Unisport Holding ApS

c/o Unisport A/S, Bådehavnsgade 38, DK-2450 København SV

CVR no. 35 65 06 79

Annual Report 2017

Approved at the Company's annual general meeting on 31. maj 2018

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unisport Holding ApS for the financial year 1 January - 31 December 2017.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2017 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2017 and of the results of the Parent Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 19 April 2018
Executive Board:

Jens Høgsted

Board of Directors:

Filip Domagala Chairman	Michael Bonde Christensen	Jess Ørgaard Libak Tropp
Martin Lumbye Hansen	Jakob Nordenhof Jønck	Michael Haaning
Jens Høgsted		

Independent auditor's report

To the shareholders of Unisport Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Unisport Holding ApS for the financial year 1 January - 31 December 2017, comprising statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including accounting policies for the Group and income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the Parent Company. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2017 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2017 and of the results of the Parent Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Group, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 our procedures, we concluded that the Management's review is in accordance with the consolidated financial statements and the parent company 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.

Independent auditor's report

Management's responsibilities for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements 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 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements and the parent 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 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may imply that the Group and the Parent Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 19 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised
Public Accountant
MNE-no.: mne24687

Michael Groth Hansen
State Authorised
Public Accountant
MNE-no.: mne33228

Management's review

Company details

Name	Unisport Holding ApS
Address, zip code, city	Bådehavnsgade 38, DK-2450 København SV
CVR no.	35 65 06 79
Established	29 January 2014
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Filip Domagala (Chairman) Michael Bonde Christensen Jess Ørgaard Libak Tropp Martin Lumbye Hansen Jakob Nordenhof Jønck Michael Haaning Jens Høgsted
Executive Board	Jens Høgsted
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Financial highlights for the Group

	2017	2016	2015*	2014**
Key figures (DKK'000)				
Revenue	343,207	319,811	246,682	0
Gross profit	103,126	99,004	77,013	0
Operating profit/loss before depreciation and amortisation (EBITDA)	3,292	18,564	8,196	-6
Operating profit/loss before special items, depreciation and amortisation (Adjusted EBITDA)	9,507	18,564	16,245	-6
Operating profit/loss before special items	2,656	11,861	11,205	-6
Operating profit/loss	-3,559	11,861	3,156	-6
Profit/loss from financial income and expense	-3,790	-3,533	-3,121	0
Profit/loss for the year	**-5,834**	**6,426**	**-1,396**	**-6**
Total assets	305,613	286,111	274,452	50
Investment in property, plant and equipment	483	767	6,574	0
Equity	**194,558**	**200,335**	**193,019**	**44**
Cash flows from operating activities	12,081	14,672	7,400	0
Cash flows from investing activities	-4,342	-3,762	-165,808	0
Cash flows from financing activities	-397	644	181,313	50
Total cash flows	**7,342**	**11,554**	**22,905**	**50**
Financial ratios (%)				
Gross margin	30.0	31.0	31.2	-
Operating margin	-1.0	3.7	1.3	-
Solvency ratio	63.7	70.1	70.3	88
Return on equity	-3.0	3.3	-1.4	-
FTE (employees)	116	110	89	0

* *Unisport A/S is included from the date of acquisition, 19 January 2015.*
** *Comparative figures for 2014 only include the parent company as the group was established in 2015.*

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Operating review

Primary activities

The primary activity of Unisport Holding ApS is trade of football equipment from leading brands and clubs, mainly through the internet (e-commerce) in the subsidiary, Unisport A/S.

Unusual conditions

The Group has not been influenced by unusual conditions in the financial year.

Development in activities and finances

Revenue amounted to DKK 343.2 million (2016: DKK 319.8 million) and was positively impacted by high growth from sales and marketing activities that has led to a net increase in number of customers. A significant part of the growth comes from new markets requiring additional investments especially in terms of customer acquisition costs and last mile costs.

In the annual report for 2016, Management expected a growth in revenue and profits in 2017.

During the year the Management decided to discontinue the development of a new ERP-system causing a write-down of DKK 6.2 million.

The Group´s loss after tax amounted to DKK -5.8 million (2016: profit of DKK 6.4 million), which is considered satisfactory given the above mentioned conditions.

Outlook

The Group expects to grow revenue as well as profits in 2018.

Events after the balance sheet date

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

Currency risks

The Group´s revenue is generated in DKK, SEK, NOK and EUR. Purchases and other costs are primarily made in DKK.

According to an approved risk policy, the currency risk is not hedged.

Research and development activities

A substantial part of the business IT-system is developed and managed internally.

Branches abroad

The Group has a registered branch in Sweden without permanent establishment.

Corporate Social Responsibility

The Group works with specific objectives in a number of relevant areas, but a policy on corporate social responsibility has not been adopted in 2017. The policy will be finalized and adopted during 2018.

Policy concerning the underrepresented gender

The Board of Directors of the Company consists of seven members, of whom all are men. The goal is to increase the proportion of women to a minimum of 14% by the end of 2021 corresponding to one woman. The goal has not been met in 2017 as this is the first year the policy has been applied.

It is the policy of the Group always to appoint the best qualified candidates to leadership posts and at the same time support and enhance the qualifications of female leadership talents. In the Management team at the head office the proportion of women is currently 0%. The goal is, through increased use of networks, etc., to increase the proportion of women to a minimum of 13% by the end of 2021 corresponding to one woman.

Consolidated financial statements for the period 1 January - 31 December

Statement of comprehensive income

Note	DKK'000	2017	2016
	Revenue	343,207	319,811
	Cost of goods sold	-240,081	-220,807
	Gross profit	103,126	99,004
3	Other external costs	-52,790	-43,232
4	Staff costs	-40,829	-37,208
8	Amortisation	-4,605	-4,415
10	Depreciation	-2,246	-2,288
5	Special items	-6,215	0
	Operating profit/loss	-3,559	11,861
6	Financial expenses	-3,790	-3,533
	Profit/loss before tax	-7,349	8,328
7	Tax on the profit/loss for the year	1,515	-1,902
	Profit/loss for the year	-5,834	6,426
	Other comprehensive income after tax	0	0
	Total comprehensive income	-5,834	6,426

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Non-current assets		
8,9	**Intangible assets**		
	Goodwill	195,312	195,312
	Brand value	3,125	4,625
	Customer rights	192	2,492
	Development costs	2,867	3,033
		201,496	205,462
10	**Property, plant and equipment**		
	Plant and equipment	844	917
	Leasehold improvements	3,323	5,013
		4,167	5,930
	Other non-current assets		
	Deposits, investments	2,495	2,400
		2,495	2,400
	Total non-current assets	208,158	213,792
	Current assets		
11	Inventories	54,590	36,384
	Trade receivables	43	851
	Corporation tax	676	0
	Prepayments	295	323
	Other receivables	0	252
	Cash at bank and in hand	41,851	34,509
	Total current assets	97,455	72,319
	TOTAL ASSETS	305,613	286,111

