

Official translation from Finnish into English

ID of the dossier: 1384f40a-41c4-47a3-b4fe-e1652fc1e27e

**SPONBIKE OY**

**FINANCIAL STATEMENTS AND**

**BOARD OF DIRECTORS' REPORT**

**31.08.2021**



*Paula Bertell*

SPONBIKE OY

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**Sponbike Oy**

Business ID: FI29294241

Registered office: Helsinki, Finland

**Financial statements and Board of Director's report for period 1.9.2020-31.8.2021**

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## BOARD OF DIRECTOR'S REPORT

### General

Sponbike Oy (FI29294241) was established on 3 August, 2018 and acquired Duell Bike-Center Oy on 31 August, 2018. Duell Bike-Center Oy, in turn, owns SDBC Motor AB in Sweden, Duell AS in Norway, and Duell UK Ltd in the United Kingdom, as well as the new acquisitions during the financial year, viz. IGM Trading B.V in Holland, Grand Canyon GmbH in Germany, and Tecno Globe SAS in France via its holding company Duell SAS. The Sponbike Group is composed of Sponbike Oy together with Duell Bike-Center Oy, SDBC Motor AB, Duell AS, Duell UK Ltd, IGM Trading B.V, Grand Canyon GmbH, Duell SAS, and Tecno Globe SAS.

The Sponbike Group imports and markets equipment, supplies, and spare parts for motorcycles, snowmobiles, mopeds, ATVs, and bicycles as well as sports and boat accessories. At present, the Sponbike Group operates in Finland, Sweden, Norway, the UK, Denmark, Holland, Germany, and France. The Parent company Sponbike Oy provides administration services for the Group companies.

### Financial performance

The Group's net sales 76.8 million € (59.4) increased by 29% compared with the previous year. As regards the new acquisitions, the net sales cover two months of the operation of IGM Trading B.V. and Grand Canyon GmbH, acquired in June. Tecno Globe SAS was acquired in August and, consequently, is not included in the Group's net sales. The net sales improved as a result of increasing market share, organic growth in the European market, and strong performance of Sponbike's own trademarks Halvarssons & Lindstrands.

The net profit 7.3 million € (4.1) increased in a corresponding way compared with the previous year.

The Group has completed financial restructuring measures during the financial year. The restructuring measures were carried out to finance the new subsidiaries, and this was implemented in Sponbike Oy and Oy Duell Bike-Center Ab. Further, Sponbike Oy repaid the vendor loan in full as well as 50% of the convertible bonds.

The Group continues to invest in international growth, supported by the acquisition of IGM Trading B.V. in Holland, Grand Canyon GmbH in Germany, and Tecno Globe SAS in France. These company acquisitions further facilitate Sponbike Group's expansion in Europe and, at the same time, increase Sponbike Group's range of products by introducing new brands in the Nordic and Scandinavian market.

The Group's net sales are expected to develop in a positive way and its profitability to remain good.



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GROUP (M€)	1.9.2020- 31.8.2021	1.9.2019- 31.8.2020	1.9.2018- 31.8.2019
Net sales	76.8	59.4	56.1
Operating profit	7.3	4.1	3.9
Operating profit %	9,5%	6,9%	7,0%
Return on equity %	37,8%	23,7%	36,8%
Equity-to-assets ratio (excl. convertible bonds in equity)	15,2%	17,0%	14,7%
Equity-to-assets ratio (incl. convertible bonds in equity)	22,6%	39,3%	36,6%

*\*In the formula of Return on equity %, the net result includes a Group contribution, and it is divided with equity on average.*

PARENT COMPANY (M€)	1.9.2020- 31.8.2021	1.9.2019- 31.8.2020	1.9.2018- 31.8.2019
Net sales	-	-	-
Operating profit	-	-	-
Operating profit %	-	-	-
Equity-to-assets ratio (excl. convertible bonds in equity)	13,2%	11,8%	12,8%
Equity-to-assets ratio (incl. convertible bonds in equity)	32,8%	41,8%	40,1%

**Material events during and after the financial period**

The global COVID-19 pandemic has influenced the general financial situation. For the financial period 2021, this has been manifested in cost escalation due to increasing freight expenses.

After the closing of the financial period, the Group has continued its operation as usual and has not undergone any major changes.

**Personnel**

The Parent company had two employees at the end of the financial period.

The Group had 168 employees at the end of the financial period.

**Research and development**

The Group continually develops and tests new products under its own trademarks and develops its own internal processes. Research and development expenses are recognised as expenses in the Income statement.

