



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 918 528 792
Organisasjonsform: Aksjeselskap
Foretaksnavn: CHAMPION BIDCO AS
Forretningsadresse: c/o Active Brands
Kabelgata 6
0580 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Eskil Gundersen Koffeld
Dato for fastsettelse av årsregnskapet: 27.04.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 05.12.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	3	200 000	177 000
Sum kostnader		200 000	177 000
Driftsresultat		-200 000	-177 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	12	37 390 000	38 242 000
Renteinntekt fra foretak i samme konsern	12	5 973 000	4 032 000
Annen finansinntekt		1 015 000	1 000
Sum finansinntekter		44 378 000	42 275 000
Rentekostnad til foretak i samme konsern		0	375 000
Annen finanskostnad		44 178 000	41 723 000
Sum finanskostnader		44 178 000	42 098 000
Netto finans		200 000	177 000
Ordinært resultat før skattekostnad		0	0
Skattekostnad på ordinært resultat	13	0	0
Ordinært resultat etter skattekostnad		0	0
Årsresultat		0	0
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	13	0	0
Sum overføringer og disponeringer		0	0



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	1 408 563 000	1 438 392 000
Lån til foretak i samme konsern	8, 12	97 200 000	31 240 000
Sum finansielle anleggsmidler		1 505 763 000	1 469 632 000
Sum anleggsmidler		1 505 763 000	1 469 632 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8, 12	33 668 000	26 871 000
Sum fordringer		33 668 000	26 871 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	350 000	5 358 000
Sum bankinnskudd, kontanter og lignende		350 000	5 358 000
Sum omløpsmidler		34 018 000	32 229 000
SUM EIENDELER		1 539 781 000	1 501 861 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9, 10	41 681 000	41 681 000
Overkurs	10	791 918 000	791 918 000
Sum innskutt egenkapital		833 599 000	833 599 000
Sum egenkapital		833 599 000	833 599 000



Balanse

Beløp i: NOK	Note	2019	2018
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11	699 000 000	659 000 000
Øvrig langsiktig gjeld	11	7 000 000	8 605 000
Sum annen langsiktig gjeld		706 000 000	667 605 000
Sum langsiktig gjeld		706 000 000	667 605 000
Kortsiktig gjeld			
Leverandørgjeld		7 000	0
Annen kortsiktig gjeld	12	175 000	657 000
Sum kortsiktig gjeld		182 000	657 000
Sum gjeld		706 182 000	668 262 000
SUM EGENKAPITAL OG GJELD		1 539 781 000	1 501 861 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 12	1 173 006 000	1 057 313 000
Annen driftsinntekt		0	1 155 000
Sum inntekter		1 173 006 000	1 058 468 000
Kostnader			
Varekostnad		648 056 000	570 292 000
Lønnskostnad	3	157 382 000	144 197 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	4, 5	104 905 000	96 247 000
Annen driftskostnad	3	230 604 000	221 209 000
Sum kostnader		1 140 947 000	1 031 945 000
Driftsresultat		32 059 000	26 523 000
Finansinntekter og finanskostnader			
Annen finansinntekt		3 395 000	2 602 000
Sum finansinntekter		3 395 000	2 602 000
Annen finanskostnad		53 934 000	48 088 000
Sum finanskostnader		53 934 000	48 088 000
Netto finans		-50 539 000	-45 486 000
Ordinært resultat før skattekostnad		-18 480 000	-18 963 000
Skattekostnad på ordinært resultat	13	3 987 000	608 000
Ordinært resultat etter skattekostnad		-22 467 000	-19 571 000
Årsresultat		-22 467 000	-19 571 000
Minoritetsinteresser		1 677 000	1 864 000
Årsresultat etter minoritetsinteresser		-24 144 000	-21 435 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	4	4 419 000	3 896 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	4	686 535 000	728 480 000
Goodwill	4	500 821 000	538 512 000
Sum immaterielle eiendeler		1 191 775 000	1 270 888 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	48 244 000	45 613 000
Sum varige driftsmidler		48 244 000	45 613 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		1 000	200 000
Andre fordringer		3 276 000	1 001 000
Sum finansielle anleggsmidler		3 277 000	1 201 000
Sum anleggsmidler		1 243 296 000	1 317 702 000
Omløpsmidler			
Varer			
Varer	7	300 473 000	292 075 000
Sum varer		300 473 000	292 075 000
Fordringer			
Kundefordringer	8, 12	227 480 000	266 919 000
Andre fordringer	8, 12	59 119 000	53 733 000
Sum fordringer		286 599 000	320 652 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	32 212 000	57 116 000
Sum bankinnskudd, kontanter og lignende		32 212 000	57 116 000
Sum omløpsmidler		619 284 000	669 843 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
SUM EIENDELER		1 862 580 000	1 987 545 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9, 10	41 681 000	41 681 000
Overkurs	10	791 919 000	791 919 000
Sum innskutt egenkapital		833 600 000	833 600 000
Opptjent egenkapital			
Annen egenkapital	10	-70 045 000	-43 518 000
Minoritetsinteresser	10	1 880 000	1 968 000
Sum opptjent egenkapital		-68 165 000	-41 550 000
Sum egenkapital		765 435 000	792 050 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13	175 108 000	185 626 000
Sum avsetninger for forpliktelser		175 108 000	185 626 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11	659 000 000	699 000 000
Øvrig langsiktig gjeld	11	13 339 000	15 613 000
Sum annen langsiktig gjeld		672 339 000	714 613 000
Sum langsiktig gjeld		847 447 000	900 239 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	11	0	10 691 000
Leverandørgjeld		144 497 000	165 992 000
Betalbar skatt	13	15 422 000	10 751 000
Skyldige offentlige avgifter		31 006 000	43 573 000
Annen kortsiktig gjeld	12	58 773 000	64 249 000
Sum kortsiktig gjeld		249 698 000	295 256 000
Sum gjeld		1 097 145 000	1 195 495 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
SUM EGENKAPITAL OG GJELD		1 862 580 000	1 987 545 000