Consolidated financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
12	**Equity**		
	Share capital	19,463	19,313
	Treasury shares	-1,756	0
	Retained earnings	176,851	181,022
	Total equity	194,558	200,335
	Liabilities		
	Non-current liabilities		
13	Provisions	1,228	1,228
14	Amounts owed to former owners	48,868	45,671
7	Deferred tax	4,845	6,360
	Total non-current liabilities	53,713	53,259
	Current liabilities		
	Prepayments from customers	1,178	1,475
	Trade payables	30,518	10,128
	Corporation tax	0	1,635
15	Other payables	22,543	15,358
	Deferred income	1,875	3,921
	Total current liabilities	57,342	32,517
	Total liabilities	111,055	85,776
	TOTAL EQUITY AND LIABILITIES	305,613	286,111

Consolidated financial statements for the period 1 January – 31 December

Cash flow statement

Note	DKK'000	2017	2016
	Profit/loss for the year	-5,834	6,426
	Depreciation and amortisation	6,851	6,703
17	Other adjustments of non-cash operating items, etc.	8,944	5,635
	Cash generated from operations (operating activities) before changes in working capital	9,961	18,764
18	Changes in working capital	4,755	-959
	Cash generated from operations	14,716	17,805
	Interest paid	-324	-422
	Corporation tax paid	-2,311	-2,711
	Cash flows from operating activities	12,081	14,672
8	Acquisition of other intangible assets	-3,764	-2,539
10	Acquisition of property, plant and equipment	-483	-767
	Disposals of property, plant and equipment	0	89
	Acquisition of other non-current assets	-95	-545
	Cash flows from investing activities	-4,342	-3,762
	Shareholders:		
	Capital increase	1,650	258
	Acquisition of treasury shares	-1,756	0
	Settlement of warrants from executive employees	-439	0
	Proceeds from issue of warrants	148	386
	Cash flows from financing activities	-397	644
	Net cash flows from operating, investing and financing activities	7,342	11,554
	Cash and cash equivalents at 1 January	34,509	22,955
	Cash and cash equivalents at 31 December	41,851	34,509

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share Capital	Treasury shares	Retained earnings	Total
Equity 1 January 2017	19,313	0	181,022	200,335
Comprehensive income in 2017				
Loss for the year	0	0	-5,834	-5,834
Total comprehensive income for the period	0	0	-5,834	-5,834
Transactions with owners				
Capital increase	150	0	1,500	1,650
Issue of warrants	0	0	148	148
Acquisition of treasury shares	0	-1,756	0	-1,756
Incentive program	0	0	15	15
Total transactions with owners	150	-1,756	1,663	57
Equity 31 December 2017	19,463	-1,756	176,851	194,558

DKK'000	Share Capital	Retained earnings	Total
Equity 1 January 2016	19,287	173,732	193,019
Comprehensive income in 2016			
Profit for the year	0	6,426	6,426
Total comprehensive income for the period	0	6,426	6,426
Transactions with owners			
Capital increase	26	232	258
Issue of warrants	0	386	386
Incentive program	0	246	246
Total transactions with owners	26	864	890
Equity 31 December 2016	19,313	181,022	200,335

Consolidated financial statements for the period 1 January - 31 December

Summary of notes to the consolidated financial statements

Consolidated financial statements for the period 1 January – 31 December

Notes

1 Accounting policies

Unisport Holding ApS is a limited liability company registered in Denmark. The financial statements section of the annual report for the period 1 January – 31 December 2017 comprises both the consolidated financial statements of Unisport Holding ApS and its subsidiary (the Group) and the separate parent company financial statements.

The consolidated financial statements for Unisport Holding ApS for 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act for large class C companies.

The annual report also fulfils the requirements laid down in International Financial Reporting Standards issued by the IASB.

The Board of Directors and the Executive Board have on 19 April 2018 discussed and approved the annual report for Unisport Holding ApS for 2017. The annual report will be presented to the shareholders of Unisport Holding ApS for adoption at the annual general meeting on 31 May 2018.

The accounting policies are unchanged from last year.

Basis of preparation

The consolidated financial statements have been presented in Danish kroner, rounded to the nearest DKK thousand which is also the functional currency for the parent company.

The accounting policies set out below have been applied consistently in respect of the financial year and to comparative figures.

Summary of significant accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Unisport Holding ApS (the Company), and subsidiaries controlled by Unisport Holding ApS.

The Group controls an entity if the Group is exposed to or is entitled to variable returns due to its interest in the entity and can impact these returns through its controlling interest in the entity.

In the assessment as to whether the Group exercises control, allowance is made for de facto control and potential voting rights that are real and of substance at the reporting date.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect acquisitions. Discontinued operations and assets held for sale are presented separately, see below.

Consolidated financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

The purchase method is applied to acquisitions of new businesses over which Unisport Holding ApS obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The acquisition date is the date when Unisport Holding ApS effectively obtains control over the acquired business.

Any excess of the consideration transferred, the value of non-controlling equity interests in the acquired enterprise and the fair value of any previously held equity interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (goodwill) is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested annually for indications of impairment. The first impairment test is performed before the end of the year of acquisition.

The consideration paid for a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition.

Expenses incurred in connection with corporate acquisitions are recognised in administrative expenses in the year in which the expenses are incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. After that, goodwill will not be adjusted. Changes in estimates of contingent purchase considerations are recognised in profit or loss for the year.

Gains and losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets, including goodwill at the date of disposal and costs of disposal.

Foreign currency translation

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in profit or loss as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date.

The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that risks and rewards have been transferred to the buyer before the year-end and that the income can be reliably measured and is expected to be received.

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

Consolidated financial statements 1 January - 31 December

Notes

1 **Accounting policies (continued)**

Cost of goods sold

Cost of sales includes the cost of goods used in generating the year's revenue.

Cost of goods sold is recognised after deduction of supplier discounts and bonuses.

Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

Staff costs

Staff costs comprise wages, salaries, pensions and other staff costs.

Special items

Special items comprise significant income and expenses of an exceptional nature relative to the Group's earnings-generating operating activities, including restructuring cost, as well as other significant one-off items.

The items are stated separately to give a true and fair view of the Group's operating profit/loss and are specified in a note to the financial statements.

Financial income and expenses

Finance income and expenses comprise interest income and expenses as well as exchange gains and losses on transactions denominated in foreign currencies. Furthermore, amortisation of financial assets and liabilities as well as surcharges and allowances under the on-account tax scheme and fair value adjustments of derivative financial instruments which are not designated as hedging instruments are included.

Income tax

Tax on profit/loss for the year

Unisport Holding ApS is jointly taxed with its Danish subsidiary Unisport A/S. The current Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises the year's current tax charge and deferred tax adjustments. The tax expense is recognised in profit or loss, other comprehensive income or directly in equity.

Current 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 prior-year taxable income and 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 assets, including the tax value of tax loss carry-forwards, are recognised under other non-current assets 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 and jurisdiction.