**Risk management**

The Group's most significant risks are related to the supply and availability of goods, credit and exchange rates and to changes in the competitive situation.



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As part of its normal management process, the Board continually monitors the impact of these risks on the company as well as the implementation of measures geared at preventing or eliminating the risks.

**Shares**

The company's share capital is divided in 4 312 505 shares, each of which entitles to equal dividend and equal voting power.

**Convertible bonds**

The holders of convertible bonds who are regarded as related parties to the company, are entitled to trade the principle of convertible bond to new shares. The company repaid one half (50%) of its convertible bonds during the financial year. As a result of the trading right, the number of shares may increase with a maximum of 21 350 005 shares.

**Board of Directors, Managing Director, and Auditor**

The Directors of the Board are Sami Heikkilä (Chairman), Thomas Sandvall, Kim Ignatius (from 23 August, 2021), Anu Ora (from 23 August, 2021), and Tom Nylund (until 23 August, 2021). Jarkko Ämmälä is the Managing Director. The company's auditor is KPMG Oy Ab, with Mari Kaasalainen as the auditor-in-charge.

**Board proposal for the distribution of profit**

The Board proposes that the company's loss of -237,287 € be transferred to the profit and loss account and that no dividend be paid.



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	Group 1.9.2020	Group 1.9.2019	Parent company 1.9.2020	Parent company 1.9.2019
Currency: EURO	- 31.8.2021	- 31.8.2020	- 31.8.2021	- 31.8.2020
<b>NET SALES</b>	<b>76 756 265</b>	<b>59 431 580</b>	<b>425 617</b>	<b>393 977</b>
Other operating income	220 042	210 105	0	0
Materials and services				
Materials and consumables				
Purchases during the financial period	-56 022 670	-45 366 751	0	0
Change in Inventories	1 966 189	3 198 310	0	0
External services	-3 724 107	-2 676 322	0	0
Materials and services, total	-57 780 588	-44 844 763	0	0
Personnel expenses				
Wages and salaries	-5 080 061	-4 006 202	-325 547	-297 119
Other personnel expenses				
Pension expenses	-647 349	-595 237	-37 168	-48 408
Other social expenses	-644 279	-423 221	-13 648	-6 223
Personnel expenses, total	-6 371 689	-5 024 660	-376 363	-351 750
Depreciation according to plan	-1 039 930	-1 132 485	0	0
Other operating expenses	-4 502 245	-4 511 208	-246 861	-34 993
<b>OPERATING PROFIT (-LOSS)</b>	<b>7 281 855</b>	<b>4 128 569</b>	<b>-197 607</b>	<b>7 234</b>
Financial income and expenses				
Interest and other financial income				
from Group companies	0	0	248 203	252 690
from others	933 976	1 222 233	439 887	444 688
Interest and other financial expenses				
from Group companies	0	0	0	0
from others	-3 636 193	-3 143 071	-2 337 530	-2 379 717
Financial income and expenses, total	-2 702 217	-1 920 838	-1 649 441	-1 682 338
<b>PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>4 579 638</b>	<b>2 207 731</b>	<b>-1 847 048</b>	<b>-1 675 104</b>
Appropriations				
Group contributions	0	0	1 650 000	1 370 000
Income taxes				
Taxes for the financial period	-1 249 414	-684 454	-40 239	-6 901
Changes in deferred taxes	1 537	3 302	0	0
Income taxes, total	-1 247 877	-681 152	-40 239	-6 901
<b>PROFIT (-LOSS) FOR THE FINANCIAL YEAR</b>	<b>3 331 761</b>	<b>1 526 579</b>	<b>-237 287</b>	<b>-312 005</b>



