3	-816	-541
<b>Profit before tax</b>		9,347	5,661
Tax on profit/loss for the year	4	-2,062	-857
<b>Profit for the year</b>		7,285	4,804
<b>Proposed profit appropriation</b>			
Proposed dividends for the year		7,439	0
Retained earnings		-154	4,804
		7,285	4,804

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2020	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Goodwill		0	96
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		380	394
<b>Investments</b>			
Deposits		240	458
<b>Total fixed assets</b>		620	948
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		3,248	1,955
<b>Receivables</b>			
Trade receivables		7,292	8,387
Receivables from group entities		169	605
Other receivables		45	334
Deferred tax asset		59	85
		7,565	9,411
<b>Cash at bank and in hand</b>		20,395	6,845
<b>Total current assets</b>		31,208	18,211
<b>TOTAL ASSETS</b>		31,828	19,159

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		80	80
Retained earnings		7,264	7,419
Proposed dividends for the financial year		7,439	0
<b>Total equity</b>		<b>14,783</b>	<b>7,499</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Prepayments received from customers		2,568	202
Trade payables		748	64
Payables to group entities		8,512	8,382
Corporation tax		1,839	1,228
Other payables		3,378	1,784
		<b>17,045</b>	<b>11,660</b>
<b>Total liabilities</b>		<b>17,045</b>	<b>11,660</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,828</b>	<b>19,159</b>
<b>Contractual obligations, contingencies, etc.</b>	5		
<b>Related party disclosures</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2020	80	7,419	0	7,499
Transferred over the profit appropriation	0	-154	7,439	7,285
<b>Equity at 31 December 2020</b>	<b>80</b>	<b>7,265</b>	<b>7,439</b>	<b>14,784</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Shimano Nordic Denmark ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

#### 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 the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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 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 sale of goods, comprising the sale of bicycles, sports goods and fishing equipment, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2020.

Revenue from the sale of goods where installation is a condition for significant risks being considered to have been transferred to the buyer is recognised as revenue when installation has been completed.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### Balance sheet

##### Intangible assets

Intangible assets comprise distribution rights.

Distribution rights are on initial recognition measured at cost.

Distribution rights are measured at cost less accumulated amortisation. Distribution rights are amortised over 7 years.

Gains and losses on the disposal of intangible assets 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 operating income or other operating costs, respectively.

##### Property, plant and equipment

Fixtures and fittings, tools and equipment 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 on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated 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 operating income or other operating costs, respectively.

#### Investments

Deposits are recognised at amortised cost.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as investments 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.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

##### Equity

###### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities

Other liabilities are measured at net realisable value.



## Financial statements 1 January – 31 December

### Notes

DKK'000	2020	2019
<b>2 Staff costs</b>		
Wages and salaries	4,564	3,690
Other social security costs	361	194
	<u>4,925</u>	<u>3,884</u>
Average number of full-time employees	<u>8</u>	<u>7</u>
<b>3 Financial expenses</b>		
Interest expense to group entities	0	6
Other financial costs	199	58
Foreign exchange gain/losses	617	477
	<u>816</u>	<u>541</u>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	2,052	1,228
Deferred tax for the year	10	19
Adjustment of tax concerning previous years	0	-390
	<u>2,062</u>	<u>857</u>

### 5 Contractual obligations, contingencies, etc.

The Company has a lease obligation with a contractual lease cost in the termination period of DKK 1,191 thousand (2019: DKK 1,300 thousand).

### 6 Related party disclosures

Shimano Nordic Denmark ApS' related parties comprise the following:

#### Control

Shimano Nordic Denmark ApS is part of the consolidated financial statements of Shimano Nordic Cycle AB, Box 177, 751 04 Uppsata, Sweden, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Shimano Nordic Cycle AB can be obtained by contacting the Company at the addresses above.