Consolidated financial statements 1 January - 31 December

Notes

1 **Accounting policies (continued)**

Deferred tax assets are subject to annual impairment tests and are recognised only in so far as it is probable that the assets will be utilised.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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. The change in deferred tax as a result of changes in tax rates is recognised in the comprehensive income for the year.

Intangible assets

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. Identification of cash-generating units is based on the management structure and internal financial control.

Brand value and customer rights

Brand value and customer rights acquired in business combinations are measured at cost less accumulated amortisation and impairment losses. Brand value and customer rights are amortised on a straight-line basis over the expected useful life as follows:

- Brand value 5 years
- Customer rights 3 years

Development costs

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are demonstrated, and where the Group intends to complete and use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in profit and loss under other external costs.

Development costs comprise costs, salaries and amortization directly or indirectly attributable to the Group's development activities.

Recognised development costs are measured at cost less accumulated amortisation and impairment losses. Cost comprises wages and salaries, amortisation and other costs attributable to the Group's development activities as well as borrowing costs relating to specific and general borrowing directly attributable to the development of development projects.

Following the completion of development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is 3 years. The basis of amortisation is calculated less impairment losses, if any.

Consolidated financial statements 1 January - 31 December

Notes

1 **Accounting policies (continued)**

Property, plant and equipment

Plant and machinery and leasehold improvements 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 when the asset is available for use. Further, cost includes the present value of the estimated costs for dismantling and removing the asset and restoring the site on which the asset was located.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are de-recognised in the balance sheet position, and the carrying amount is recognised in the income statement. All other expenses relating to ordinary repairs and maintenance are recognised in profit or loss as incurred.

Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Plant and equipment	3-5 years
Leasehold improvements	3-5 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When the depreciation period or the residual value is changed, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Impairment testing of non-current assets

Goodwill

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year. Similarly, in-process development projects are subject to an annual impairment test.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit or group of cash-generating units to which goodwill is allocated. The assets of the cash-generating units are written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount of a cash-generating unit is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which the goodwill relates.

Other non-current assets

The carrying amount of other non-current assets is tested annually for evidence of impairment. When there is evidence that assets may be impaired, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

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1 Accounting policies (continued)

Recognition of impairment losses in the income statement

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised in a separate line item in the income statement.

Impairment of goodwill is not reversed. Impairment losses recognised in respect of other assets are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment losses are reversed only in so far as the new carrying amount of the asset does not exceed the carrying amount that would have resulted (net of amortisation or depreciation) had no impairment loss been recognised in respect of the asset in prior years.

Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost. Provisions are made for bad debts where there is an objective indication that an individual receivable or a portfolio of receivables has been impaired.

If there is objective evidence that a portfolio has been impaired, an impairment test is performed to estimate the expected future cash flows on the basis of historical loss experience, adjusted for current market conditions and individual conditions related to the individual portfolio.

Provisions are made up as the difference between the carrying amount and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

Recognition as income of interest on written-down receivables is calculated based on the written-down value using the effective interest rate for the individual receivable or portfolio.

Prepayments

Prepayments are measured at cost.

Equity

Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

Treasury share reserve

The treasury share reserve comprises cost of acquisition for the Group's portfolio of treasury shares. Dividends received from treasury shares are recognised directly in retained earnings in equity. Gains and losses from sale of treasury shares are recognised in share premium.

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1 Accounting policies (continued)

Employee obligations

Pension commitments and similar non-current liabilities

The Group has not entered into pension plans with its employees.

Warrants programme

The value of services received in exchange for granted warrants is measured at the fair value of the warrants granted.

For equity-settled programmes, the warrants are measured at the fair value at the grant date and recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity as an owner transaction.

On initial recognition of the warrants, an estimate is made of the number of warrants expected to vest. That estimate is subsequently revised for changes in the number of warrants expected to vest so that the total recognition is based on the actual number of vested warrants.

Accordingly, recognition is based on the number of warrants ultimately vested. The fair value of granted warrants is estimated using an option pricing model, taking into account the terms and conditions upon which the warrants were granted.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes to the discount factor during the year are recognised as financial expenses.

Restructuring costs are recognised as liabilities once a detailed, formal restructuring plan has been published no later than on the balance sheet date to the persons affected by the plan. On acquisition of businesses, restructuring provisions in the acquired business are included in goodwill only when the acquired business had a restructuring liability at the acquisition date.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Provisions for restoration of leasehold improvements, etc. are measured at the present value of the expected future restoration costs at the end of the reporting period. The provision is calculated on the basis of current public authority orders and estimated costs that are discounted at present value. Specific risks associated with the provision are included in the estimated costs. A discount factor reflecting the general interest rate levels is used. Provisions are recognised as they arise and are adjusted on an ongoing basis in order to reflect changes in requirements and prices, etc. The present value of the costs is recognised in the cost of the property, plant and equipment in question and is depreciated with these assets. The increase of the present value due to the passage of time is recognised in the income statement as financial expenses.

Prepayments from customers

Prepayments from customers comprise liabilities regarding issued gift vouchers, recognised at the date of issue.

Prepayments from customers are measured at amortised cost.

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1 **Accounting policies (continued)**

Financial liabilities

Financial liabilities are measured at amortised cost.

Deferred income

Deferred income is measured at cost.

Fair value measurement

The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants ("exit price").

The fair value is a market-based and not an entity-specific measurement. The entity uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. The entity's purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined.

The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are classified based on the fair value hierarchy, see below:

- Level 1: Value in an active market for similar assets/liabilities
- Level 2: Value based on recognised valuation methods on the basis of observable market information
- Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest income and expenses, dividends received and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and activities, addition and disposal of intangible assets, property, plant and equipment and other non-current assets as well as securities not classified as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size and composition of the share capital and associated expenses as well as borrowings, repayment of interest-bearing debt, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash which are subject to an insignificant risk of changes in value.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the rates ruling at the transaction date.

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1 **Accounting policies (continued)**

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios.

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

2 **Significant estimation uncertainty, assumptions and assessments**

Significant estimation uncertainty and assumptions

The calculation of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions made are among other things based on historical experience and other factors that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. The Group is subject to risks and uncertainties which may mean that the actual outcome may differ from the estimates made. Special risks for the Group are mentioned in the Management's review and in note 19 to the consolidated financial statements.

It may be necessary to change previously made estimates due to changes in the facts on which these estimates were based or due to new knowledge or subsequent events.

Estimates particularly material to the financial reporting are made, e.g., by way of impairment testing of goodwill and an assessment of the impairment write-down in respect of inventories.

Impairment test, goodwill

In connection with the presentation of the financial statements for 2017, Management performed an impairment test of goodwill. The test was based on a number of assumptions as to the Company's financial development going forward. The most material assumptions relate to the expectations as to improved earnings. Therefore, the estimates of revenue and earnings growth are material. Also, the expectations as to the development in the interest rate used for discounting purposes are material.

If the expected earnings development is not realised, the carrying amount of goodwill cannot be maintained.