	Group	Group	Parent company	Parent company
Currency: EURO	31.08.2021	31.08.2020	31.08.2021	31.08.2020
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Intangible assets				
Intangible rights	1 006 688	1 234 879	0	0
Other intangible assets	356 840	232 496	0	0
Goodwill	13 515 788	5 551 295	0	0
	14 879 316	7 018 670	0	0
Tangible assets				
Machinery and equipment	607 772	556 250	0	0
Investments				
Other shares and investments			20 889 340	21 455 455
<b>FIXED ASSETS, TOTAL</b>	<b>15 487 088</b>	<b>7 574 920</b>	<b>20 889 340</b>	<b>21 455 455</b>
<b>CURRENT ASSETS</b>				
Current assets				
Inventories	34 899 436	20 436 031	0	0
Advance payments	2 381 804	389 775	0	0
	37 281 240	20 825 806	0	0
Receivables				
Long-term				
Loan receivables	0	0	3 000 000	8 000 000
Other non-current receivables	118 167	43 286	0	0
Short-term				
Trade receivables	11 669 701	6 339 728	87 577	541 686
Loan receivables	0	0	0	0
Other current receivables	80 335	78 937	77 160	77 161
Pre-paid expenses and accrued income	1 679 424	35 254	2 052 177	1 103 233
	13 547 627	6 497 205	5 216 914	9 722 080
Cash and cash equivalents	2 814 608	7 031 048	15 045	21 473
<b>CURRENT ASSETS, TOTAL</b>	<b>53 643 475</b>	<b>34 354 059</b>	<b>5 231 959</b>	<b>9 743 552</b>
<b>ASSETS, TOTAL</b>	<b>69 130 563</b>	<b>41 928 979</b>	<b>26 121 299</b>	<b>31 199 007</b>



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	Group	Group	Parent company	Parent company
Currency: EURO	31.08.2021	31.08.2020	31.08.2021	31.08.2020
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Capital and reserves				
Share capital	2 500	2 500	2 500	2 500
Other reserves				
Reserve for invested unrestricted equity	4 310 005	4 310 005	4 310 005	4 310 005
Retained earnings	2 875 327	1 282 260	-634 437	-322 432
Profit (-loss) for the financial year	3 331 761	1 526 579	-237 287	-312 005
<b>Equity, total</b>	<b>10 519 593</b>	<b>7 121 344</b>	<b>3 440 781</b>	<b>3 678 068</b>
<b>LIABILITIES</b>				
Non-current				
Convertible bonds	5 118 403	9 348 002	5 118 403	9 348 002
Loans from financial institutions	32 783 837	11 525 445	15 074 223	11 525 445
Other liabilities	147 193	3 445 000	0	3 445 000
	38 049 433	24 318 447	20 192 626	24 318 447
Current				
Loans from financial institutions	3 595 181	1 875 000	1 690 000	1 875 000
Trade liabilities	9 708 457	2 849 678	102	0
Deferred tax liabilities	62 780	64 317	0	0
Other current liabilities	3 282 543	2 741 657	49 196	76 069
Accrued expenses and deferred income	3 912 576	2 958 536	748 594	1 251 423
	20 561 537	10 489 188	2 487 892	3 202 492
<b>LIABILITIES, TOTAL</b>	<b>58 610 970</b>	<b>34 807 635</b>	<b>22 680 518</b>	<b>27 520 939</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>69 130 563</b>	<b>41 928 979</b>	<b>26 121 299</b>	<b>31 199 007</b>



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	Group	Group	Parent company	Parent company
Currency: EURO	31.08.2021	31.08.2020	31.08.2021	31.08.2020
<b>Cash flow from operating activities</b>				
Operating profit (-loss)	7 281 855	4 128 569	-197 607	7 234
Adjustments of operating profit (-loss)				
Depreciation according to plan	1 039 930	1 132 485	0	0
Other income and expenses not associated with payment	359 139	49 297	1 076	46
Changes in working capital	-5 927 790	647 142	174 591	-306 461
Financial expenses and income	-1 519 673	-761 324	-646 982	-460 264
Income taxes	-1 113 485	-360 503	-6 299	-606
<b>Net cash flow from operating activities</b>	<b>119 976</b>	<b>4 835 666</b>	<b>-675 221</b>	<b>-760 051</b>
<b>Cash flow from investing activities</b>				
Investment of intangible and tangible assets	-398 176	-485 562	0	0
Repayment of loans from Group companies	0	0	5 000 000	0
Acquired shares in subsidiaries	-16 094 947	0	0	0
Adjustment of the purchase price of subsidiary shares	566 115	0	566 115	0
<b>Net cash flow from investing activities</b>	<b>-15 927 008</b>	<b>-485 562</b>	<b>5 566 115</b>	<b>0</b>
<b>Cash flow from financing activities</b>				
Withdrawals of long-term loans	23 399 999	0	8 900 000	0
Repayment of non-current debt	-14 395 099	-1 250 000	-14 395 099	-1 250 000
Interest and charges for financial expenses	-768 392		-768 392	
Credit limit change	3 209 614	0	0	0
Group contribution	0	0	1 366 170	1 285 005
<b>Net cash flow from financing activities</b>	<b>11 446 122</b>	<b>-1 250 000</b>	<b>-4 897 321</b>	<b>35 005</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>7 031 047</b>	<b>3 501 639</b>	<b>21 473</b>	<b>746 518</b>
Changes in cash and cash equivalents	-4 360 910	3 100 104	-6 427	-725 046
Currency translation differences	144 471	429 304		
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2 814 608</b>	<b>7 031 047</b>	<b>15 045</b>	<b>21 473</b>