Skatteetaten

Vår dato 12.02.2019	Din/Deres dato 25.01.2019	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Morten Myrmed	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5286801	Postadresse Postboks 9200 Grønland 0134 OSLO

CHAMPION HOLDCO AS
c/o Active Brands Kabelgata 6
0580 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 25. januar 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Champion Holdco AS	org.nr. 918 528 997
Champion Medco AS	org.nr. 918 529 187
Champion Bidco AS	org.nr. 918 528 792
Active Brands AS	org.nr. 995 767 813

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Champion Holdco AS er eid av private equity-fondet FSN Capital Group. Champion Holdco AS er morselskap og eier de andre selskapene i rekkefølge som over. Champion Holdco AS, Champion Medco AS og Champion Bidco AS er alle holdingselskaper. Den operative driften forgår i Active Brands AS. Virksomheten er salg av sportsbekledning og -utstyr. Konsernet opererer i en internasjonal bransje. Nesten halvparten av omsetningen skjer mot utenlandske aktører, og språket som benyttes internt og eksternt er engelsk. Active Brands AS har også utenlandske datterselskaper.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har en begrenset eierkrets. Virksomheten er internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of Champion Bidco AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Champion Bidco AS showing a profit of NOK 0 in the financial statements of the parent company and loss of NOK 22 467 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Champion Bidco AS (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Champion Bidco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Penneo Dokumentnøkkel: K4G8M-EY2PJ-LSFHP-FYP26-UB37K-Y0KQ6



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Champion Bidco AS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 or the Group'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 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 and the Group'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 and the Group to cease to continue as a going concern.

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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 27 April 2020
Deloitte AS

Mats Nordal
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: K4G8M-EY2PJ-LSFHP-FYP26-UB37K-Y0KQ6



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Mats Nordal

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**Consolidated financial
statements**

Champion Bidco AS

2019



CHAMPION BIDCO AS - Board of Director's report 2019

Operations and locations

Champion Bidco AS is the parent company of Champion Bidco group. The group is developing, producing, marketing and selling clothes and hardware mostly in the European and North-American sports market. At the end of the year the company owned the companies Active Brands AS, Active Brands Butikkdrift AS, Nordic Active Brands AB, Active Brands Shanghai Ltd, Active Brands Danmark Aps, Active Brands North America Inc, Active Brands Finland Oy and Lillesetra AS (51%).

The headquarter is in Oslo.

The group has during 2019 further strengthened the position in the European and US sports market. The growth of 11% is organic based on the same brands as in 2018. The organic growth outside Norway was 27% based on the same brands as in 2018. Overall, Sweet Protection was the brand with the largest growth contribution. During 2019, the group has focused on operational improvements with a new product lifecycle project and continued to focus on further strengthening the e-com activities.

Financials results

The operating expenses for the company was 0.2 MNOK in 2019 (0.2 MNOK) and the profit was 0.0 MNOK (0.0). The equity as of 31.12.2019 is 833.6 MNOK (833.6 MNOK). Equity ratio is 55.5%.

The revenue for the group was 1,173.0 MNOK in 2019 (1,058.5 MNOK) and a net profit after tax of -22.5 MNOK in 2019 (-19.6 MNOK). The equity as of 31.12.2019 is 765.4 MNOK (792.1 MNOK). Equity ratio is increased from 39.9% in 2018 to 41.1% in 2019.

The company had a net cash flow from operations of 7.3 MNOK in 2019 (22.5 MNOK). Net cash flow from investment activities is 66.0 MNOK (-51.2 MNOK) and a net cash flow from financing activities of -68.2 MNOK in 2019 (28.2 MNOK).