The impairment test and the relating particularly sensitive factors are described in detail in note 9 to the consolidated financial statements.

Assessment of the need for impairment write-down in respect of inventories

The Group has inventories in its stores and in the central warehouse. As the net realisable value of some of these inventories is expected to be lower than cost, the inventories have been written down to such expected lower value. The write-down is based on an estimate of the net realisable value based on actual, historical sales and Management's assessment.

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Special items

Management has assessed certain costs as being special items due to their exceptional nature relative to the Group's earnings-generating operating activities.

The items are stated separately to give a true and fair view of the Group's operating profit/loss and are specified in a note to the financial statements.

Significant accounting judgements in applying the chosen accounting policies

As part of the application of the Group's accounting policies, Management performs judgements, based on estimations, which may materially impact the amounts recognised in the consolidated financial statements.

Management has performed such assessments regarding leases. All leases have been assessed as operational leases.

	DKK'000	2017	2016
3	**Fees paid to auditors appointed at the annual general meeting**		
	Fee regarding statutory audit	120	105
	Other assistance	90	127
	Tax assistance	20	20
		230	252
4	**Staff costs**		
	Wages and salaries	39,494	36,139
	Other social security costs	881	823
	Share-based payment	454	246
		40,829	37,208
	Average number of employees	116	110

Remuneration to the Board of Directors, Executive Board and executive employees

	2017		2016	
DKK'000	Board of Directors and Executive Board	Executive employees	Board of Directors and Executive Board	Executive employees
Wages and salaries	416	7,957	276	6,944
Social costs	0	21	0	6
Share-based payment	0	413	0	205
	416	8,391	276	7,155

By reference to section 98b of the Danish Financial Statements Act, remuneration to the Board of Directors and the Executive Board is disclosed together.

Members of the Executive Board and other executive officers are eligible for bonus dependent on the financial performance for the year in question.

The Group has not entered into any special agreements on severance pay with members of the Executive Board in connection with a takeover of the Group.

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4 Staff costs (continued)

Incentive programmes

Unisport Holding ApS has established a share-based incentive programme in the form of a warrant program for executive employees and other employees. The warrants are acquired at a value which is close to the fair value at the grant date.

In 2017, proceeds from issue of warrants regarding 168,000 shares (2016: 690,838 shares) amounted to DKK 148 thousand (2016: DKK 594 thousand) which has been received at 31 December 2017 (2016: outstanding amount of DKK 208).

The warrants programme comprised a total of 2,400,288 warrants at 31 December 2017.

In 2017 Unisport Holding ApS settled 526,801 warrants from executive employees amounting to DKK 439 thousand, which subsequently were cancelled.

Each warrant entitles the holder to subscribe for 1 share at a nominal value of DKK 1 in Unisport Holding ApS. The right can be exercised at end of 2019.

The warrants can only be settled in shares. The outstanding warrants constitute 11% of the share capital if all warrants are exercised.

The exercise of the subscription rights is contingent on the holder not being under notice at the exercise date. There are no other conditions for the rights acquisition. Special provisions apply in the case of illness and death and in the case of changes in the capital structure of the Company, etc.

Specification of outstanding warrants

	Executive employees	Other employees	Number in total	Average exercise price per warrant (DKK)	Fair value per warrant (DKK)	Fair value in total (DKK'000)1)
Outstanding at the beginning of 2016	2,188,251	0	2,188,251	20.8		
Granted	225,032	0	225,032	14.4	1.5	115
Granted	57,806	0	57,806	23.7	0.5	1
Granted	0	272,000	272,000	13.3	1.4	115
Granted	0	136,000	136,000	19.7	0.6	8
Outstanding at the end of 2016	2,471,089	408,000	2,879,089	19.6		
Cancelled	0	-120,000	-120,000	-	-	-
Settlement of warrants	-526,801	0	-526,801	-	-	-
Granted	24,000	16,000	40,000	16.6	0.6	4
Granted	80,000	48,000	128,000	12.4	1.3	40
Outstanding at the end of 2017	2,048,288	352,000	2,400,288	19.3		

1) Fair value is less payment from the holder.

The fair value calculated at the granting is based on a Black-Scholes warrant pricing model. The values of the warrants granted are calculated using an expected volatility of 35% (2016: 35%) and a risk-free interest rate of 0.1% (2016: 0.1%).

In 2017, costs recognised in the result for the year relating to warrants amounted to DKK 454 thousand (2016: DKK 246 thousand).

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DKK'000	2017	2016
5 Special items		
Write-down of investment in ERP-system	-6,215	0
6 Financial expenses		
Foreign exchange loss	269	123
Other interest expenses	3,521	3,410
	3,790	3,533

7 **Tax**

Tax in the income statement

Tax on the profit for the year is specified as follows:	2017	2016
Current tax	0	1,635
Adjustment of deferred tax	-1,515	282
Current tax regarding previous years	0	54
Deferred tax regarding previous years	0	-69
	-1,515	1,902

Tax on the profit for the year is explained as follows:

	2017	2017	2016	2016
	DKK'000	%	DKK'000	%
Computed tax of result before tax	-1,617	22.0	1,832	22.0
Tax effect of:				
Non-deductible expenses	102	-1.4	85	1.0
Tax regarding previous years	0	0	-15	-0.2
	-1,515	20.6	1,902	22.8

Deferred tax

DKK'000	2017	2016
Deferred tax 1 January	6,360	6,147
Deferred tax, recognised in the profit for the year	-1,515	213
Deferred tax 31 December	4,845	6,360

Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (liability)	4,845	6,360
Deferred tax 31 December, net	4,845	6,360

Deferred tax relates to:		
Intangible assets	6,450	7,092
Property, plant and equipment	-128	131
Deferred income	-413	-863
Tax losses carried forward	-1,064	0
	4,845	6,360

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7 Tax (continued)

Changes in temporary differences during the year

	2017		
DKK'000	Balance at 1/1	Recognised in the profit for the year, net	Balance at 31/12
Intangible assets	7,092	-642	6,450
Property, plant and equipment	131	-259	-128
Deferred income	-863	450	-413
Tax losses carried forward	0	-1,064	-1,064
	6,360	-1,515	4,845

	2016		
DKK'000	Balance at 1/1	Recognised in the profit for the year, net	Balance at 31/12
Intangible assets	7,385	-293	7,092
Property, plant and equipment	75	56	131
Deferred income	-1,313	450	-863
	6,147	213	6,360

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8 Intangible assets

DKK'000	Goodwill	Brand value	Customer rights	Development costs	Total
	Consolidated				
Cost at 1 January 2017	195,312	7,500	6,900	4,099	213,811
Additions	0	0	0	6,854	6,854
Disposals	0	0	0	-6,215	-6,215
Cost at 31 December 2017	195,312	7,500	6,900	4,738	214,450
Impairment losses and amortisation at 1 January 2017	0	2,875	4,408	1,066	8,349
Amortisation	0	1,500	2,300	805	4,605
Impairment losses and amortisation at 31 December 2017	0	4,375	6,708	1,871	12,954
Carrying amount at 31 December 2017	195,312	3,125	192	2,867	201,496
Cost at 1 January 2016	195,312	7,500	6,900	1,560	211,272
Additions	0	0	0	2,539	2,539
Cost at 31 December 2016	195,312	7,500	6,900	4,099	213,811
Impairment losses and amortisation at 1 January 2016	0	1,375	2,108	451	3,934
Amortisation	0	1,500	2,300	615	4,415
Impairment losses and amortisation at 31 December 2016	0	2,875	4,408	1,066	8,349
Carrying amount at 31 December 2016	195,312	4,625	2,492	3,033	205,462

Development costs comprise development on software. Addition of DKK 5,216 in 2017 and 999 in 2016, in total DKK 6,215 regarding new ERP-system has been disposed during 2017 and presented as special times.