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**SPONBIKE OY NOTES****Group**

The Sponbike Group comprises the parent company Sponbike Oy as well as Oy Duell Bike-Center Ab (registered office: Mustasaari, Finland), SDBC Motor AB (registered office: Tranås, Sweden), Duell AS (registered office: Kongsvinger, Norway), Duell UK Ltd (registered office: Coalville, UK), IGM Trading B.V (registered office: Hengelo, Netherlands), Grand Canyon GmbH (registered office: Meppen, Germany), Duell SAS (registered office: Montpellier, France) and Tecno Globe SAS (registered office: Montpellier, France). The consolidated financial statements are combined in the parent company's financial statements, and they are available at the head office on Kauppatie 19, 65610 Mustasaari, Finland.

**Scope of consolidated financial statements**

In addition to Sponbike Oy, the consolidated financial statements cover the subsidiaries in which the Group exercises control (all the subsidiaries). Control is constituted when the Group holds over half of the voting power in the subsidiary or otherwise exercises control. Control refers to the right to determine a company's financial and business policies in order to derive benefit from its operations.

**Elimination of ownership within the Group**

Intra-group ownership has been eliminated using the acquisition cost method.

**Business transactions within the Group**

All business transactions within the Group, internal receivables and liabilities, unrealised profits, and internal distribution of profit are eliminated in the consolidated financial statements.

**Deferred taxes**

Deferred taxes are calculated from temporary differences between the carrying amount and the taxable amount, and presented separately in the consolidated financial statements.

**Items in foreign currency**

Business transactions denominated in foreign currencies are recognised in euro according to the exchange rate prevailing on the transaction date. Receivables and liabilities denominated in foreign currencies are translated into euro using the exchange rates of the balance sheet date. Gains and losses arising from such transactions, receivables and liabilities are recognised in the income statement.

Income and expense items on the income statements and balance sheets denominated in foreign currencies in Group companies are translated into euros using the exchange rates confirmed by the European Central Bank. Items on the income statements are translated using the average exchange rates and items on the balance sheets using the exchange rates of the end date of the reporting period. Different exchange rates result in a translation difference, which is recognised under equity, likewise the translation differences due to the elimination of the acquisition cost related to subsidiaries.

**Valuation of fixed assets**

Intangible assets are mainly composed of trademarks and other long-term expenditure. Tangible fixed assets are mainly composed to machinery and equipment. Tangible fixed assets are recognised at the original acquisition cost less depreciation according to plan and, when applicable, impairment.

Depreciation according to plan is based on the estimated useful lives of the assets.



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**Depreciation:**

<b>Intangible assets</b>		
Other intangible expenditure		linear depreciation in 3 years
Trademarks		linear depreciation in 5 years
<b>Tangible assets</b>		
Machinery and equipment		25 % depreciation of residual value
Vehicles		25 % depreciation of residual value

**Inventories**

Inventories are recognised, according to the FIFO principle, at the lower of their acquisition cost or net realisable value or reacquisition cost. The value of inventories includes only variable expenses.

**Research and development expenditure**

Research and development costs are recognized as an annual expense in the income statement.

**Related party transactions, Parent company**

Related party transactions between the Group companies during the financial year were as follows:

	2021	2020
Sales of services	425 617	393 977
Financial income	688 090	252 690
Group contribution	1 650 000	1 370 000

**Related party loans transactions, Parent company**

	2021	2020
Convertible bonds	5 630 241	10 236 802
Vendor loans	0	3 651 700

**Material events during and after the financial year**

The global pandemic, COVID-19, has affected the overall economic situation. For the financial year 2021, this has been reflected in an increase in the cost level due to the increase in freight costs.

The Group grew by four companies during the 2021 financial year. Oy Duell Bike-Center Ab acquired the entire capital stock of the Dutch company IGM Trading B.V, encompassing 100% ownership of the German company Grand Canyon GmbH, which is 100% owned by IGM Trading B.V. During the financial year, the company expanded its operations to France and established there the company Duell SAS. Similarly, Duell SAS acquired 100% of the capital stock of Tecno Globe SAS, a company based in Montpellier, France, during the financial year. Regarding the new acquisitions, the net sales includes two months for IGM Trading B.V. and Grand Canyon GmbH, which were acquired in June. Correspondingly, the acquisition of Tecno Globe SAS took place in August and is therefore not included in the Group's net sales.

