

Amer Sports Danmark ApS

Kokkedal Industripark 14, DK-2980 Kokkedal

Annual report

for 1 January - 31 December 2022

CVR no 11 98 08 99

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

30 June 2023



Sara Hanquist Berggren
Chairman

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Amer Sports Danmark ApS for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Kokkedal, 30 June 2023

Board of Directors



Pia Katariina Juthström



Ferdinando Cervigni



Armin Georg Fuchs

Independent auditor's report

To the shareholders of Amer Sports Danmark ApS

Opinion

We have audited the financial statements of Amer Sports Danmark ApS for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also

—identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 30 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no 25 57 81 98



David Olafsson
State Authorised Public
Accountant
MNE19737

Company information

The Company

Amer Sports Danmark ApS
Kokkedal Industripark 14
DK-2980 Kokkedal

CVR no 11 98 08 99
Financial year 1 January - 31 December
Registered office: Fredensborg

Board of Directors

Pia Katariina Juthström
Ferdinando Cervigni
Armin Georg Fuchs

Executive board

Pia Katariina Juthström
Ferdinando Cervigni
Armin Georg Fuchs

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København

CVR no 25 57 81 98

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

DKK	2022	2021	2020	2019	2018*
Key figures					
<i>Profit/loss</i>					
Gross profit	24 868 363	28 253 408	23 789 382	38 525 648	12 429 152
Profit before financial income and expenses	6 791 181	5 994 721	5 396 605	14 817 589	3 933 733
Net financials	-19 547	-412 420	182 060	-520 738	-182 005
Net profit for the year	5 539 932	4 323 939	6 253 248	10 677 606	2 853 755
<i>Balance sheet</i>					
Balance sheet total	96 920 167	92 451 238	103 615 280	142 920 515	26 501 706
Equity	55 401 586	49 861 654	45 537 715	39 284 467	5 624 627
Investment in property, plant and equipment	4 662 201	248 690	1 442 043	17 111 513	134 883
Number of employees	24	26	27	46	15
Ratios					
Return on assets	7,0%	6,5%	5,2%	10,4%	14,8%
Solvency ratio	57,2%	53,9%	43,9%	27,5%	21,2%
Return on equity	10,5%	9,1%	14,7%	47,6%	42,6%

* The figures have not been restated for the effect of the implementation of IFRS 15 and IFRS 16 in 2019 and are therefore not comparable.

The financial ratios have been calculated as follows:

Return on assets	$\frac{\text{Profit before financials} * 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Total equity} * 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} * 100}{\text{Average equity}}$

Management's review

Main activities

The Company's activity consists in import and wholesale trade in sportswear and sports equipment. The Company markets and sells sports products for both winter and summer activities.

Financial review

The Income statement for the year ended 31 December 2022 shows a profit of DKK 5.539.932, against DKK 4.323.939 last year and the balance sheet at 31 December 2022 shows an equity of DKK 55.401.586 against DKK 49.861.654 last year.

Overall as many companies around the world, Amer Sports was affected by the global COVID-19 pandemic, but in 2022 sporting goods industry showed a strong recovery trend and consumers demand for Amer Sports products continued to increase significantly. Our growth is due to consumers' desire for a healthy lifestyle and outdoor sports experiences.

Most of Amer Sports' businesses overperformed their pre-covid levels regardless of some supply chain issues due to capacity constraints of ocean freight and lockdowns in vendor factories in Vietnam. Strongest performance on Winter sports equipment (Atomic & Salomon) with also a significant growth on Salomon Footwear.

On the negative side during 2022, the business has been affected by the political situation taking place in Europe and high rate inflation partially compensated by healthy price increases.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Company expects growth in revenue for the coming years.

Financial risks

In consequence of its solvency and financial readiness, the Company's exposure to changes in interest level is limited.

Currency risks

The Company is only limited currency risk. The Company primarily invoices in DKK, while a significant part of the purchase of goods and services is made in EUR. Currently, the Company has no hedging of currency risks relating to the purchase of goods and services.

Credit risks

The Company has no significant risks associated with specific customers or collaborators.

Intellectual capital

It is essential for the continuous growth of the Company to be able to attract and retain well educated staff. This is pursued through the ongoing training of staff, both in-house and out-of house.

