

ASSOS SBO Scandinavia ApS

Vibeholms Allé 15

2605 Brøndby

CVR No. 37776017

Annual Report 2016

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 26 May 2017

Lars Errebo
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of ASSOS SBO Scandinavia ApS for the financial year 31 May 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 31 May 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Brøndby, 26 May 2017

Executive Board

Lars Errebo
Manager

Auditor's Report on Compilation of Financial Statements

To the day-to-day management of ASSOS SBO Scandinavia ApS

We have compiled the Financial Statements of ASSOS SBO Scandinavia ApS for the financial year 31 May 2016 - 31 December 2016 based on the Company's bookkeeping and other information provided by it.

The Financial Statements comprise Accounting Policies, Income Statement, Balance Sheet and Notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

København, 26 May 2017

Harboe Consult ApS - Godkendt Revisionsvirksomhed

CVR-no. 35649417

Michael Harboe

Registered Public Accountant

Company details

Company	ASSOS SBO Scandinavia ApS Vibeholms Allé 15 2605 Brøndby
CVR No.	37776017
Date of formation	31 May 2016
Financial year	31 May 2016 - 31 December 2016
Executive Board	Lars Errebo, Manager
Parent Company	Assos of Switzerland GmbH
Auditors	Harboe Consult ApS - Godkendt Revisionsvirksomhed Grønningen 17 1270 København K CVR-no.: 35649417

Management's Review

The Company's principal activities

The company's most important activities consist in doing business with import, distribution, development, servicing, sales and marketing of bicycle wear and related components and spare parts and other related activities.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 31. maj 2016 - 31. december 2016 shows a result of DKK -334.840 and the Balance Sheet at 31. december 2016 a balance sheet total of DKK 999.572 and an equity of DKK -284.840.

The company has lost more than 50% of its equity and is therefore subject to the capital provisions in Section 119 of the Danish Companies Act. The company expects to re-establish capital for its own earnings in the coming years.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Accounting Policies

Reporting Class

The Annual Report of ASSOS SBO Scandinavia ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The company publishes annual report after accounting class B with the option of individual rules in class C.

As the financial year 2016 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	4 years	0%
Leasehold improvements	4 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

The depreciation basis is calculated as the cost price less the expected residual value after completion of the useful life. The amortization period and the residual value are determined at acquisition date and are reviewed annually. If the residual value is assessed as higher than the asset's carrying amount, the depreciation expires.

Cost includes the purchase price and costs directly related to the acquisition until the time when the asset is ready to be used.

In cases where the useful life is different, the cost price of a total asset is divided into separate components, which are written off separately.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Financial liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2016 kr.
Gross profit		305.914
Employee benefits expense	1	-630.462
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-4.432
Profit from ordinary operating activities		-328.980
Finance expences		-5.860
Profit from ordinary activities before tax		-334.840
Profit		-334.840
Proposed distribution of results		
Retained earnings		-334.840
Distribution of profit		-334.840

Balance Sheet as of 31 December

	Note	2016 kr.
Assets		
Fixtures, fittings, tools and equipment	2	208.304
Property, plant and equipment		208.304
Fixed assets		208.304
Short-term trade receivables		294.000
Other short-term receivables		57.337
Receivables		351.337
Cash and cash equivalents		439.931
Current assets		791.268
Assets		999.572

Balance Sheet as of 31 December

	Note	2016 kr.
Liabilities and equity		
Contributed capital		50.000
Retained earnings		-334.840
Equity	3	-284.840
Trade payables		239.901
Payables to group enterprises		283.008
Tax payables		2.521
Other payables		585.724
Payables to shareholders and management		173.258
Short-term liabilities other than provisions		1.284.412
Liabilities other than provisions within the business		1.284.412
Liabilities and equity		999.572
Uncertainties relating to going concern	4	
Contingent liabilities	5	
Collaterals and assets pledges as security	6	

Notes**2016****1. Employee benefits expense**

Wages and salaries	556.411
Social security contributions	70.143
Other employee expense	3.908
	630.462

Average number of employees	2
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2. Fixtures, fittings, tools and equipment

Addition during the year, incl. improvements	212.736
Cost at the end of the year	212.736

Amortisation for the year	-4.432
Impairment losses and amortisation at the end of the year	-4.432

Carrying amount at the end of the year	208.304
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3. Statement of changes in equity

	Contributed capital	Retained earnings	I alt
Equity, beginning balance	50.000	0	50.000
Deposit capital		0	0
Proposed distribution of results	0	-334.840	-334.840
	50.000	-334.840	-284.840

4. Uncertainties relating to going concern

The company has lost more than 50% of its equity and is therefore subject to the capital provisions in Section 119 of the Danish Companies Act. The company expects to re-establish capital for its own earnings in the coming years.

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

6. Collaterals and securities

No securities or mortgages exist at the balance sheet date.