In order to complete the acquisitions, the Group has restructured its financing during the financial year. The reorganization of financing was carried out to finance the new subsidiaries, and this was implemented in Sponbike Oy and Oy Duell Bike-Center Ab. In addition, Sponbike Oy repaid the Vendor loan in full and 50% of the Convertible Bonds, respectively.



## NOTES TO INCOME STATEMENT

## Comparative data

As for consolidated data, the annual bonuses to customers and from suppliers have been accrued in income and expenses accordingly. Previously these have been accounted for at invoice. The net effect of bonuses relating to previous accounting period is -199,222 euro.

Net sales split	Group	Group	Parent company	Parent company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Domestic	29 923 088	25 086 620	425 617	393 977
Other Europe	46 604 310	34 029 119	0	0
Other	228 867	315 841	0	0
	76 756 265	59 431 580	425 617	393 977

The Group's net sales consists of equipment, supplies and spare parts for motorcycles, snowmobiles, mopeds, ATVs and bicycles. In addition, the range also includes watersports and boat accessories. The net sales of the Group's parent company Sponbike Oy consists of administrative services charges to Group companies.

	Group	Group	Parent company	Parent company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Average number of personnel during the financial year	112	93	2	2
Number of personnel at the end of reporting period	168	103	2	2

## Notes regarding the personnel and governance bodies

Board of Directors' and Managing director's Salaries and remuneration	215 735	198 076	215 735	198 076
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## Loans to related parties in the Parent company or in the Group

The Group companies have not granted loans to related parties.

## Depreciation and impairment

	Group	Group	Parent company	Parent company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Depreciation of tangible assets	-179 227	-156 733	0	0
Depreciation of intangible assets	-860 704	-975 752	0	0
Depreciation, total	-1 039 930	-1 132 485	0	0

## Financial income and expenses

	Group	Group	Parent company	Parent company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Interest income				
from Group companies			248 203	252 690
from others	21 086	44 126	0	0
Other financial income	912 890	1 178 107	439 887	444 688
Interest and other financial expenses	-3 636 193	-3 143 071	-2 337 530	-2 379 717
Financial items, total	-2 702 217	-1 920 838	-1 649 441	-1 682 338

## Auditor's fees

	Group	Group	Parent company	Parent company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Audit firm				
Audit	55 655	54 292	5 000	6 330
Other services		1 220	0	500
Total	55 655	55 512	5 000	6 830



## NOTES TO BALANCE SHEET

## Intangible and tangible assets

Group	Intangible assets			Total	Tangible assets	
	Intangible rights	Other intangible assets	Goodwill		Machinery and equipment	Total
Acquisition cost on 1 Sept	2 127 910	725 241	6 939 118	9 792 269	1 451 778	1 451 778
Additions	51 454	261 467	9 311 383	9 624 304	257 652	257 652
Decreases	0	0	-917 232	-917 232	-30 388	-30 388
Currency translation diff.	17 359	2 530	0	19 889	5 882	5 882
<b>Acquisition cost on 31 Aug</b>	<b>2 196 723</b>	<b>989 238</b>	<b>15 333 269</b>	<b>18 519 230</b>	<b>1 684 924</b>	<b>1 684 924</b>
Accumulated depreciation on 1 Sept	-893 030	-492 745	-1 387 824	-2 773 599	-895 529	-895 529
Depreciation during financial year	-293 309	-137 745	-429 657	-860 711	-179 227	-179 227
Currency translation diff.	-3 696	-1 908	0	-5 604	-2 396	-2 396
<b>Accumulated depreciation on 31 Aug</b>	<b>-1 190 035</b>	<b>-632 398</b>	<b>-1 817 481</b>	<b>-3 639 914</b>	<b>-1 077 152</b>	<b>-1 077 152</b>
<b>Carrying amount on 31 Aug</b>	<b>1 006 688</b>	<b>356 840</b>	<b>13 515 788</b>	<b>14 879 316</b>	<b>607 772</b>	<b>607 772</b>

During the financial year, Duell Bike-Center Oy has activated Business Finland's support and the support has been granted for system development and capitalized for other long-term expenses.