Environmental issues

The Company is environmentally conscious and is continuously attempting to ensure the smallest possible impact on the environment by the Company's operations and products. The Company is not liable to and does not prepare green accounts.

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Income statements for 1 January - 31 December

DKK	Notes	2022	2021
Revenue		226 372 514	188 513 232
Expenses for good for resale		-198 207 647	-154 307 425
Other external expenses		-3 296 504	-6 342 352
Other operating income		0	389 953
Gross profit		24 868 363	28 253 408
Staff expenses	3	-13 879 027	-17 881 858
Depreciation, amortisation and impairment losses		-4 198 155	-4 376 829
Profit before financial income and expenses		6 791 181	5 994 721
Financial income	4	126 208	0
Financial expenses	5	-145 755	-412 420
Profit before tax		6 771 634	5 582 301
Tax on profit/loss for the year	6	-1 231 702	-1 258 362
Net profit for the year	7	5 539 932	4 323 939

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Balance sheet 31 December

DKK	Notes	2022	2021
Assets			
Fixed assets			
Intangible assets	8		
Software		2 933	10 019
		<u>2 933</u>	<u>10 019</u>
Property, plant and equipment	9		
Leasehold improvements		4 523 072	864 646
Land and property		4 922 074	8 176 008
Other fixtures and fittings, tools and equipment		729 059	664 892
		<u>10 174 205</u>	<u>9 705 546</u>
Fixed asset investments			
Deposits	10	1 073 893	1 073 893
		<u>1 073 893</u>	<u>1 073 893</u>
Fixed assets total		11 251 031	10 789 458
Current assets			
Receivables			
Trade receivables		33 114 710	17 990 949
Receivables from group enterprises		50 506 816	56 722 624
Deferred tax asset	11	844 397	1 097 377
Other receivables		0	4 467 162
Prepayments	12	1 173 449	1 312 216
		<u>85 639 372</u>	<u>81 590 328</u>
Cash at bank and in hand		29 764	71 452
Current assets total		85 669 136	81 661 780
Assets total		96 920 167	92 451 238

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Balance sheet 31 December

DKK	Notes	2022	2021
Liabilities and equity			
Equity			
Share capital	13	250 000	250 000
Retained earnings		20 151 586	49 611 654
Proposed dividends		35 000 000	0
Equity total		55 401 586	49 861 654
Debt			
Long-term debt			
Lease obligations	14	2 576 431	5 186 003
Short-term debt			
Short-term debt of long-term debt		3 149 084	3 715 870
Deferred income		74 773	107 094
Trade payables		3 251 272	3 938 012
Payables to group enterprises		21 912 210	18 344 463
Current tax liabilities		2 119 418	1 771 090
Other payables		8 435 393	9 527 052
		38 942 150	37 403 581
Debt total		41 518 581	42 589 584
Liabilities and equity total		96 920 167	92 451 238

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Statement of changes in equity

DKK	Share capital	Retained earnings	Proposed dividends	Total
Equity 1 January 2021	250 000	45 287 715		45 537 715
Transferred over the profit appropriation	0	4 323 939	0	4 323 939
Equity 31 December 2021	250 000	49 611 654	0	49 861 654
Transferred over the profit appropriation	0	-29 460 068	35 000 000	5 539 932
Equity 31 December 2022	250 000	20 151 586	35 000 000	55 401 586

Amer Sports Danmark ApS

Annual report for 1 January - 31 december 2022

Notes

1 - Accounting policies

The annual report of Amer Sports Danmark ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class medium-C companies. Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Amer Sports Danmark ApS

Annual report for 1 January - 31 december 2022

Notes

1 - Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit is calculated as a summary of revenue, other operating income, expenses for resale and other external expenses.

Revenue

The Company applies IFRS 15 as its basis of interpretation for the recognition of revenue.

Revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Expenses for goods for resale

Cost of goods for resale consists of purchase of raw materials and consumables consumed to achieve revenue for the year.

Other operating income

Other operating income comprise items secondary to the principal activities of the Company.

Other external expenses

Other external expenses comprise costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the Company's employees. Repayments from public authorities are deducted from staff expenses. Staff costs are less government reimbursements.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments as well as extra payments and repayment under the on account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Amer Sports Danmark ApS

Annual report for 1 January - 31 december 2022

Notes

1 - Accounting policies

Balance sheet

Intangible assets

Software is measured at the lower of cost less accumulated amortisation and recoverable amount. Software is amortised over 5 years.