Except from goodwill, it is assessed that intangible assets have a limited useful life.

9 Impairment test

Goodwill

At 31 December 2017, the carrying amount of goodwill for the Group amount to DKK 195.3 million.

At 31 December 2017, Management impairment-tested the carrying amount of goodwill, which concerns one cash generating unit.

The recoverable value is based on the net present value which is determined by using expected net cash flows on basis of budgets and forecasts for the years 2018-2022 and a discount factor before tax of 8.1% (2016: 9.1%).

Calculations are made on the assumption of a yearly growth rate of 10% and slightly increased EBITDA margins based on historical data and expectations for the years to come.

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2022 is estimated to 2%. The growth rate is not assessed to exceed the long-term average growth rate within the Group's markets.

The impairment test did not give rise to any need for impairment write-down.

Other intangible assets

Management has not identified factors, that indicates impairment on brand value, customer rights and development costs.

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10 Property, plant and equipment

DKK'000	Plant and equipment	Leasehold improve-ments	Total
Cost at 1 January 2017	1,556	7,587	9,143
Additions	483	0	483
Cost at 31 December 2017	2,039	7,587	9,626
Impairment losses and depreciation at 1 January 2017	640	2,573	3,213
Depreciation	555	1,691	2,246
Impairment losses and depreciation at 31 December 2017	1,195	4,264	5,459
Carrying amount at 31 December 2017	844	3,323	4,167
Cost at 1 January 2016	1,140	7,460	8,600
Additions	640	127	767
Disposals	-224	0	-224
Cost at 31 December 2016	1,556	7,587	9,143
Impairment losses and depreciation at 1 January 2016	292	814	1,106
Depreciation	528	1,760	2,288
Disposals	-181	0	-181
Impairment losses and depreciation at 31 December 2016	639	2,574	3,213
Carrying amount at 31 December 2016	917	5,013	5,930

DKK'000	2017	2016
11 Inventories		
Goods for resale	54,590	36,384
Carrying amount of inventories, recognised at net sales value	1,557	1,533

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12 Equity

Capital management

Management continually assesses the need to adjust the capital structure. The equity share of total assets amounted to 64% at the end of 2017 (2016: 70%).

Capital is managed for the Group taken as a whole.

It is the Group's policy to use cash flows from operating activities to invest in developing the Group's revenue and earnings and to repay long-term liabilities.

Share capital

The share capital of total DKK 19,462,657 comprises:

755,223 A shares of DKK 1 each
6,090,750 B1 shares of DKK 1 each
12,616,684 B2 shares of DKK 1 each

The voting right of B2 shares is restricted to matters protecting the interests of minority shareholders. Consequently, B1 shares and A shares represent 96.12% and 3.88% of the votes, respectively.

Changes in share capital since the establishment can be specified as follows:

DKK'000	2017	2016	2015	2014
Balance at 1 January	19,313	19,287	50	0
Capital injection at establishment of the Company	0	0	0	50
Capital increase	150	26	19,237	0
	19,463	19,313	19,287	50

Treasury shares

In 2017, the parent company purchased 175,600 number of treasury shares for DKK 1,756 thousand.

At 31 December 2017 the parent company owns 175,600 treasury shares (2016: 0).

	Number of shares		Nominal value (DKK'000)		% of share capital	
DKK'000	2017	2016	2017	2016	2017	2016
1 January	0	0	0	0	0	0
Additions	175,600	0	176	0	0.9	0
31 December	175,600	0	176	0	0.9	0

Treasury shares are primarily acquired for purposes of the Group's share option plans.

Warrants

The parent company has issued warrants in connection with incentive program, see note 4.

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13 Provisions

DKK'000	2017	2016
Provisions 1 January	1,228	1,228
Provided during the year	0	0
Provisions 31 December	1,228	1,228

Provisions include liabilities for restoration upon the vacation of premises. The liability accumulates as wear and tear increase on the premises and is reassessed annually to determine the state of the premises at the balance sheet date.

Costs are expected to incur upon the expected termination of the premises which depends on a potential extension of the leases. Operating lease obligation is described further in note 20.

14 Amounts owed to former owners

DKK' 000	2017	2016
Non-current liabilities	48,868	45,671
Current liabilities	0	0
Carrying amount	48,868	45,671
Nominal value	48,868	45,671
Falls due more than 5 years after the balance sheet date, nominal value	0	45,671

2017	Average nominal interest rate	Average effective interest rate	Currency	Rate fixation period	Carrying amount
Amounts owed to former owners					
Fixed interest	7%	7%	DKK	12 months	48,868

2016	Average nominal interest rate	Average effective interest rate	Currency	Rate fixation period	Carrying amount
Amounts owed to former owners					
Fixed interest	7%	7%	DKK	24 months	45,671

15 Other payables

DKK' 000	2017	2016
Holiday pay obligations and salary related liabilities	4,960	4,458
VAT payables	12,525	10,067
Settlement of purchase price regarding ERP-system	3,090	0
Other payables	1,968	833
	22,543	15,358

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16 Contractual obligations and contingencies, etc.

The Group has entered into operating leases with a total obligation of DKK 2,185 thousand at 31 December 2017 (2016: DKK 2,953 thousand) of which DKK 2,185 thousand (2016: DKK 2,953 thousand) is due within a year.

Contingent assets and liabilities

As collateral for the Group's bank credit facility, the Company has provided floating charge of DKK 15,000 thousand (2016: DKK 15,000 thousand) in the Group's receivables, inventories and non-current assets.

17 Other adjustments of non-cash operations items, etc.

DKK'000	2017	2016
Financial expenses	3,790	3,533
Gains/Losses on disposals of intangible assets (ERP-system)	6,215	0
Gains/Losses on disposals of property, plant and equipment	0	-46
Tax on profit/loss for the year	-1,515	1,902
Share-based payment	454	246
	8,944	5,635

18 Changes in working capital

Change in inventories	-18,206	-4,779
Change in receivables	819	1,657
Change in prepayments from customers, deferred income, trade and other payables	25,232	2,163
Change in other payables regarding investment activities	-3,090	0
	4,755	-959

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19 Financial risks and financial instruments

The Group's risk management policy

The overall financial risk management framework is laid down in the Group's finance policy. The finance policy includes the Group's currency policy, investment policy and policies regarding credit risks vis-a-vis financial counterparties.

