

Assos SBO Scandinavia ApS

Vibeholms Allé 15
2605 Brøndby

CVR No. 37776017

Annual Report 2018

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 May 2019

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 1 January 2018 - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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, 28 May 2019

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 1 January 2018 - 31 December 2018 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, 28 May 2019

Harboe Consult ApS - Godkendt Revisionsvirksomhed

CVR-no. 35649417

Michael Harboe

Registered Public Accountant

MNE-no. 661

Company details

Company	Assos SBO Scandinavia ApS Vibeholms Allé 15 2605 Brøndby
Telephone	53 87 93 93
email	Lars.Errebo@assos.com
CVR No.	37776017
Date of formation	31 May 2016
Financial year	1 January 2018 - 31 December 2018
Executive Board	Lars Errebo, Manager
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 principal 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 1 January 2018 - 31 December 2018 shows a result of DKK -152.349 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 565.814 and an equity of DKK -448.546.

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 from 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 entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Assos SBO Scandinavia ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

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

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.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible 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	3-10 years	0%

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, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

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.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Merchandise are measured at cost comprising purchase price plus delivery costs.

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.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

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.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other 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	2018 kr.	2017 kr.
Gross profit		1.492.729	1.565.302
Employee benefits expense	1	-1.553.333	-1.476.318
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-91.108	-87.622
Profit from ordinary operating activities		-151.713	1.363
Finance expenses		-636	-12.720
Profit from ordinary activities before tax		-152.349	-11.357
Tax expense on ordinary activities		0	0
Profit		-152.349	-11.357
Proposed distribution of results			
Retained earnings		-152.349	-11.357
Distribution of profit		-152.349	-11.357

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Fixtures, fittings, tools and equipment	2	181.270	272.378
Property, plant and equipment		181.270	272.378
Fixed assets		181.270	272.378
Manufactured goods and goods for resale		192.657	166.283
Inventories		192.657	166.283
Short-term trade receivables		19.227	0
		2.695	0
Other short-term receivables		35.248	33.578
Receivables		57.170	33.578
Cash and cash equivalents		134.717	248.729
Current assets		384.544	448.591
Assets		565.814	720.969

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		-498.546	-346.197
Equity	3	-448.546	-296.197
Trade payables		39.000	55.231
Payables to group enterprises		674.489	709.599
Other payables		300.871	252.336
Short-term liabilities other than provisions		1.014.360	1.017.166
Liabilities other than provisions within the business		1.014.360	1.017.166
Liabilities and equity		565.814	720.969
Uncertainties relating to going concern	4		
Contingent liabilities	5		
Collaterals and assets pledges as security	6		

Notes

	2018	2017
1. Employee benefits expense		
Wages and salaries	1.463.515	1.387.257
Social security contributions	89.819	89.061
	1.553.334	1.476.318
Average number of employees	3	3

2. Fixtures, fittings, tools and equipment

Cost at the beginning of the year	364.432	212.736
Addition during the year, incl. improvements	0	151.696
Cost at the end of the year	364.432	364.432
Depreciation and amortisation at the beginning of the year	-92.054	-4.432
Amortisation for the year	-91.108	-87.622
Impairment losses and amortisation at the end of the year	-183.162	-92.054
Carrying amount at the end of the year	181.270	272.378

3. Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity, beginning balance	50.000	-346.197	-296.197
Proposed distribution of results	0	-152.349	-152.349
	50.000	-498.546	-448.546

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 from 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.