

Scott Sports Denmark A/S

Niels Bohrs Vej 17
DK-8660 Skanderborg

CVR no. 38 70 41 41

Annual report 1 October 2022 - 30 September 2023

The annual report was presented and approved at
the Company's annual general meeting on

11 January 2024

Beat Zaugg
Chairman of the annual general meeting

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Contents

Statement by the Board of Directors and the Executive Board

Independent auditor's report

Management's review

Company details
Operating review

Financial statements 1 October – 30 September

Income statement
Balance sheet
Statement of changes in equity
Notes

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for Scott Sports Denmark A/S for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Skanderborg, 11 January 2024

Executive Board:

Dennis Jimmi Petersen
CEO

Eric Alexander Bothe
CEO

Hans Holzinger
CEO

Board of Directors:

Beat Zaugg
Board Member

Alain Hasler
Board Member

Reto Aeschbacher
Board Member



Independent auditor's report

To the shareholder of Scott Sports Denmark A/S

Opinion

We have audited the financial statements of Scott Sports Denmark A/S for the financial year 1 October 2022 - 30 September 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 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.

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 that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the 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.



Independent auditor's report

- 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.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 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 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 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 Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 11 January 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael E. K. Rasmussen
State Authorised Public Accountant
mne41364

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Management's review

Company details

Scott Sports Denmark A/S
Niels Bohrs Vej 17
DK-8660 Skanderborg

Website: www.scott-sports.com
CVR no.: 38 70 41 41
Established: 1 June 2017
Registered office: Skanderborg
Financial year: 1 October - 30 September

Board of Directors

Beat Zaugg, Board Member
Alain Hasler, Board Member
Reto Aeschbacher, Board Member

Executive Board

Dennis Jimmi Petersen, CEO
Eric Alexander Bothe, CEO
Hans Holzinger, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiksplads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Management's review

Operating review

Principal activities

The Company's activity is to import and sell bikes, bike accessories, other sport products and leisure equipment mainly of the Scott brand in Denmark.

Development in activities and financial position

The Company's income statement for 2022/23 shows a profit of DKK 2,435,952 as against a profit of DKK 7,112,074 in 2021/22. Equity in the Company's balance sheet at 30 September 2023 stood at DKK 23,545,510 as against DKK 21,109,558 at 30 September 2022.

The general objective of the Company is to extend the distribution of the Group's different brands and products (Scott/Bergamont/Dolomite/Outdoor Research).

Due to the general crisis in many business areas, the bike & sports industry had to contend with a sharp decline in end-consumer demand during the past financial year. The market changed drastically in the entry to the mid-price level product segment concerning bikes, esp. for mountainbikes, which is traditionally the strongest segment for Scott Sports Denmark A/S. The main reasons were inflation and energy crisis. Many requested bikes in the high-end segment were still faced with production delays.

Furthermore, there was and still is an overstock situation in the industry and on the dealer side as the delayed products arrived in stock at the same time as end-consumer demand fell. The effects were cancellations. Backorders from MY & FY 2023 were postponed to MY & FY 2024. New preorders are on a low level.

Scott Sports Denmark A/S is constantly working on solutions in collaboration with their dealers. The goal for Scott Sports Denmark A/S as a brand is to keep its strong position in the sportive bike market.

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Income statement

DKK	Note	2022/23	2021/22
Gross profit		8,817,018	13,295,224
Staff costs	2	-5,572,189	-4,009,394
Depreciation on property, plant and equipment		-63,729	-62,345
Profit before financial income and expenses		3,181,100	9,223,485
Other financial income		631	4,455
Other financial expenses		-16,843	-78,766
Profit before tax		3,164,888	9,149,174
Tax on profit for the year		-728,936	-2,037,100
Profit for the year		<u>2,435,952</u>	<u>7,112,074</u>
Proposed profit appropriation			
Transferred to retained earnings		2,435,952	0
		<u>2,435,952</u>	<u>0</u>

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2023	30/9 2022
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures, fittings, tools and equipment		107,964	137,111
Investments			
Deposits		160,940	95,940
Total fixed assets		268,904	233,051
Current assets			
Receivables			
Trade receivables		21,912,104	40,903,161
Receivables from group entities		7,933,190	0
Deferred tax assets		5,050	631
Prepayments		70,840	181,334
		29,921,184	41,085,126
Cash at bank and in hand		1,419,277	272,054
Total current assets		31,340,461	41,357,180
TOTAL ASSETS		31,609,365	41,590,231

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2023	30/9 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		23,045,510	20,609,558
Total equity		<u>23,545,510</u>	<u>21,109,558</u>
Liabilities			
Non-current liabilities			
Corporation tax		189,366	1,797,480
Current liabilities			
Trade payables		396,971	803,560
Payables to group entities		823,418	7,171,577
Corporation tax		1,797,479	697,461
Other payables, including taxes payable		4,856,621	10,010,595
		<u>7,874,489</u>	<u>18,683,193</u>
Total liabilities		<u>8,063,855</u>	<u>20,480,673</u>
TOTAL EQUITY AND LIABILITIES		<u>31,609,365</u>	<u>41,590,231</u>

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 October 2022	500,000	20,609,558	21,109,558
Transferred over the profit appropriation	0	2,435,952	2,435,952
Equity at 30 September 2023	500,000	23,045,510	23,545,510

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Notes

1 Accounting policies

The annual report of Scott Sports Denmark A/S for 2022/23 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Minor reclassifications have been made to the comparative figures for 2021/22 in order to strengthen the true picture of the annual accounts. The reclassifications have no effect on the result before tax, the result for the year or equity.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. etc. to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 October – 30 September

Notes

1 Accounting policies

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expenses relating to amounts directly recognised in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment 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 on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures, fittings, tools and equipment	3-10 years
---	------------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Corporation tax 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 the taxable income of prior years and for 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences

Financial statements 1 October – 30 September

Notes

1 Accounting policies

relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

2 Staff costs

DKK	2022/23	2021/22
Wages and salaries	5,352,179	3,814,733
Pensions	220,010	194,661
	<u>5,572,189</u>	<u>4,009,394</u>
Average number of full-time employees	<u>9</u>	<u>8</u>

Scott Sports Denmark A/S
Annual report 1 October 2022 - 30 September 2023
CVR no. 38 70 41 41

Financial statements 1 October – 30 September

Notes

3 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has issued bank guarantees of DKK 65 thousand.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 26 months and an average monthly lease payment of DKK 27 thousand, totalling DKK 649 thousand.

4 Related parties

Scott Sports Denmark A/S' related parties comprise the following:

Control

Scott Sports SA, Route du Crochet 11, 1762 Givisiez, Switzerland.

Scott Sports SA holds the majority of the contributed capital in the Company.

Scott Sports Denmark A/S is part of the consolidated financial statements of Scott Corporation SA, Route du Crochet 11, 1762 Givisiez, Switzerland, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Scott Corporation SA can be obtained by contacting the company at the address above.