The Group's risk exposure or risk management has not changed relative to 2016.

The Group's finance function manages financial risks at centralised level. Every month, Management supervises the Group's risk concentration in areas such as currencies, receivables, etc.

The finance policy is updated annually and approved by the audit committee.

It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed solely at managing and reducing the financial risks directly associated with the Group's operations and financing.

The Group is exposed to a few financial risks. The disclosures in this note solely concern the most critical financial risks, which are:

- Market risks (currency risk)
- Liquidity and financing risks

The Group's most critical risks are described in the sections below. Each section first provides a summary description of the financial risk, the relating business activity, impacts, risk management related to the financial risk and the effect in the financial year.

Market risks

Currency risks

Related business activity	Impact	Risk management	Effect
The Group is exposed to currency movements primarily NOK, SEK and EUR due to sales that are settled in currencies other than the functional currency.	*Effect:* Moderate *Threat:* Low	It is group currency policy not to hedge currency risks. Purchases related to sales in NOK, SEK and EUR are made in sales currency if possible.	Fluctuations in exchange rates for NOK, SEK and EUR against DKK are accounted for in the income statement.

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19 Financial risks and financial instruments (continued)

Exposure and sensitivity analysis

The Group's exposure and sensitiveness to currency movements are summed up in the table below.

A reasonable change in the exchange rates vis-a-vis the exchange rates at the balance sheet date would all things being equal have the following hypothetical impact on profit for the year and the Group's equity at year end:

	2017					
	Nominal position			Sensitivity		
DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments held to hedge future cash flows	Increase in the exchange rate	Hypothetical impact on profit/loss for the year	Hypothetical impact on equity
NOK/DKK	2,778	7,091	0	3%	101	101
SEK/DKK	4,985	6,087	0	3%	26	26
EUR/DKK	29,232	6,340	0	1%	179	179

	2016					
	Nominal position			Nominal position		
DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments held to hedge future cash flows	Increase in the exchange rate	Impact of profit/loss	Hypothetical impact on equity
NOK/DKK	5,025	1,867	0	3%	61	61
SEK/DKK	14,095	5,105	0	3%	164	164
EUR/DKK	2,268	438	0	1%	106	106

A corresponding negative change of the exchange rates would have a corresponding reverse impact on profit/loss for the year and equity.

Interest rate risks

Related business activity	Impact	Risk management	Effect
The Group´s long term debt consist of loan issued by former owners. The interest rate is fixed until termination.	*Effect:* Low *Threat:* Low	Not applicable	Not applicable

Exposure

The Group's interest rate exposure is summed up as follows:

- The long term debt is fixed until termination

The Group's cash is deposited on a drawing account.

Consolidated financial statements for the period 1 January - 31 December

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19 Financial risks and financial instruments (continued)

Liquidity risks

Related business activity	Impact	Risk management	Impact
The Group is exposed to liquidity risks due to its ongoing activities and repayment agreements for the loan financing.	*Effect:* Low *Threat:* Low	The Group ensures liquidity through continuous management attention to payments terms and inventory levels. The Group has a net positive cash flow.	The Group's liquidity reserve consists of unutilised overdraft facilities and liquid funds. The cash resources totalled DKK 56,851 thousand at 31 December 2017 (2016: DKK 49,509 thousand). Management is of the opinion that the Group has sufficient cash resources to fulfil its obligations as they fall due.

Analysis of term to maturity

The Group's financial liabilities fall due as follows:

2017 (DKK'000)	Contractual cash flows	Within one year	1-3 years	3-5 years	After 5 years
Non-derivative financial instruments					
Amounts owed to former owners	81,984	0	0	81,984	0
Trade payables	30,518	30,518	0	0	0
31 December 2017	112,502	30,518	0	81,984	0

2016 (DKK'000)	Contractual cash flows	Within one year	1-3 years	3-5 years	After 5 years
Non-derivative financial instruments					
Amounts owed to former owners	81,984	0	0	0	81,984
Trade payables	10,128	10,128	0	0	0
31 December 2016	92,112	10,128	0	0	81,984

Assumptions underlying the analysis of term to maturity

- The analysis of term to maturity is based on all non-discounted cash flows, including interest payments according to loan agreement.
- Liabilities under operating leases are not included, but are reflected in note 20.

On the basis of the Group's expectations as to its future operations and current cash resources, no other critical liquidity risks have been identified.

Consolidated financial statements for the period 1 January - 31 December

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19 Financial risks and financial instruments (continued)

Financing risks

Related business activity	Impact	Risk management	Effect
The Group is exposed to a financing risk as existing loan agreements terminate. All loan agreements terminate on 15 December 2022. The Group's operations depend on the future financing of the Group's operations and facilities.	*Effect:* Moderate *Threat:* Low	It is the Group's aim that interest-bearing debt does not exceed four times the operating profit (EBITDA).	In Management's opinion, the Group's cash resources and earnings expectations suffice for the realisation of the Group's long-term strategy.

Reference is made to note 14 for a specification of payables to former owners.

Credit risks

Risk management	Effect
The Group's credit risks are linked to receivables and cash at bank and in hand. The maximum credit risk linked to financial assets corresponds to the values recognised in the balance sheet.	The Group has no significant risks regarding one individual customer or partner. Thus there is no insurance of trade receivables from sales.

Categories of financial instruments

	2017		2016	
DKK'000	Carrying value	Fair value	Carrying value	Fair value
Deposits	2,495	2,495	2,400	2,400
Trade receivables	43	43	851	851
Other receivables	0	0	252	252
Cash at bank and in hand	41,851	41,851	34,509	34,509
Receivables and cash at bank and in hand	44,389	44,389	38,012	38,012
Amounts owed to former owners	48,868	48,868	45,671	45,671
Financial liabilities measured at amortised cost	48,868	48,868	45,671	45,671

Reference is made to the Section "Methods and assumptions underlying the fair value determination" below.

Consolidated financial statements for the period 1 January - 31 December

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19 **Financial risks and financial instruments (continued)**

Fair value hierarchy for financial instruments which are measured at fair value in the balance sheet or whose fair value is disclosed

DKK'000	Quoted prices (Level 1)	Observable input (Level 2)	Non observable input (Level 3)	Total
2017				
Amounts owed to former owners	0	0	48,868	48,868
Financial liabilities, where fair value is presented	0	0	48,868	48,868
2016				
Amounts owed to former owners	0	0	45,671	45,671
Financial liabilities, where fair value is presented	0	0	45,671	45,671

Methods and assumptions underlying the fair value determination

The methods and assumptions applied to determine the fair value of financial instruments are described per class of financial instruments. The methods applied are unchanged compared to 2016 .

Amounts owed to former owners

The loan agreement has been entered by two independent parties. Management is of the opinion that the terms are agreed at competitive terms (fair value).

