

CVR No: 20 75 47 88

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**adidas Danmark A/S**  
Adidasvej 1, Knudlund  
8653 Them

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**Annual report**

**for the year ended 31 December 2023**

The annual report was presented and adopted at the annual general meeting of the company

Chairman of meeting Kathryn Louise Swarbrick

Date 02.07.2024

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**Contents**  
**for the year ended 31 December 2023**

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**Statement by Board of Directors and the Executive Board  
for the year ended 31 December 2023**

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The Board of Directors and the Executive Board have today discussed and approved the annual report of adidas Danmark A/S for the financial year 1 January - 31 December 2023.

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

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position as 31 December 2023 and of the results of the company's operations for the year 1 January - 31 December 2023.

In our opinion, the Management's review includes a fair view of the development in the company's operations and financial matters, of the results for the year and of the company's financial position, and of the matters discussed in the Management's review.

We recommend that the annual report be adopted at the annual general meeting on 2nd July 2024.  
Silkeborg, 2nd July 2024

**Executive Board**

Kathryn Louise Swarbrick

**Board of Directors**

Matthew Creighton  
Chairman

Kathryn Louise Swarbrick  
Director

Jörg Volker Döring  
Deputy Chairman

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**Independent Auditor's report  
for the year ended 31 December 2023**

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Independent Auditor's Report

To the Shareholders of adidas Danmark A/S

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of adidas Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

**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.

**Statement on Management's Review**

Management is responsible for Management's Review.

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

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

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

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

**Management's Responsibilities for the Financial Statements**

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

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**Independent Auditor's report  
for the year ended 31 December 2023**

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view. 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.

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**Independent Auditor's report  
for the year ended 31 December 2023**

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Hellerup, 2nd July 2024  
PricewaterhouseCoopers  
Statsautoriseret  
Revisionspartnerselskab  
CVR No 33 77 12 31

Christina Maria Davidsen  
State Authorised Public Accountant  
mne34174

Henriette Bruun Jørgensen  
State Authorised Public Accountant  
mne49069

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**Management Review**  
**for the year ended 31 December 2023**

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

	2023	2022	2021	2020	2019
	DKK	DKK	DKK	DKK	DKK
	'000	'000	'000	'000	'000
Gross profit	45,644	47,302	47,587	44,318	53,660
Profit before financial income and expenses	15,132	15,693	15,379	13,255	14,366
Net financials	(339)	(237)	(530)	(726)	(951)
Profit/loss for the year	11,506	12,062	10,912	11,722	9,823
Balance sheet total	89,445	107,378	141,885	144,613	156,792
Investments in Property, Plant & Equipment	3,995	1,201	15,302	673	63,282
Equity	21,004	21,498	19,936	21,024	19,302
<b>Financial Ratios</b>					
Return on assets	16.9%	14.6%	10.8%	9.2%	9.2%
Solvency ratio	23.5%	20.0%	14.1%	14.5%	12.3%
Return on equity	<u>54.1%</u>	<u>58.2%</u>	<u>53.3%</u>	<u>58.1%</u>	<u>50.9%</u>

Financial highlights are calculated as follows:

Return on assets  $( \text{Profit before financial income and expenses} / \text{Total assets} ) \times 100$

Solvency ratio  $\text{Equity at year end} \times 100 / \text{Total assets}$

Return on equity  $\text{Net profit for the year} \times 100 / \text{Average equity}$

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**Management Review  
for the year ended 31 December 2023**

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**Business activities**

The company's activity is to sell adidas sports merchandise in Denmark.

**Development in activities and financial position**

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 11,506 thousand compared to profit of DKK 12,062 thousand in 2022 and an original forecast of the interval of DKK 13-16 million. The balance sheet at 31 December 2023 shows equity of DKK 21,004 thousand compared with DKK 21,498 thousand in 2022.

For the adidas group the year 2023 was a year of reset. The financial crisis across Europe had also had an impact in Denmark where the sales were slower than previous years.

In 2023 the adidas group completed its deal to divest the Reebok brand. Please refer to publicly available adidas AG group accounts for further information.

**Environment**

Being a sustainable business is about striking a balance between shareholder expectations and the needs and concerns of our employees, consumers, and communities, as well as the workers in our supply chain and the environment. We believe that acting as a responsible company will contribute to lasting economic success.

Our holistic approach to sustainability responds to the challenges that endanger our planet and people. Consequently, sustainability continues to be an integral component of our business model and we continue to innovate in our approach to meet and exceed consumer expectation.

adidas Denmark does not pollute the environment in a significant way from its operations. However, we acknowledge the fact that the most significant source of emissions comes from outsourced production and transportation of goods. Therefore, the board is continually engaged in improvements within our supply chain and working towards minimizing our carbon footprint. Please refer to our publicly available Group Sustainability report on the Adidas AG website for further detailed information on Environmental factors considered.

