

*Rapha ApS  
Kristen Bernikows Gade 7  
1105 København K*

*CVR-number: 37 60 69 95*

*ANNUAL REPORT  
1. February 2023 - 31. January 2024  
(8. accounting year)*

Penneo dokumentnøgle: S3DCU-CFTVP-SAQ4-DENOL-GBCDJ-5M6D5

Approved at the annual General Meeting of the Company on the 1<sup>st</sup> of July

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Chairman of the meeting  
Michael Stockfleth

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## MANAGEMENT'S STATEMENT

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Today the Executive Board has discussed and approved the Annual Report of Rapha ApS for the period 1. February 2023 - 31. January 2024.

The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. January 2024 and of its financial performance for the period 1. February 2023 - 31. January 2024.

In my opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

København K, the 1st of July

### **Management**

Michael Stockfleth

**To the shareholders of Rapha ApS****Conclusion**

We have performed an extended review of the financial statements of Rapha ApS for the financial period from 1. February 2023 to 31. January 2024, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in conformity with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31. January 2024 and of the results of the Company's operations for the financial period from 1. February 2023 to 31. January 2024 in conformity with the Danish Financial Statements Act.

**Basis for conclusion**

We conducted our extended review in accordance with the Danish Business Authority's Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report.

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

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

**Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as an evaluation of the evidence obtained.

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

**Statement on the Management's review**

Management is responsible for the Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

## INDEPENDENT AUDITOR'S EXTENDED REVIEW REPORT

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Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Financial Statements Act. We did not identify any material misstatements in the Management's review.

Brøndby, the 1st of July

TimeVision  
Godkendt Revisionspartnerselskab  
CVR-nr.: 38267132

Lars Steinbach  
Registreret revisor  
mne18599

**The Company**

Rapha ApS  
Kristen Bernikows Gade 7  
1105 København K

CVR-no.: 37 60 69 95  
Financial year: 1. February - 31. January

**Executive board**

Michael Stockfleth

**Accountant**

TimeVision  
Godkendt Revisionspartnerselskab  
Park Allé 295, 2. sal  
2605 Brøndby

**Main activities of the Company**

As in previous years, the main activities of the Company were to sell cycling apparel and accessories in Denmark.

**Development in the activities and the financial situation of the Company**

The Company has continued its operations. No significant one-off events occurred in the financial year that need to be included in the management commentary.

The performance and results for the year are considered satisfactory.

The Company has received a letter of subordination and support on DKK 3.431.558 from its parent company.

The Company has lost more than half of the share capital, but expects to restore its capital through earnings.

**Material events after the reporting date**

No events have occurred after the reporting date that may materially affect the financial position of the company.

**GENERAL INFORMATION**

The financial statements of Rapha ApS for the financial year 2023/24 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

**Recognition and measurement in general**

The financial statements have been prepared under the historical cost convention.

Income is recognized in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortized cost are also recognized in the income statement. Costs incurred to generate the earnings for the year are also recognized in the income statement, including amortization, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognized in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortized cost, whereby a constant effective interest rate is recognized over the life of the individual asset or liability. Amortized cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortization of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

**Foreign currency translation**

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognized in the income statement as financial income or financial expenses.

**INCOME STATEMENT****Gross profit**

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods', 'Cost of consumables' and 'Other external costs'.



**Revenue**

Revenue from the sale of goods for resale and finished goods is recognized in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognized exclusive of VAT and net of sales discounts.

**Cost of consumables**

Cost of consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

**Other external expenses**

Other external expenses include costs for sales, advertising, administration, premises, bad debts etc. .

**Staff costs**

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

**Financial income and expenses**

Financial income and expenses are recognized in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme.

**Tax on net profit for the year**

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognized in the income statement, and the share attributable directly to equity is recognized directly in equity.

**BALANCE SHEET****Other plant and equipment**

Other plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognized prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

|                        | <u>User time</u> | <u>Residual value</u> |
|------------------------|------------------|-----------------------|
| Tools and equipment    | 3-5 years        | 0                     |
| Leasehold improvements | 3-5 years        | 0                     |

#### **Impairment losses relating to non-current assets**

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

#### **Inventories**

The cost of goods for resale, raw materials and consumables is the landed cost.

#### **Receivables**

Receivables are measured at amortized cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

#### **Prepayments**

Prepayments recognized under assets include costs already defrayed but relating to the subsequent financial year.

#### **Cash and cash equivalents**

Cash and cash equivalents include deposits in banks with bank accounts as well as cash and cash equivalents.

#### **Corporate income tax and deferred tax**

Current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realizable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realizable values.

Deferred tax is measured based on the tax rules and tax rates applicable when the deferred tax is expected to crystallize as current tax according to the legislation in force at the reporting date. Any change in deferred tax as a result of changes in the tax rates is recognized in the income statement.

**Payables**

Other payables, comprising trade payables and amounts owed to Group enterprises and other accounts payable, are measured at amortized cost, which normally corresponds to the nominal value.