Trade receivables, deposits, cash and trade payables (measured at amortised cost in the balance sheet)

The fair value of trade receivables, deposits, cash and trade payables with a short period of credit are deemed to be equal to the carrying amount.

20 **Operating leases**

The Group leases buildings and operating equipment under operating leases.

Interminable lease agreements are specified as follows:

DKK' 000	2017	2016
0-1 year	2,185	2,953
1-5 years	0	0
> 5 years	0	0
	2,185	2,953

In the income statement DKK 4,447 thousand (2016: DKK 4,016 thousand) are recognised regarding operating leases

Consolidated financial statements for the period 1 January – 31 December

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21 Related party disclosures

Unisport Holding ApS's related parties comprise the following:

Parties exercising control

Nordic Capital Fund VII, England, which controls the Company.

Other related parties

The member of the Executive Board and the members of the Board of Directors.

Transactions with related parties

Remuneration of the Board of Directors is disclosed in note 4.

Related parties transactions during 2017 consists of capital increase, issuance and settlements of warrants to/from key personnel as disclosed in note 4.

22 Events after the balance sheet date

No significant events have occurred after 31 December 2017.

23 New financial reporting regulation

At the time of publication of this annual report, IASB has issued several new and amended financial reporting standards and interpretations which had not yet become effective when the annual report for 2017 was prepared.

The following are considered relevant to Unisport Holding ApS:

- IFRS 9 *Financial Instruments* and subsequent amendments to IFRS 9, IFRS 7 and IAS 39
- IFRS 15 *Revenue from Contracts with Customers*
- IFRS 16 *Leases*
- IAS 7 Disclosure Initiative – Amendments to IAS 7

The adopted standards and interpretations which have not yet come into effect will be implemented as they become mandatory for the Group.

IFRS 15 "Revenue from Contracts with Customers" is effective from 1 January 2018 and supersedes IAS 18 and IAS 11, covering contracts for services and work in progress, respectively. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The main principle is that revenue is recognised when control of a good or services transfers to a customer, i.e. when the performance obligation is satisfied.

To evaluate the potential impact of the new standard, we have carried out an analysis with a risk-based approach. As the Groups revenue primarily derives from sale of goods in stores and on the website to the on a day to day basis, based on our analysis, the implementation of the new standard does not have a significant impact on recognition and measurement in the consolidated financial statements. However, some new disclosures will be required.

Consolidated financial statements for the period 1 January – 31 December

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23 New financial reporting regulation (continued)

IFRS 16 "Leases" will be effective for financial year beginning on 1 January 2019. The new standard implies a substantial change in the way that those leases, which today are accounted for as operating leases, will be accounted for going forward. Thus, the standard requires that all leases regardless of type - with a few exceptions - must be recognised in the balance sheet as an asset with an accompanying lease liability. At the same time, the income statement will be affected going forward, as the annual lease payment will consist of two elements - a depreciation charge and an interest expense - as opposed to today where the annual operating lease expense is recognised as one amount under expenses. Finally, the cash flow statement is expected to be affected, as the current operating lease payments, which are today presented as cash flows from operating activities, will be presented as financing activity going forward.

Our business model is based on leasing, rather than owning, property (Flagship Store and head quarter) under operating leases.

The Group has not yet assessed the financial reporting implications of IFRS 16. At 31 December 2017, the nominal residual lease obligation under the Group's operating leases totalled DKK 2,185 thousand, see note 20.

24 The Board of Directors' executive functions

Michael Haaning, Jess Ørgaard Libak Tropp and Jens Høgsted has been appointed by Nordic Capital Fund VII.

Filip Domagala, Michael Christiansen, Martin Lumbye Hansen and Jakob Nordenhof Jønck are independent.

The Board of Directors have the following executive functions in other Danish Companies:

Board of directors	Executive functions in other Danish Companies
Filip Domagala, Independent, Chairman	None
Michael Haaning, Appointed by Nordic Capital	CEO Andromeda ApS, Member of the Board Holdingselskabet af 8. november 2016 A/S, NC Advisory A/S, Sport Nordic Holding ApS, Cidron HoldCo Aps
Michael Christiansen, Independent	CEO IDdesign A/S and related companies and Member of the Board in related companies, Member of the Board Bygma A/S and related companies, Member of the Board KFI Erhvervsdrivende Fond and related companies, Member of the Board Sport Nordic Holding ApS and related company, CEO CIM Invest ApS
Jess Ørgaard Libak Tropp, Appointed by Nordic Capital	Member of the Board Sport Nordic Holding ApS, Holdingselskabet af 8. november 2016 A/S, Unifeeder A/S, Unicorn A/S, Holdingselskabet af 10. januar 2013 A/S, Rokoko Electronics ApS
Martin Lumbye Hansen, Independent	CEO North East Venture, Member of the Board AIAYU, Member of the Board Mater, Member of the Board Iconfinder, Member of The Board Rebelle, Member of The Board North East Venture

Consolidated financial statements for the period 1 January – 31 December

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Board of directors	Executive functions in other Danish Companies
Jakob Nordenhof Jønck, Independent	Member of the Board Sport Nordic Holding ApS, Lakrids JB Holding ApS and related companies, AX IV CON I ApS and related companies. CEO Feast Kitchen ApS, JNJ Invest ApS
Jens Høgsted, Appointed by Nordic Capital	CEO Sport Danmark A/S and related companies, Member of The Board Ball Holding ApS, Member of The Board Ball Invest ApS, Member of The Board Svendsen Sport A/S

Parent company financial statements for the period 1 January – 31 December

Income statement

Note	DKK'000	2017	2016
	Other external costs	-328	-146
2	Staff costs	-439	0
	Operating profit/loss	-767	-146
6	Share of profit/loss in subsidiaries after tax	-16,260	-4,917
3	Financial income	547	900
4	Financial expenses	-3,304	-2,988
	Profit/loss before tax	-19,784	-7,151
5	Tax for the year	679	538
	Profit/loss for the year	-19,105	-6,613

Parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Non-current assets		
	Financial assets		
6	Investments in subsidiaries	187,204	203,464
	Total non-current assets	187,204	203,464
	Current assets		
	Receivables		
	Amounts owed by subsidiaries	18,771	16,097
	Other receivables	0	84
7	Deferred tax	679	0
	Corporation tax	676	491
		20,126	16,672
	Cash at bank and in hand	2,661	5,671
	Total current assets	22,787	22,343
	TOTAL ASSETS	209,991	225,807

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	19,463	19,313
	Retained earnings	141,548	160,761
	Total equity	161,011	180,074
	Non-current liabilities		
9	Amounts owed to former owners	48,868	45,671
	Total non-current liabilities	48,868	45,671
	Current liabilities		
	Trade payables	112	62
	Total current liabilities	112	62
	Total liabilities	48,981	45,733
	TOTAL EQUITY AND LIABILITIES	209,991	225,807

10 Contractual obligations and contingencies, etc.
11 Related parties

Parent company financial statements for the period 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2016	19,287	166,756	186,043
	Capital increase	26	232	258
	Issue of warrants	0	386	386
12	Transfer, see "Appropriation of profit/loss"	0	-6,613	-6,613
	Equity at 1 January 2017	19,313	160,761	180,074
	Capital increase	150	1,500	1,650
	Issue of warrants	0	148	148
	Acquisition of treasury shares and warrants	0	-1,756	-1,756
12	Transfer, see "Appropriation of profit/loss"	0	-19,105	-19,105
	Equity at 31 December 2017	19,463	141,548	161,011

Parent company financial statements for the period 1 January – 31 December

Summary of notes to the parent company financial statements

Parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies

The financial statements for the parent company of Unisport Holding ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large class C companies.