The group had a net cash flow from operations of 59.2 MNOK in 2019 (-30.1 MNOK). Net cash flow from investment activities is -28.5 MNOK (-35.7 MNOK) and a net cash flow from financing activities of -55.6 MNOK in 2019 (59.6 MNOK).

In accordance with the Accounting act § 3-3, we confirm that the financial statements for the company and the group have been prepared under the assumption of going concern. Based on the positioning of our brands, the current strategy and business plan, the Board expects a continued positive development for the company and its subsidiaries in the upcoming years. The board believes that the financial statements give a true and fair view of the assets and debt, financial position and earnings, however certain events after the end of the financial year is expected to affect the performance of the group in the short run.

After the end of the financial year one of the company's customers in Norway, Gresvig AS, the master franchisee for Intersport in Norway and the operator of the G-Sport store format went bankrupt, and the bankruptcy estate was later acquired by the previous owner together with the owner of its competitor Sport 1. This situation is expected to lead to closure of some stores in order to reduce the overall capacity of sports retailers in the Norwegian market and temporary reduce purchases to clear out older inventory. The new owners are financially strong and remain committed to support the company going forward with the group as one of its key suppliers. Furthermore, the Covid-19 virus situation has since March 2020 lead to different public health responses across the group's end-market geographies, including but not limited to certain restrictions on movement of



people and temporary closing of sports retailers. Both the bankruptcy of Gresvig AS and the Covid-19 virus responses are taking place in the low season for the group. Due to the short-term negative impact of the situation the outlook and budget for full year 2020 have been revised and cost reduction measures have been initiated. The long-term implications of Covid-19 are associated with high degree of uncertainty, but the future financial effect is not possible to estimate.

Risks

Financial risk

The financial risk for the group is mainly related to changes in currency rates (NOK against other currencies), changes in interest rates and credit risk from the customers (accounts receivables).

The group is exposed with currency risk, mainly USD, related to purchase of goods and SEK, EUR, USD and DKK related to selling of goods. The group has established a hedging policy to mitigate the currency risk. The risk related to accounts receivable is mitigated with close follow up of the customer and cooperation with an external cash collection company. In addition, the group has credit insurance for most of the larger customer accounts.

Market risk

Market risk is related to the market conditions, the competitive situation and the consumption pattern in the markets in which the group operates. Most of the turnover consists of pre-orders from customers. This reduces the risk of large inventory build-up. Most of the group's products are produced in Asia.

PEOPLE AND ENVIRONMENT

The group has a goal of being a workplace with full equality between women and men. By year-end 2019 the group had 218 employees (219 in 2018), of which 69% of the employees are women and 31% are men. There are no employees in the company. The board consists of two men. The group works actively to promote equality, ensure equal opportunities and rights and prevent discrimination. This is done both in internal and external recruiting processes. Recruitment processes are always made in pursuit of establishing teams mixed in gender and compatible in competence and experience. This goes for recruitments at all levels in the organisation.

The company conducts an annual salary review for all employees based on individual performance and company results. A cross-check between similar roles is done as a part of this process to ensure equal pay and eliminate gender differences.

Review of staff in part-time positions is conducted annually as a part of the budget process where FTE's are calculated.

Absence due to sickness in the group was 2.9% in 2019. There were no accidents or injuries among employees. The work situation for the employees in the group is considered good. Therefore, no concrete measures have been taken to improve the work situation.

The group has implemented a Code of Conduct and Whistleblower policy for employees and suppliers.

The group does not have any activity that substantially pollutes the external environment.



RESEARCH AND DEVELOPMENT

The group conducts research and development activities to further develop products, especially within the categories of helmets and skis.

BRANDS

Kari Traa: Women only apparel brand in the categories baselayer, training, outerwear, active lifestyle, accessories and shoes.

Dæhlie: Cross-country skiing apparel brand.

Sweet Protection: High-end brand developing and marketing helmets, eyewear, textile and accessories for skiing, biking and whitewater activities.

Bula: Apparel brand in the categories baselayer, active wear and accessories.

Johaug: Women only apparel brand in the categories baselayer, training, outerwear, active lifestyle, and accessories.

Åsnes: Hardware brand developing and marketing backcountry skies, skins and poles.

Vossatassar: Kids' brand developing and marketing baselayer, active wear and accessories.

OUTLOOK

The group operates in several markets and countries where the sports industry has continued to demonstrate a positive development. The underlying trends in health, activity and sports are believed to persist in the long-term.

The board continues to have a positive long-term view of the growth potential but expects 2020 to be a transition year for the group and the industry due to structural changes within the customer portfolio and the public health responses to Covid-19.

The board continues to work towards growth in 2021 and 2022 but notes that any assessment of future performance and external factors is naturally subject to a high degree of uncertainty.