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

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

Leases

The Company applies IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the Company's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost. The interest element of the lease payments is recognised in the income statement over the contractual term.

Amer Sports Danmark ApS

Annual report for 1 January - 31 december 2022

Notes

1 - Accounting policies

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, marketing and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the onaccount taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Notes

DKK	2022	2021
2 - Special items		
Special items include significant income and expenses of a special nature relative to the Company's ordinary operating activities. Special items also include other significant amounts of a non-recurring nature.		
The Company has received compensation from the Danish support schemes for companies that have lost revenue as a result of the Covid-19 pandemic.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
<i>Income:</i>		
Salary compensation	0	389 953
<i>Special items are recognised in the following items in the financial statements:</i>		
Gross profit	0	389 953
Net profit of special items	<u>0</u>	<u>389 953</u>
3 - Staff expenses		
Wages and salaries	13 281 317	17 175 865
Pensions	597 710	705 993
	<u>13 879 027</u>	<u>17 881 858</u>
Average number of employees	<u>24</u>	<u>26</u>
4 - Financial income		
Interest received from group enterprises	-121 012	0
Other financial income	247 220	0
	<u>126 208</u>	<u>0</u>
5 - Financial expenses		
Interest paid to group enterprises	0	101 807
Other financial expenses	145 755	310 613
	<u>145 755</u>	<u>412 420</u>
6 - Tax on profit for the year		
Current tax for the year	1 288 870	544 390
Deferred tax for the year	250 982	713 967
Current tax adjustment concerning previous years	-310 148	77 312
Deferred tax adjustment concerning previous years	1 998	-77 307
	<u>1 231 702</u>	<u>1 258 362</u>
7 - Distribution of profit		
Proposed dividend	35 000 000	0
Retained earnings	-29 460 068	4 323 939
	<u>5 539 932</u>	<u>4 323 939</u>

Amer Sports Danmark ApS
Annual report for 1 January - 31 December 2022

Notes

DKK

8 - Intangible assets

	Software
Cost at 1 January	2 682 013
Cost at 31 December	<u>2 682 013</u>
Amortisation at 1 January	2 671 994
Amortisation for the year	7 086
Amortisation at 31 December	<u>2 679 080</u>
Carrying amount at 31 December	<u>2 933</u>

9 - Property, plant and equipment

	Leasehold improvements	Land and property	Other fixtures and fittings, tools and equipment
Cost at 1 January	4 830 838	17 081 355	2 399 394
Additions for the year	4 038 656	81 383	542 162
Disposals for the year	-159 810	-433 475	-921 754
Cost at 31 December	<u>8 709 684</u>	<u>16 729 263</u>	<u>2 019 802</u>
Depreciation at 1 January	3 966 192	8 905 347	1 734 502
Depreciation for the year	380 230	3 335 317	475 522
Disposals of the year	-159 810	-433 475	-919 281
Depreciation at 31 December	<u>4 186 612</u>	<u>11 807 189</u>	<u>1 290 743</u>
Carrying amount at 31 December	<u>4 523 072</u>	<u>4 922 074</u>	<u>729 059</u>
Including assets under finance leases amounting to	0	4 922 074	655 767

10 - Fixed asset investments

	Deposits
Cost at 1 January	1 073 893
Additions for the year	
Disposals for the year	
Cost at 31 December	<u>1 073 893</u>
Carrying amount at 31 December	<u>1 073 893</u>

11 - Deferred tax assets

	2022	2021
Deferred tax asset at 1 January	1 097 377	1 811 344
Amounts recognised in the income statement for the year	-250 982	-716 781
Adjustment to prior year	-1 998	2 814
Deferred tax asset at 31 December	<u>844 397</u>	<u>1 097 377</u>
Intangible assets	645	2 204
Property, plant and equipment	431 021	-1 397 121
Lease obligations	-1 259 612	313 991
Provisions	-16 451	-16 451
	<u>-844 397</u>	<u>-1 097 377</u>

Deferred tax asset has been activated at 22 % corresponding to the current tax rate.

12 - Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions as well.