The accounting policies are consistent with those of last year, except from the fact that Unisport Holding ApS last year was a medium class C company. The change has not had any impact on the financial statements.

By reference to section 112 of the Danish Financial Statements Act no cash flow statement has been prepared, as the cash flows are included in the consolidated financial statements.

Investment in the subsidiary is recognised in accordance with the equity method in the parent company financial statements. The financial statements for the subsidiary used for recognition in the parent company are prepared in accordance with the Danish financial statements Act. The consolidated financial statements are prepared in accordance with IFRS. The main difference in accounting policies mainly relates to goodwill being amortised over 15 years in the parent company financial statements and tested for impairment according to IFRS.

Business combinations

Recently acquired or formed entities are recognised in the parent company financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains and losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., the book-value method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Comparative figures for previous financial years are not restated.

Parent company financial statements for the period 1 January – 31 December

Notes

1 Accounting policies (continued)

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 rate at the transaction date and the rate 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 closing rates. 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

Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

Profits/losses from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the Unisport Holding ApS Group's subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In the relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies adjusted to be in accordance with the Danish Financial Statements Act, minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Unisport Holding ApS are not recognised in the reserve for net revaluation.

Impairment of non-current assets

The carrying amount of investments in subsidiaries is assessed annually for evidence of impairment.

Impairment tests are conducted on individual assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired.

Equity

Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and 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 base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the 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.

Parent company financial statements for the period 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Deferred tax assets, including the tax value of tax loss carry-forwards, 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Liabilities are measured at net realisable value.

	DKK'000	2017	2016
2	**Staff costs**		
	Settlement of warrants acquired from executive employees	439	0
3	**Financial income**		
	Interests from group companies	547	900
4	**Financial expenses**		
	Other interest expenses	-3,304	-2,988
5	**Tax for the year**		
	Current tax for the year	0	-491
	Adjustment to current tax regarding prior years	0	-47
	Adjustment of deferred tax for year	-679	0
		-679	-538
6	**Investments in subsidiaries**		
	Cost at 1 January	214,241	214,241
	Addition	0	0
	Cost at 31 December	214,241	214,241
	Value adjustments at 1 January	-10,777	-5,860
	Profit/loss for the year	-16,260	-4,917
	Value adjustments at 31 December	-27,037	-10,777
	Carrying amount at 31 December	187,204	203,464

Parent Company financial statements for the period 1 January - 31 December

Notes

Name	Registered office	Voting rights and ownership	Equity	Profit/loss for the year
Unisport A/S	Copenhagen	100%	41,691	-1,467

Unisport A/S was acquired on 19 January 2015. In this connection residual value of positive goodwill determined in accordance with the acquisition method amounted to DKK 177,815 thousand, which at 31 December 2017 after accumulated depreciations amounts to DKK 145,513 thousand and is recognized in the carrying value of investments in subsidiaries.

7 Deferred tax

DKK'000	2017	2016
Deferred tax 1 January	0	0
Deferred tax, recognised in the profit for the year	-679	0
Deferred tax 31 December	-679	0
Deferred tax relates to:		
Tax losses carried forward	-679	0

8 Share capital

The share capital of total DKK 19,462,657 comprises:

755,223 A shares of DKK 1 each
6,090,750 B1 shares of DKK 1 each
12,616,684 B2 shares of DKK 1 each

The voting right of B2 shares is restricted to matters protecting the interests of minority shareholders. Consequently, B1 shares and A shares represent 96.12% and 3.88% of the votes, respectively.

Changes in share capital since the establishment can be specified as follows:

DKK'000	2017	2016	2015	2014
1 January	19,313	19,287	50	0
Capital injection at establishment of the Company	0	0	0	50
Capital increase	150	26	19,237	0
31 December	19,463	19,313	19,287	50

Treasury shares

In 2017, the parent company purchased 175,600 number of treasury shares for DKK 1,756 thousand.

At 31 December 2017 the parent company owns 175,600 treasury shares (31 December 2016: 0).

Treasury shares are primarily acquired for purposes of the company's share option plans.

Warrants

Unisport Holding ApS has established a share-based incentive programme in the form of a warrant program for executive employees and other employees. The warrants are acquired at a value which is close to the fair value at the grant date.

Parent Company financial statements for the period 1 January - 31 December

Notes

8 **Share capital (continued)**

In 2017, proceed from issue of warrants regarding 168,000 shares (2016: 690,838 shares) amounted to DKK 148 thousand (2016: DKK 594 thousand) of which DKK 108 thousand has not been received at 31 December 2017 (2016: DKK 208 thousand).

The warrants programme comprised a total of 2,400,288 warrants at 31 December 2017 (2016: 2,879,089).

In 2017 Unisport Holding ApS acquired 526,801 warrants from executive employees, which were subsequently cancelled.

Each warrant entitles the holder to subscribe for 1 share at a nominal value of DKK 1 in Unisport Holding ApS. The right can be exercised at end of 2019.

No warrants have been utilised in 2017.

9 **Amounts owed to former owners**

DKK' 000	2017	2016
Non-current liabilities	48,868	45,671
Current liabilities	0	0
Carrying amount	48,868	45,671
Falls due more than 5 years after the balance sheet date, nominal value	0	45,671

10 **Contractual obligations and contingencies, etc.**

Contingent liabilities

The Company is jointly taxed with the subsidiary Unisport A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes. At 31 December 2017, the net tax receivable from the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 676 thousand. Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase.

Apart from the above, the company has no contingent liabilities.

11 **Related parties**

Unisport Holding ApS' related parties comprise the following:

Parties exercising control

Nordic Capital Fund VII, England, which controls the Company.

Other related parties

The member of the Executive Board and the members of the Board of Directors.

The subsidiary: Unisport A/S

Related party transactions

Besides issuance and settlement of warrants as disclosed in note 4 to the consolidated financial statements, no other transactions were carried through with related parties in the year.

The Company has no employees. Remuneration to the Executive Board and the Board of Directors are recognised in Unisport A/S.

Parent Company financial statements for the period 1 January – 31 December

Notes

12 **Appropriation of profit/loss**

DKK'000	2017	2016
Recommended appropriation of profit/loss		
Transferred to retained earnings	-19,105	-6,613