ALLOCATION OF ANNUAL RESULTS

The Board of Directors proposes that this year's profit of NOK 0.0 MNOK be allocated as follows:

Transferred to other equity MNOK 0.0

Oslo, April 27th 2020

Eskil Gundersen Koffeld

Chairman of the Board

Eirik Wabø Arnesen

Board Member



Consolidated financial statements
Champion Bidco AS
Profit and loss statement

Amounts in 1000 NOK				GROUP	
PARENT COMPANY					
2018	2019	NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2019	2018
0	0	2, 12	Revenue	1 173 006	1 057 313
0	0	2	Other operating revenue	0	1 155
<u>0</u>	<u>0</u>		Total operating revenue	<u>1 173 006</u>	<u>1 058 468</u>
0	0		Costs of goods sold	648 056	570 292
0	0	3	Payroll and related costs	157 382	144 197
0	0	4, 5	Depreciation and amortisation of fixed and intangible assets	104 905	96 246
200	177	3	Other operating expenses	230 604	221 209
<u>200</u>	<u>177</u>		Total operating expenses	<u>1 140 947</u>	<u>1 031 945</u>
<u>-200</u>	<u>-177</u>		Operating profit/(loss)	<u>32 059</u>	<u>26 523</u>
FINANCIAL INCOME AND FINANCIAL EXPENSES					
37 390	38 242	12	Income from subsidiaries and associated companies	0	0
5 973	4 032	12	Interest received from group companies	0	0
1 015	1		Other financial income	3 395	2 602
0	-375		Interest paid to group companies	0	0
-44 179	-41 722		Other financial expenses	-53 934	-48 088
<u>200</u>	<u>177</u>		Financial items, net	<u>-50 539</u>	<u>-45 486</u>
<u>0</u>	<u>0</u>		Profit/(loss) before taxation	<u>-18 480</u>	<u>-18 963</u>
<u>0</u>	<u>0</u>	13	Income tax	3 987	608
<u>0</u>	<u>0</u>		PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>-22 467</u>	<u>-19 571</u>
			Minority's share of profit/(loss)	1 877	1 855
			Majority's share of profit/(loss)	-24 144	-21 435
ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS					
0	0	10	Transferred to other equity		
<u>0</u>	<u>0</u>		Total allocations and equity transfers		



Consolidated financial statements
Champion Bidco AS
Balance sheet at 31 December

Amounts in 1000 NOK
PARENT COMPANY

GROUP

2018	2019	NOTE	ASSETS	2019	2018
			Non-current assets		
			Intangible assets		
0	0	4	Research and development	4 419	3 897
0	0	4	Concessions, patents, licences, trademarks and similar rights	686 535	728 480
0	0	4	Goodwill	500 822	536 512
<u>0</u>	<u>0</u>		Total intangible assets	<u>1 191 775</u>	<u>1 270 888</u>
			Tangible fixed assets		
0	0	5	Fixtures and fittings	48 244	45 613
<u>0</u>	<u>0</u>		Total tangible fixed assets	<u>48 244</u>	<u>45 613</u>
			Financial non-current assets		
1 408 563	1 438 392	6	Investments in subsidiary companies	0	0
97 200	31 240	8, 12	Loans to group companies	0	0
0	0		Investments in shares	1	200
0	0		Other assets	3 276	1 000
<u>1 505 763</u>	<u>1 469 632</u>		Total financial non-current assets	<u>3 277</u>	<u>1 200</u>
<u>1 505 763</u>	<u>1 469 632</u>		Total non-current assets	<u>1 243 296</u>	<u>1 317 702</u>
			Current assets		
0	0	7	Inventories	300 473	292 075
			Receivables		
0	0	8, 12	Accounts receivable	227 480	266 919
33 668	26 871	8, 12	Other receivables	59 119	53 733
<u>33 668</u>	<u>26 871</u>		Total receivables	<u>286 599</u>	<u>320 652</u>
350	5 358	15	Cash and cash equivalents	32 212	57 116
<u>34 018</u>	<u>32 229</u>		Total current assets	<u>619 284</u>	<u>669 843</u>
<u>1 539 781</u>	<u>1 501 861</u>		TOTAL ASSETS	<u>1 862 580</u>	<u>1 987 545</u>