## Parent Company

Acquisition cost on 1 Sept	21 455 455
Additions	0
Decreases	-566 115
<b>Acquisition cost on 31 Aug</b>	<b>20 889 340</b>

## Investments in subsidiaries

## Subsidiaries

Company	Registered office	Holding
Oy Duell Bike-Center Ab	Mustasaari, Finland	100 %
SDBC Motor Ab	Tranås, Sweden	100 %
Duell AS	Kongsvinger, Norway	100 %
Duell UK Ltd	Coalville, UK	100 %
IGM Trading B.V.	Hengelo, Netherlands	100 %
Grand Canyon GmbH	Meppen, Germany	100 %
Duell SAS	Montpellier, France	100 %
Tecno Globe SAS	Montpellier, France	100 %

Non-current receivables	Group		Parent Company	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Other non-current receivables	118 168	43 286		
Receivables	Group		Parent Company	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Non-current receivables				
Loan receivables from Group companies			3 000 000	8 000 000



	Group	Group	Parent Company	Parent Company
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
<b>Current receivables</b>				
Trade receivables	11 669 701	6 339 728	87 577	541 686
<b>Receivables from Group companies</b>				
Pre-paid expenses and accrued income			2 052 177	1 103 233
Interest receivables			701 441	453 238
Group contribution from Group company			933 825	649 995
Other pre-paid expenses and accrued income			416 911	0
<b>Other current receivables</b>				
Other current receivables	80 335	78 937	77 160	77 161
Pre-paid expenses and accrued income	1 679 424	35 254	0	0
	<b>13 429 460</b>	<b>6 453 919</b>	<b>5 216 914</b>	<b>9 722 080</b>
<b>Equity</b>				
	<b>31.08.2021</b>	<b>31.08.2020</b>	<b>31.08.2021</b>	<b>31.08.2020</b>
Share capital on 1 Sep	2 500	2 500	2 500	2 500
Share issue	0	0	0	0
<b>Share capital on 31 Aug</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>
Reserve for invested unrestricted equity on 1 Sep	4 310 005	4 310 005	4 310 005	4 310 005
Share issue	0	0	0	0
<b>Reserve for invested unrestricted equity on 31 Aug</b>	<b>4 310 005</b>	<b>4 310 005</b>	<b>4 310 005</b>	<b>4 310 005</b>
Retained earnings on 1 Sep	2 808 839	1 459 221	-634 437	-322 432
Adjustment to retained earnings	0	-366 592	0	0
Dividends distributed	0	0	0	0
Currency translation differences	66 488	189 631	0	0
Retained earnings on 31 Aug	2 875 327	1 282 260	-634 437	-322 432
Profit (loss) for the period	3 331 761	1 526 579	-237 287	-312 005
<b>Equity, total</b>	<b>10 519 593</b>	<b>7 121 344</b>	<b>3 440 781</b>	<b>3 678 068</b>



*Paula Bertell*

	Parent Company 31.08.2021	Parent Company 31.08.2020
<b>Distributable unrestricted equity on 31 Aug</b>		
Reserve for invested unrestricted equity	4 310 005	4 310 005
Retained earnings	-634 437	-322 432
Profit (loss) for the period	-237 287	-312 005
<b>Total distributable unrestricted equity on 31 Aug</b>	<b>3 438 281</b>	<b>3 675 568</b>

**Shares in the Parent company**

31.08.2021

Each share entitles its holder to one vote at the Annual General Meeting.

4 312 505 shares

Comparison data includes booking against the retained earnings. This is a result of the tax audit for the previous financial years, 2014-2018, total amount of € 367 thousand.

	Group 31.08.2021	Group 31.08.2020
Deferred tax liabilities	62 780	64 317

Deferred tax liability consists of the accrual of the Swedish subsidiary's profit of the financial year to the upcoming financial years (Periodiseringsfond).

**Non-current liabilities, total**

	Group 31.08.2021	Group 31.08.2020	Parent Company 31.08.2021	Parent Company 31.08.2020
Loans from financial institutions	32 783 837	11 525 445	15 074 223	11 525 445
Convertible bond loans	5 118 403	9 348 002	5 118 403	9 348 002
Loans from Shareholders	0	3 445 000	0	3 445 000
Other non-current liability	147 193			
<b>Non-current liabilities, total</b>	<b>38 049 433</b>	<b>24 318 447</b>	<b>20 192 626</b>	<b>24 318 447</b>

## Loans with maturity over five years

Loans from financial institutions	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Current liabilities**

