

Kollektiv Sports ApS

Skolevej 2, 8654 Bryrup

Company reg. no. 41 15 68 05

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 12 May 2022.

Benjamin Powell-Frederiksen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2021	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	12

Management's statement

Today, the executive board has presented the annual report of Kollektiv Sports ApS for the financial year 1 January - 31 December 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Bryrup, 6 May 2022

Executive board

Helle Houmann Powell-Frederiksen

Benjamin Powell-Frederiksen

Independent auditor's report

To the Shareholders of Kollektiv Sports ApS

Opinion

We have audited the financial statements of Kollektiv Sports ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without it affecting our conclusion, it can be stated that the company has lost its share-capital. We refer to note 1, where the company's management has accounted for the company's financial conditions. On that basis, we agree that the annual report has been presented on the assumption of going concern.

Management's Responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for 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 audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 6 May 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Steen K. Bager

State Authorised Public Accountant
mne28679

Company information

The company

Kollektiv Sports ApS
Skolevej 2
8654 Bryrup

E mail ben@ourkollektiv.com

Company reg. no. 41 15 68 05

Financial year: 1 January - 31 December

Executive board

Helle Houmann Powell-Frederiksen
Benjamin Powell-Frederiksen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

Like previous years, the principal activities are online educational and fitness services targeted towards the global end-consumer, with a specific focus on consumers who participates in the sports of Triathlon, Running, Cycling and Swimming. These services range from remote personalized training, educational content production, and delivery, as well as specialist customer service on a range of topics related to health, wellness, and nutrition with context to the related sports.

Development in activities and financial matters

Management considers the net profit or loss for the year as expected.

Expected developments

2021 was a year of extensive product development, early deployment of our minimum viable product, and close collaboration with our early pre-release/pilot customer base. We successfully released two native mobile applications and one web application, along with a high value deep tech infrastructure. Our expectations for 2022 are to further our investment into product development, obtain additional investment and expand our customer base exponentially.

Income statement 1 January - 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross loss	-3.784.504	250
2 Staff costs	-1.026.907	-212
Operating profit	-4.811.411	38
Other financial expenses	-93.505	-15
Pre-tax net profit or loss	-4.904.916	23
Tax on net profit or loss for the year	0	-8
Net profit or loss for the year	-4.904.916	15
Proposed appropriation of net profit:		
Transferred to retained earnings	0	15
Allocated from retained earnings	-4.904.916	0
Total allocations and transfers	-4.904.916	15

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Current assets		
Manufactured goods and goods for resale	80.802	0
Total inventories	80.802	0
Other receivables	40.678	19
Total receivables	40.678	19
Cash and cash equivalents	735.856	3.110
Total current assets	857.336	3.129
Total assets	857.336	3.129

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	45.477	43
Retained earnings	-2.847.051	1.315
Total equity	-2.801.574	1.358
Liabilities other than provisions		
Bank loans	1.660.521	1.600
Total long term liabilities other than provisions	1.660.521	1.600
Trade payables	117.200	111
Payables to subsidiaries	1.095	0
Income tax payable	0	8
Other payables	1.880.094	52
Total short term liabilities other than provisions	1.998.389	171
Total liabilities other than provisions	3.658.910	1.771
Total equity and liabilities	857.336	3.129

1 Loss of capital**3 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	43.485	1.315.097	1.358.582
Cash capital increase	1.992	742.768	744.760
Retained earnings for the year	0	-4.904.916	-4.904.916
	45.477	-2.847.051	-2.801.574

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

1. Loss of capital

During the financial year, the company has lost its share-capital as a result of the planned development activities, which is in line with the company's strategy and budget.

The Company has entered several convertible loan agreements, with the shareholders, which will ensure the company with the necessary liquidity to continue the research and development activities. The company is planning a further financing increase in the second quarter of 2022, where the company will ensure that the necessary capital is available for the company. The company has already received the commitment regarding the liquidity supply.

Based on the above, the management has presented the annual report under the going concern assumption.

	<u>2021</u>	<u>2020</u>
2. Staff costs		
Salaries and wages	1.011.076	181
Other costs for social security	14.777	1
Other staff costs	<u>1.054</u>	<u>30</u>
	<u>1.026.907</u>	<u>212</u>
Average number of employees	<u>2</u>	<u>1</u>

3. Contingencies

Joint taxation

With Hbpf Holding ApS, company reg. no 41820934 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Kollektiv Sports ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Other external costs comprise costs incurred for sales, advertising, administration, premises, loss on receivables etc.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Research and development costs

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Accounting policies

According to the rules of joint taxation, Kollektiv Sports ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Helle Houmann Powell-Frederiksen

Direktionsmedlem

Serienummer: PID:9208-2002-2-102649903879

IP: 188.176.xxx.xxx

2022-05-12 08:15:16 UTC

NEM ID 

Benjamin Powell-Frederiksen

Direktionsmedlem

På vegne af: Kollektiv Sports ApS

Serienummer: PID:9208-2002-2-528913741334

IP: 188.176.xxx.xxx

2022-05-12 08:15:22 UTC

NEM ID 

Steen K. Bager

Statsautoriseret revisor

På vegne af: Kollektiv Sports ApS

Serienummer: CVR:34209936-RID:81358030

IP: 62.243.xxx.xxx

2022-05-12 08:43:01 UTC

NEM ID 

Benjamin Powell-Frederiksen

Dirigent

På vegne af: Kollektiv Sports ApS

Serienummer: PID:9208-2002-2-528913741334

IP: 188.176.xxx.xxx

2022-05-13 07:32:06 UTC

NEM ID 

Penneo dokumentnøgle: UFEK2-ABXYG-UIINA-QT8AL-AUMOE-84KZX

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>