Consolidated financial statements
Champion Bidco AS
Cash flow statement

Amounts in NOK 1000			GROUP	
PARENT COMPANY			2019	2018
2018	2019			
		CASH FLOW FROM OPERATIONS:		
0	0	Profit/(loss) before taxation	-18 480	-18 963
0	0	Taxes paid for the period	-9 355	-15 587
0	0	Depreciation and amortisation	104 904	96 246
0	0	Impairment of fixed and intangible assets	200	0
0	0	Effect of currency rate changes	-2 384	-442
0	0	Change in inventory	-8 398	-102 442
0	0	Change in trade receivables	39 439	-1 512
7	-7	Change in trade payables	-21 495	26 059
<u>22 494</u>	<u>7 279</u>	Changes in other current assets and other liabilities	<u>-25 265</u>	<u>-13 480</u>
<u>22 501</u>	<u>7 272</u>	Net cash flow from operations	<u>59 165</u>	<u>-30 120</u>
		CASH FLOW FROM INVESTMENT ACTIVITIES:		
0	0	Outflows due to purchases of fixed assets	-24 927	-33 203
0	0	Outflows due to purchases of intangibles	-3 586	-2 254
0	0	Outflows due to purchases of financial non-current assets	0	-200
0	65 960	Inflows due to investments in financial non-current assets	0	0
<u>-51 200</u>	<u>0</u>	Outflows due to investments in financial non-current assets	<u>0</u>	<u>0</u>
<u>-51 200</u>	<u>65 960</u>	Net cash flow from investment activities	<u>-28 513</u>	<u>-35 657</u>
		CASH FLOW FROM FINANCING ACTIVITIES:		
57 000	1 605	Inflow due to new non-current liabilities	0	63 080
0	-40 000	Outflow due to downpayment of non-current liabilities	-42 274	0
0	0	Outflow due to downpayment of current liabilities	-10 691	0
0	0	Dividend payments	-1 764	-1 455
<u>-28 790</u>	<u>-29 829</u>	Payments out due to group contribution	<u>-827</u>	<u>-2 073</u>
<u>28 210</u>	<u>-68 224</u>	Net cash flow from financing activities	<u>-55 556</u>	<u>59 552</u>
-489	5 008	Net change in bank deposits, cash and equivalents	-24 904	-6 225
<u>839</u>	<u>350</u>	Bank deposits, cash and equivalents at 1 January	<u>57 116</u>	<u>63 341</u>
<u>350</u>	<u>5 358</u>	Bank deposits, cash and equivalents at 31 December	<u>32 212</u>	<u>57 116</u>



Consolidated financial statements Champion Bidco AS

Notes to the accounts, year ended 31 December 2019

The parent company Champion Bidco AS was founded February 1, 2017, and is a holding company which owns 100 % of the shares in Active Brands AS. Champion Bidco AS bought 100 % of the shares in Active Brands AS in April 2017. The transaction was made with accounting effect from January 1, 2017.

Active Brands AS was founded June 2010 and acquired the shares in Tre60, AB Sport AS og Åsnes Sport AS in the start of July 2010. In 2011 the company acquired the shares in Bj Sport AS and Nanok of Norway AS.

In 2013 the company acquired the shares in Nordic Cycling AS, and in 2014 the shares in Sweet Protection AS and Active Brands Danmark A/S was acquired.

In 2013, the following companies was merged with parent company Active Brands; AB Sport AS, Tre 60 AS with subsidiaries Åsnes Sport AS and Skigutane AS and Bj Sport AS. In 2014 wew Nanok of Norway AS and Nordic Cycling AS merged in.

In 2015 Sweet Protection AS was merged with accounting and tax effect from 01.01.15, in accordance with the continuity method. The merge was made to group continuity.

In 2016 Active Brands Finland OY was founded and 51 % of the shares in Lillestrø AS was acquired.

Besides Champion Bidco AS, the group consists of the following companies:

	Acquired	Office	share	Voting share
Active Brands AS	2017	Oslo	100 %	100 %
Active Brands Butikkdrift AS	2017	Voss	100 %	100 %
Nordic Active Brands AB	2017	Gøteborg	100 %	100 %
Active Brands Trading Company Ltd	2017	Shanghai	100 %	100 %
Active Brands Danmark ApS	2017	København	100 %	100 %
Active Brands North America Inc.	2017	Denver	100 %	100 %
Active Brands Finland OY	2017	Helsinki	100 %	100 %
Lillestrø AS	2017	Oslo	51 %	51 %

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Consolidation principles

The consolidated financial statements consist of Champion Bidco AS and its subsidiaries, where Champion Bidco AS has a controlling interest through legal or actual control. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. All material transactions and group inter-company balances are eliminated. Investments in companies where the group has significant influence (associate companies) are treated in accordance with the equity method in the consolidated financial statements. Significant influence normally exists when the group owns between 20 and 50 percent of the voting capital.

Shares in subsidiaries are eliminated in accordance with the acquisition method. This involves the acquired company's assets and liabilities being assessed at fair value on the date of acquisition, and any value added is classified as goodwill.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.



Intangible fixed assets

Expenses relating to the development of intangible assets, including research and development expenses, are capitalized when it becomes probable that the future economic benefits arising from the assets will accrue to the company, and the cost of the assets can be reliably measured.

Intangible assets that are acquired separately, are recognised at historical cost. Intangible assets acquired in a business combination, are recognised at historical cost when the criteria for balance sheet recognition have been met.

Intangible assets with a limited economic life are amortised on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognised as other financial income. The same applies for investments in associates.