	Group 31.08.2021	Group 31.08.2020	Parent Company 31.08.2021	Parent Company 31.08.2020
Loans from financial institutions	3 595 181	1 875 000	1 690 000	1 875 000
Accounts payable	9 708 457	2 849 677	102	0
Deferred tax liabilities	62 780	64 317	0	0
Other current liabilities	3 282 543	2 741 657	49 196	76 069
Accrued expenses and deferred income	3 912 576	2 958 536	748 594	1 251 423
Wages and salaries	3 187 634	605 582	43 286	25 702
Interest expenses	40 385	1 211 264	493 740	1 211 264
Other accrued expenses and deferred income	684 557	1 141 689	211 568	14 456
<b>Total</b>	<b>20 561 537</b>	<b>10 489 187</b>	<b>2 487 892</b>	<b>3 202 492</b>



*Paula Bertell*

**Collaterals given and off-balance sheet commitments**

	Group	Group	Parent	Parent
	31.08.2021	31.08.2020	company	Company
			31.08.2021	31.08.2020
<b>Loans and other liabilities pledged with collaterals</b>				
Loans from financial institutions	33 169 404	13 400 445	16 764 223	13 400 445
Credit limits	11 496 568	8 971 931	0	0
whereof used	3 209 614	0	0	0
Import letter of credit	1 500 000		0	
whereof used	1 178 248		0	
Other collaterals	230 024	72 797	93	0
whereof used	104 146		93	

The covenants for financial institution loans relate to the ratio of net debt to EBITDA and the coverage of EBITDA in relation to interest expenses. The covenant conditions were met at the end of financial year.

**Given Collateral**

Corporate mortgage	55 000 000	55 000 000	27 500 000	27 500 000
Subsidiary shares	0	0	23 889 340	21 455 455

Due to corporate reorganizations, the Group has restructured its financing.

Oy Duell Bike-Center Ab has provided liability for the parent company's loans, and the liability for the guarantee is 16,900,000. The parent company has provided security for the loans of the subsidiary Oy Duell Bike-Center Ab and the amount of the guarantee liability is 18,931,317.55, of which 4,431,317.55 relates to the undrawn portion. In addition, the parent company and Oy Duell Bike-Center Ab have provided security for the liabilities of its subsidiary SDBC Motor AB.

	Group	Group	Parent	Parent
	31.08.2021	31.08.2020	company	Company
			31.08.2021	31.08.2020
<b>Rental commitment</b>				
Current rental commitments	1 522 785	1 169 726	0	0
Non-current rental commitments	2 611 707	1 351 043	0	0
<b>Total</b>	<b>4 134 492</b>	<b>2 520 769</b>	<b>0</b>	<b>0</b>

	Group	Group	Parent	Parent
	31.08.2021	31.08.2020	company	Company
			31.08.2021	31.08.2020
<b>Lease commitment</b>				
Current Lease commitments	177 632	27 795	16 245	0
Non-current Lease commitments	270 516	7 188	27 075	0
<b>Total</b>	<b>448 148</b>	<b>34 983</b>	<b>43 320</b>	<b>0</b>

Rental and leasing liabilities are divided for comparative purposes. In the financial statements on 31 August 2020, these were all presented under Lease obligations.

Rental obligations relate to leases for premises and lease obligations relate to rental of machinery and equipment

**Derivatives**

Fair value of interest hedging	-27 064	-35 577	-27 064	-35 577
Target value of interest hedging	42 187 500	42 812 500	42 187 500	42 812 500
Fair value of currency hedging	-71 793	0	0	0
Target value of currency hedging	8 215 672	0	0	0

Currency hedging is applied to foreign exchange rate fluctuations of the purchases in the subsidiary acquired during the financial year. The hedging is done for purchases in foreign currencies during the financial year. The impact of fair value has not been taken into account in the consolidated income statement. Adversely, the interest rate hedging applied by the parent company has not been taken into account in the income statement. The impact of the hedges is expected to materialise in the next financial year.



**Signatures for the financial statements  
and the report of the Board of Directors**

Mustasaari, Finland on \_\_\_\_ . \_\_\_\_ . 2021

\_\_\_\_\_  
Sami Heikkilä  
Chairman of the Board

\_\_\_\_\_  
Thomas Sandvall  
Board member

\_\_\_\_\_  
Kim Ignatius  
Board member

\_\_\_\_\_  
Anu Ora  
Board member

\_\_\_\_\_  
Jarkko Ämmälä  
Managing director

**Auditor's note**

A report on the audit performed has been issued today.