## INCOME STATEMENT

1. FEBRUAR 2023 - 31. JANUAR 2024

|  | 2023/24<br>DKK   | 2022/23<br>DKK   |
|--|------------------|------------------|
| <b>GROSS PROFIT</b>  | <b>3.068.652</b> | <b>3.596.304</b> |
| 1 Staff costs  | -2.832.327       | -3.198.689       |
| Amortization, depreciation and impairment losses - intangible assets and property, plant and equipment | -2.544           | -12.160          |
| <b>OPERATING PROFIT OR LOSS</b>  | <b>233.781</b>   | <b>385.455</b>   |
| Other financial expenses   | -25.327          | -84.225          |
| <b>PROFIT OR LOSS BEFORE TAX</b>   | <b>208.454</b>   | <b>301.230</b>   |
| Tax on net profit for the year   | -48.380          | -71.581          |
| <b>PROFIT OR LOSS FOR THE YEAR</b>   | <b>160.074</b>   | <b>229.649</b>   |
| <b>PROPOSED DISTRIBUTION OF NET PROFIT</b>   |                  |                  |
| Retained earnings  | 160.074          | 229.649          |
| <b>SETTLEMENT OF DISTRIBUTION TOTAL</b>  | <b>160.074</b>   | <b>229.649</b>   |

## BALANCE SHEET AT 31. JANUAR 2024

## ASSETS

|   | 2024<br>DKK      | 2023<br>DKK      |
|---|------------------|------------------|
| Other plant, fixtures and operating equipment | 0                | 0                |
| Leasehold improvements                        | 0                | 2.544            |
| <b>Property, plant and equipment</b>          | <b>0</b>         | <b>2.544</b>     |
| <b>NON-CURRENT ASSETS</b>                     | <b>0</b>         | <b>2.544</b>     |
| Finished goods and goods for resale           | 2.033.923        | 2.063.101        |
| <b>Inventories</b>                            | <b>2.033.923</b> | <b>2.063.101</b> |
| Other receivables                             | 1.384.139        | 117.659          |
| Deferred tax asset                            | 98.391           | 146.771          |
| Accruals                                      | 330.918          | 324.535          |
| <b>Receivables</b>                            | <b>1.813.448</b> | <b>588.965</b>   |
| <b>Cash</b>                                   | <b>431.679</b>   | <b>751.181</b>   |
| <b>CURRENT ASSETS</b>                         | <b>4.279.050</b> | <b>3.403.247</b> |
| <b>ASSETS</b>                                 | <b>4.279.050</b> | <b>3.405.791</b> |

## BALANCE SHEET AT 31. JANUAR 2024

## EQUITY AND LIABILITIES

|  | 2024<br>DKK      | 2023<br>DKK      |
|--|------------------|------------------|
| Contributed capital                                  | 50.000           | 50.000           |
| Retained earnings                                    | -280.535         | -440.610         |
| <b>EQUITY</b>  | <b>-230.535</b>  | <b>-390.610</b>  |
| Amounts owed to group enterprises                    | 3.431.558        | 2.577.994        |
| Other accounts payable                               | 104.055          | 104.055          |
| <b>2 Long-term payables</b>                          | <b>3.535.613</b> | <b>2.682.049</b> |
| Trade creditors                                      | 171.429          | 429.034          |
| Other accounts payable                               | 654.538          | 466.626          |
| Accruals   | 148.005          | 218.692          |
| <b>Short-term payables</b>                           | <b>973.972</b>   | <b>1.114.352</b> |
| <b>PAYABLES</b>                                      | <b>4.509.585</b> | <b>3.796.401</b> |
| <b>EQUITY AND LIABILITIES</b>                        | <b>4.279.050</b> | <b>3.405.791</b> |
| 3 Letter of subordination                            |                  |                  |
| 4 Contractual obligations and contingent items, etc. |                  |                  |
| 5 Charges and securities                             |                  |                  |

|                             | 2023/24<br>DKK          | 2022/23<br>DKK          |
|-----------------------------|-------------------------|-------------------------|
| <b>1 Staff costs</b>        |                         |                         |
| Number of people employed   | 7                       | 7                       |
| Wages and salaries          | 2.511.824               | 2.792.911               |
| Pensions                    | 199.113                 | 200.783                 |
| Other social security costs | 121.390                 | 204.995                 |
| <b>Staff costs total</b>    | <b><u>2.832.327</u></b> | <b><u>3.198.689</u></b> |

|                                   | Total liabilities<br>at beginning of<br>period | Total liabilities<br>at end of period | Outstanding<br>balance after 5<br>years |
|-----------------------------------|--|---------------------------------------|---|
| <b>2 Long-term payables</b>       |  |                                       |   |
| Amounts owed to group enterprises | 2.577.994                                      | 3.431.558                             | 0                                       |
| Other accounts payable            | 104.055  | 104.055                               | 104.055                                 |
|                                   | <b><u>2.682.049</u></b>                        | <b><u>3.535.613</u></b>               | <b><u>104.055</u></b>                   |

**3 Letter of subordination**

The Company has received a letter of subordination and support on DKK 3,431,558 from its parent company.

**4 Contractual obligations and contingent items, etc.**

None.

**5 Charges and securities**

None.

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## Michael Stockfleth Coester

Direktør

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## Lars Steinbach

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## Michael Stockfleth Coester

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