Hedging

The company has a strategy for currency hedging which is audited annually. The hedging is made with forward contracts in USD, EUR, SEK and DKK. The objective is to hedge the purchase of goods from suppliers in Asia and Europe, and to hedge revenue from sale to foreign customers. The duration of the forward contracts is 6 to 12 months. In 2019 the recorded gain from hedging was 30.5 MNOK. The gain has reduced the cost of goods sold.

Inventories

Inventories are recognised at the lower of cost in accordance with the FIFO method and net realisable value. For raw materials and work in progress, the net realisable value is based on estimated selling price of finished goods, less the remaining production and sales costs. Self-produced goods are recognised at the lower of full production cost and fair value.

Revenue

Sale of goods:

Revenue is recognised when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. The revenue is recognised with the value of the remuneration at the time of transaction.

Sale of services:

Revenue is recognised when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognised with the value of the remuneration at the time of transaction.

Receivables

Trade receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Pensions

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.



Note 2 Sales revenue

Amounts in NOK 1000

Parent	2018	2019	Per area of operation:	2018	Group 2018
	0	0	Textile and hardware	1 173 006	1 057 313
	0	0	Total	1 173 006	1 057 313

Parent	2018	2019	Per area of operation:	2019	Group 2018
	0	0	Norway	617 139	619 455
	0	0	Abroad	555 867	437 858
	0	0	Total	1 173 006	1 057 313

Note 3 Payroll costs, number of employees, benefits, loans to employees etc.

Amounts in NOK 1000

Parent	2018	2019	Payroll costs	2019	2018
	0	0	Wages and salaries	130 094	113 073
	0	0	Board of Directors' remuneration	1 537	1 133
	0	0	Social security tax	17 434	17 205
	0	0	Pension costs	5 945	6 730
	0	0	Other benefits	2 372	6 056
	0	0	Total	157 382	144 197

Parent	2018	2019	Number of employees	2018	2019
	0	0	Number of employees	218	219

The parent company does not have employees in 2019.

There has not been given any loans or guarantees to shareholders, chief executives, directors etc.

Auditor

Remuneration to Deloitte AS and their associates is as follows:

Parent	2018	2019		2019	Group 2018
	143	130	Statutory audit	1 068	911
	0	0	Other assurance services	45	54
	0	0	Other non-assurance services	222	208
	14	10	Tax counselling	92	55

Note 4 Intangible assets

Amounts in NOK 10000

Group	R&D	Client relations	Goodwill	Brands	Order book	Total
Cost at 1 January 2019	7 664	230 539	804 693	583 004	15 620	1 441 520
Additions	2 938			648		3 586
Disposals						0
Cost at 31 December 2019	10 602	230 539	804 693	583 652	15 620	1 445 106
Accumulated and reversed amortisation and impairment at 31 Dec. 2019	-8 183	-57 635	-103 871	-70 022	-15 620	-253 331
Balance at 31 December 2019	4 419	172 904	500 822	513 630	0	1 191 775
Current year amortisation charge	2 416	19 212	37 690	23 338	0	82 656
Economic life	5 years	12 years	15 years	25 years	0,5 years	
Amortisation method	straight-line	straight-line	straight-line	straight-line	straight-line	

Goodwill

Goodwill is related to the acquisition of Active Brands AS in 2017.

The company has chosen an economic lifetime of 15 years for goodwill. It is natural that the goodwill is closely related to the the group business, which can be classified as brand related business. The brands are valued separately, but goodwill is considered to be related to the future ability to grow through mergers and development of new brands in the group, as well as geographic presence. Further, the goodwill is related to the ability to win future customers through trade knowledge and sales competence. Thus, the company believes there is a clear connection between goodwill and brands, and have therefore chosen an economic lifetime that exceeds 5 years.



Brand

Brand is related to the acquisition of Active Brands AS in 2017.

The company has chosen an economic lifetime of 25 years for brands. The group is developing positively, and the brands are expected to have a good profitability going forward. There are no time limitations attached to these values, and there are material investments in marketing, design and development to strengthen the brands both in Norway and internationally.

Client relations

Client relations are related to the acquisition of Active Brands AS in 2017.

The company has chosen an economic lifetime of 12 years for client relations. The company has a churn rate close to 0 in the nordic region today, but a change in trade pattern in terms of new e-commerce players, international growth as well as historical figures from the industry, implies that the rate is expected to rise. Hence, the economic lifetime is determined to 12 år.