Mustasaari, Finland on \_\_\_\_ . \_\_\_\_ . 2021

KPMG Oy Ab

\_\_\_\_\_  
Mari Kaasalainen, CPA



*Paula Bertell*

**List of accounting books and materials**

Journal: printout  
General ledger: printout  
Payroll accounting: printouts  
Financial statements: bound  
Balance sheet specifications: bound



This is to certify that the foregoing is a true and correct English translation in conformity with the original Finnish document presented to me.

Translation in Vaasa, Finland on this 11th day of November in 2021

Paula Bertell, authorised translator Hedmaninkatu 6, 65320 Vaasa, Finland

Tel. +358-400-88 00 63; E-mail: paula@wasatranslations.fi



KPMG Oy Ab  
Töölönlahdenkatu 3 A  
P.O.Box 1037, 00101 Helsinki, FINLAND

Telephone +358-(0)20-760 3000  
[www.kpmg.fi](http://www.kpmg.fi)

Sponbike Oy  
Business ID: FI29294241  
Financial statements for the period 1 September, 2020 – 31 August, 2021

## Auditor's Confirmation

The audit report has been issued today.

In Vaasa, Finland on \_\_\_\_ October, 2021  
KPMG OY AB

Mari Kaasalainen  
Authorised Public Accountant, KHT

## Digital signature

The Auditor's digital signature in the Financial statements concerns only Auditor's Confirmation.



This is to certify that the foregoing is a true and correct English translation in conformity with the original Finnish document presented to me.

Translation in Vaasa, Finland on this 11<sup>th</sup> day of November in 2021

Paula Bertell, authorised translator  
Hedmaninkatu 6, 65320 Vaasa, Finland  
Tel. +358-(0)400-88 00 653; E-mail: [paula@wasatranslations.fi](mailto:paula@wasatranslations.fi)



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Sponbike Oy, Financial statements 8 2021

This signature form concerns all the documents and attachments to be signed (together "Documents") visible in the preview. When I sign this document digitally, I confirm that I have read and understood the terms and conditions of the Documents and that I accept them (if applicable, on the basis of appropriate authorization).

This dossier includes the following documents:

The document to be signed

Sponbike Oy\_Tilinpäätös 31.8.2021.pdf (Financial statements 2021)

Signature form (incl. digital signatures after the signing)

Allekirjoitusliite\_Sponbike Oy Tilinpäätös 31.8.2021.pdf (Signature form)

**Signatories**

Thomas Sandvall  
Board member

Kim Ignatius  
Board member

Jarkko Ämmälä  
Managing director

Anu Ora  
Board member

Sami Heikkilä  
Chairman of the Board

KPMG Oy Ab  
Mari Kaasalainen

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Sponbike Oy Tilinpäätös 31.8.2021.pdf,  
with the SHA256:

fec70efaab1263a486782b64e156e0416238baca0c1757befc482b05e8523645



*Paula Bertell*

Signature form\_Sponbike Oy Tilinpäätös 31.8.2021.pdf

Signatories:

<i>Name</i>	<i>Signed with</i>	<i>Date of signature</i>
JARKKO JUHANA ÄMMÄLÄ	Strong digital identification	2021-10-28 at 18:39
ANU EVELIINA ORA	Strong digital identification	2021-10-28 at 20:03
KIM JUHANI IGNATIUS	Strong digital identification	2021-11-01 at 12:05
SAMI MAGNUS HEIKKILÄ	Strong digital identification	2021-11-01 at 13:10
THOMAS CHRISTIAN HÅKAN SANDVALL	Strong digital identification	2021-11-01 at 14:23
MARI HELENA KAASALAINEN	Strong digital identification	2021-11-01 at 23:29

EE(S)T

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Translation in Vaasa, Finland on this 11<sup>th</sup> day of November in 2021



*Paula Bertell*

Paula Bertell, authorised translator

Hedmaninkatu 6, 65320 Vaasa

Tel. +358-(0)400-88 00 63; E-mail: [paula@wasatranslations.fi](mailto:paula@wasatranslations.fi)

# Auditor's Report

To the Annual General Meeting of Sponbike Oy

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Sponbike Oy (business identity code 2929424-1) for the year ended 31 August, 2021. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### **Basis for Opinion**

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, 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.

### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### **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 good auditing practice 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 the financial statements.

As part of an audit in accordance with good auditing practice, 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 parent 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 the Board of Directors' and the Managing Director'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 parent company's or 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 to cease to continue as a going concern.
- 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 so that the financial statements give a true and fair view.
- 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.

### **Other Reporting Requirements**

#### **Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

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. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

Vaasa, 1 November 2021

KPMG OY AB

MARI KAASALAINEN  
*Authorised Public Accountant, KHT*