Note 5 Property, plant and equipment

Amounts in NOK 1000

Group	Machinery, inventory and etc	Total
Cost at 1 January 2019	69 282	69 282
Additions, purchased	24 927	24 927
Disposals	0	0
Cost at 31. December 2019	94 209	94 209
Accumulated depreciation and impairment at 31 Dec. 2019	-45 964	-45 964
Balance at 31 December 2019	48 244	48 244
Current year amortisation charge	22 250	22 250
Economic life	3 - 5 years	
Amortisation method	straight-line	

	Car leasing	leasing	Office rent	Total
Annual lease of off-balance sheet fixed assets	5 675	1 171	15 058	21 804

Note 6 Investments in subsidiaries and associated companies

Amounts in NOK 1000

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Active Brands AS	2017	yes	Oslo	100 %	100 %
Active Brands Butikkdrift AS	2017	yes	Voss	100 %	100 %
Nordic Active Brands AB	2017	yes	Göteborg	100 %	100 %
Active Brands Trading Company Ltd	2017	yes	Shanghai	100 %	100 %
Active Brands Danmark ApS	2017	yes	København	100 %	100 %
Active Brands North America Inc.	2017	yes	Denver	100 %	100 %
Active Brands Finland OY	2017	yes	Helsinki	100 %	100 %
Lillesetra AS	2017	yes	Oslo	51 %	51 %

Company	Equity latest financial statements	Profit/loss latest financial statements
Active Brands AS	470 785	69 294
Active Brands Butikkdrift AS	6 325	-672
Nordic Active Brands AB	38 288	24
Active Brands Trading Company Ltd	726	211
Active Brands Danmark A/S *	-75	-111
Active Brands North America Inc.	-6 118	-1 558
Active Brands Finland OY *	888	662
Lillesetra AS	3 640	3 422

* Equity and profit/loss according to the 2018 financial statement

Investment in subsidiaries are recognised at cost.

Note 7 Inventories

Amounts in NOK 1000

Parent	2018	2019	2019	Group 2018
	0	0	Inventories	281 842
	0	0	Goods in transit	38 631
	0	0	Total	300 473
				292 075



Note 8 Receivables; amounts due after more than one year

Amounts in NOK 1000

Parent	2018	2019	2019	Group 2018
	97 200	31 240	Loan to group companies	0
				0

Note 9 Share capital and shareholder information

Amounts in NOK 1000

The share capital in the company at 31 December 2019 consists of the following classes:

	Number	Nominal amount	Carrying value
A-shares	833 614	0,05	41 681
Sum	833 614		41 681

Ownership structure

Largest shareholders as of 31 December 2019:

	A-shares	Total	Ownership share	Voting share
Champion Midco AS	833 614	833 614	100 %	100 %

Note 10 Equity

Amounts in NOK 1000

Parent

	Share capital	Share premium	Other equity	Total shareholders equity
Equity at 1 January 2019	41 681	791 919	0	833 599
<u>This year's change in equity:</u>				
Profit/(loss) of the year			0	0
Equity at 31 December 2019	41 681	791 919	0	833 599

Group

	Share capital	Share premium	Other equity	Minority interests	Total shareholders equity
Equity at 1 January 2019	41 681	791 919	-43 318	1 989	792 056
<u>This year's change in equity:</u>					
Profit/(loss) of the year			-24 144	1 677	-22 467
Dividend				-1 764	-1 764
Translation differences			-1 167		-1 167
Other changes in equity			-1 217		-1 217
Equity at 31 December 2019	41 681	791 919	-70 045	1 882	765 436

Note 11 Other non-current liabilities

Amounts in NOK 1000

Parent

2018	2019	Liabilities that mature more than five years after year end:	2019	Group 2018
0	0	Borrowings from financial institutions	0	0
0	0	Other non-current liabilities	0	0
0	0	Total other non-current liabilities	0	0

Parent

2018	2019	Carrying amount of pledged assets	2019	Group 2018
0	0	Receivables	227 480	266 919
1 408 563	1 438 392	Shares	0	0
0	0	Plant and equipment, etc.	48 244	45 613
0	0	Inventories	300 473	292 075
1 408 563	1 438 392	Total	576 197	604 608



Note 12 Related party transactions and balances

Amounts in NOK 1000

Related party transactions, profit and loss

Transaction/ transaction type	Belongs to P&L line	Company	Counterpart	relationship to the counterpart	2019	2018
Group contribution	Income from subsidiaries	Champion Bidco AS	Active Brands AS	Subsidiary	38 242	37 390
Revenue	Revenue	Active Brands AS	Active Brands Butikkdrift AS	Subsidiary	13 851	14 568
Revenue	Revenue	Active Brands AS	Lillesetra AS	Subsidiary	4 448	5 018
Revenue	Revenue	Active Brands AS	Active Brands USA	Subsidiary	77 984	42 457
Sales commission	Revenue	Active Brands AS	Nordic Active Brands AB	Subsidiary	-10 444	-24 987
Sales commission	Revenue	Active Brands AS	Active Brands Danmark A/S	Subsidiary	-5 692	-4 992
Sales commission	Revenue	Active Brands AS	Active Brands Finland OY	Subsidiary	-7 549	-8 348
Cost of good sold	Cost of good sold	Active Brands AS	Active Brands Trading Company Ltd	Subsidiary	-23 447	-22 459
Shared costs	Operating expenses	Active Brands AS	Nordic Active Brands AB	Subsidiary	1 132	2 593
Shared costs	Operating expenses	Active Brands AS	Active Brands Danmark A/S	Subsidiary	489	420
Shared costs	Operating expenses	Active Brands AS	Active Brands Finland Oy	Subsidiary	482	534
Interests	Interests received	Champion Bidco AS	Active Brands AS	Subsidiary	4 032	5 973
Total					93 528	48 167

Related party balance items

Counterpart	Short term receivables		Long term receivables	
	2019	2018	2019	2018
Balances with the parent company	0	1 541	3 133	0
Balances with subsidiaries	11 644	11 851	28 107	97 200
Total	11 644	13 392	31 240	97 200

Counterpart	Other short term debt		Long term debt	
	2019	2018	2019	2018
Balances with the parent company	375	175	8 605	7 000
Balances with subsidiaries	0	0	0	0
Total	375	175	8 605	7 000

Note 13 Income tax expense

Amounts in NOK 1000

Parent	2018	2019	Specification of income tax expense:	Group	
				2019	2018
	0	0	Current income tax payable	14 027	10 642
	0	0	Changes in deferred tax	-10 998	-9 566
	0	0	Effect of changes in tax rules	0	-1 296
	0	0	Effect of Group contribution	960	828
	0	0	Tax on profit/(loss)	3 987	608

Group	Norway 2018	2019	Allocation of income tax expense between Norway and other countries	Other countries	
				2019	2018
	-976	3 568	Tax on profit/(loss)	419	1 584

Parent	2018	2019	Specification of current income tax payable:	Group	
				2019	2018
	0	0	This year's payable income tax expense	14 027	10 642
	0	0	Too little/much income tax allocation previous years	1 396	109
	0	0	Current income tax payable in the balance sheet	15 422	10 751



Parent			Reconciliation from nominal to real income tax rate:	Group	
	2018	2019		2019	2018
	0	0	Profit/(loss) before taxation	-16 480	-18 983
	0	0	Estimated income tax according to nominal tax rate (20-24%)	-4 110	-4 453
	0	0	The tax effect of the following items:		
	0	0	Other permanent differences related to investments	-348	7
	0	0	Other non-deductible expenses	628	283
	0	0	Other non-taxable income	-108	-125
	0	0	Change in the dispragement of the deferred tax benefit	878	-55
	0	0	Effect of changes in tax rules and rates	0	-1 296
	0	0	Other items	7 047	6 247
	0	0	Income tax expense	3 987	608
	0 %	0 %	Effective income tax rate	-22 %	-3 %

Parent

Specification of the tax effect of temporary differences and losses carried forward:

	2019		2018	
	Benefit	Liability	Benefit	Liability
Losses carried forward	0	0	0	0
Total	0	0	0	0
Dispragement deferred tax	0	0	0	0
Net deferred benefit/liability in the balance sheet	0	0	0	0

Group

Specification of the tax effect of temporary differences and losses carried forward:

	2019		2018	
	Benefit	Liability	Benefit	Liability
Fixed assets	105	27 568	134	29 682
Intangible assets	0	158 934	0	188 133
Inventories	1 237	0	1 036	0
Receivables	358	0	296	0
Liabilities	0	512	0	0
Losses carried forward	1 342	0	1 161	0
Total	3 042	187 012	2 627	197 795
Off-balance sheet deferred tax benefits	1 311	10 173	1 161	10 704
Net deferred benefit/liability in the balance sheet	175 108	175 108	185 625	185 625

Note 14 Secured borrowings and guarantees

The group has provided bank guarantees to the following companies:

- Kabelgaten 6 AS, TNOK 1.625.
- Licensee agreement Canada TCAD 675

Note 15 Bank deposits

Parent

The parent company does not have restricted tax deduction funds.

Group

Bank deposits, cash etc. include restricted tax deduction funds with TNOK 6.924

Note 15 Events after the reporting period

After the end of the financial year one of the company's customers in Norway, Gresvig AS, the master franchisee for Intersport in Norway and the operator of the G-Sport store format went bankrupt, and the bankruptcy estate was later acquired by the previous owner together with the owner of its competitor Spc. This situation is expected to lead to closure of some stores in order to reduce the overall capacity of sports retailers in the Norwegian market and temporary reduce purchases to clear out older inventory. The new owners are financially strong and remains committed to support the company going forward with the group as one of its key suppliers. Furthermore, the Covid-19 virus situation has since March 2020 lead to different public health responses across the group' end-market geographies including but not limited to certain restrictions on movement of people and temporary closing of sports retailers. Both the bankruptcy of Gresvig AS and the Covid-19 virus responses are taking place in the low season for the group. Due to the short-term negative impact of the situation the outlook and budget for full year 2020 have been revised and cost reduction measures have been initiated. The long-term implications of Covid-19 is associated with high degree of uncertainty, but the future financial effect is not possible to estimate.