**Outlook**

adidas Denmark see a positive outlook for the rest of 2024 and forecasts a profit in 2024 of the interval DKK 13-16 million.

adidas Denmark see a positive outlook for the rest of 2024 and expects a profit in 2024 but adidas Denmark continues to closely monitor the developments of the ongoing macro-economic factors and evaluates the extent to which this may affect adidas business both short and long term. At the same time, the global sporting goods industry is set to benefit from major sports events in 2024



<b>Income Statement</b>			
<b>for the year ended 31 December 2023</b>			
	Note	2023 DKK '000	2022 DKK '000
Gross profit		45,643,680	47,302,275
<b>Gross profit</b>		<u>45,643,680</u>	<u>47,302,275</u>
Staff Costs	2	(21,633,339)	(22,814,699)
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<u>24,010,341</u>	<u>24,487,576</u>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(8,878,404)	(8,794,773)
<b>Profit before financial income and expenses</b>		<u>15,131,937</u>	<u>15,692,803</u>
Financial income		377,538	178,685
Financial expenses	3	(716,848)	(416,179)
<b>Profit/loss before tax</b>		<u>14,792,628</u>	<u>15,455,309</u>
Tax on profit for the year	4	(3,286,361)	(3,393,718)
<b>Net profit for the year</b>	5	<u><u>11,506,267</u></u>	<u><u>12,061,591</u></u>

**Balance Sheet**  
**for the year ended 31 December 2023**

	Note	2023 DKK	2022 DKK
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Operating equipment	6	401,311	671,997
Leasehold upgrades	6	6,797,430	8,025,385
Assets under construction	6	4,501	18,668
Land & buildings	6	12,108,808	22,361,298
Vehicles	6	34,498	115,898
<b>Total non-current assets</b>		<b>19,346,548</b>	<b>31,193,246</b>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		6,848,244	7,393,424
<b>Receivables</b>			
Trade Receivables		43,941,518	50,594,085
Amounts owed by group companies		2,557,548	3,575,272
Other receivables	7	11,411,740	11,374,962
Deferred tax asset	8	544,501	2,879,035
Corporation tax		844,984	208,724
Prepayments	9	2,523,430	0
<b>Cash at bank and hand</b>			
Cash at bank and hand		1,426,986	158,793
<b>Total current assets</b>		<b>70,098,950</b>	<b>76,184,295</b>
<b>Total assets</b>		<b>89,445,498</b>	<b>107,377,541</b>

**Balance Sheet**  
**for the year ended 31 December 2023**

	Note		2023 DKK	2022 DKK
<b>Equity</b>				
Share capital	10	8,000,000	8,000,000	
Retained Earnings		6,003,831	1,497,564	
Proposed dividend for the year		7,000,000	12,000,000	
<b>Total equity</b>			<b>21,003,831</b>	<b>21,497,564</b>
<b>Provisions</b>				
Other provisions	11	6,188,951	9,629,016	
<b>Total provisions</b>			<b>6,188,951</b>	<b>9,629,016</b>
<b>Non-current liabilities other than provisions</b>				
Lease liabilities	12	10,465,097	17,008,791	
<b>Total non-current liabilities other than provisions</b>			<b>10,465,097</b>	<b>17,008,791</b>
<b>Current liabilities other than provisions</b>				
Trade payables		16,968,700	4,633,993	
Payables to group companies		17,675,903	24,043,409	
Other tax liabilities		0	-	
Other payables		14,358,618	23,705,322	
Lease liabilities	12	2,784,398	6,859,446	
<b>Total current liabilities other than provisions</b>			<b>51,787,619</b>	<b>59,242,170</b>
<b>Total equity and liabilities</b>			<b>89,445,498</b>	<b>107,377,541</b>

Note 1 - Accounting Policies

Note 13: Contingent assets, liabilities and other financial obligations

Note 14: Related parties and ownership

Note 15: Post year-end events

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**Statement of changes in equity  
for the year ended 31 December 2023**

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	Share capital	Proposed dividend for the year	Retained earnings	Total Equity
Equity at 1 January 2023	8,000,000	12,000,000	1,497,564	21,497,564
Profit for the year	-	-	11,506,267	11,506,267
Ordinary dividend paid	-	(12,000,000)		(12,000,000)
Proposed profit appropriation - dividend	-	7,000,000	(7,000,000)	-
<b>Equity at 31 December 2023</b>	<u>8,000,000</u>	<u>7,000,000</u>	<u>6,003,831</u>	<u>21,003,831</u>

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**Notes to the financial statements  
for the year ended 31 December 2023**

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## 1. Accounting policies

The annual report of Adidas Danmark A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act. The accounting policies used in the preparation of the financial statements are consistent with those of last year. The statements are presented in DKK.

### Applied exemption in the Danish Financial Statements Act

In accordance with section 86 (4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement, as such a statement is included in the consolidated cash flow statement of adidas Group.

#### 1.1 Revenue

The Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognizing revenue. IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognize revenue so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services. Revenue derived from the sale of goods is recognized when adidas has satisfied the respective performance obligation by transferring the promised goods to the customer. The goods are transferred at the point in time when the customer obtains control of the respective goods. The timing of the transfer of control depends on the individual terms of the sales agreement (terms of delivery).

The amount of revenue to be recognized is determined based on the consideration adidas expects to be entitled to in exchange for transferring the promised goods or services to the customer, taking into account returns, discounts, and rebates.

#### 1.2 Cost of sales

Cost of goods sold comprise direct and indirect costs incurred to generate revenue, including costs for sale and distribution of goods sold.

#### 1.3 Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

#### 1.4 Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue. The gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

#### 1.5 Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc, to the company's employees.

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**Notes to the financial statements  
for the year ended 31 December 2023**

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**1. Accounting policies (continued)****1.6 Financial income and expenses**

Financial income and expenses include interest, financial expenses, realised and unrealised exchange adjustments, amortisation of mortgage.

**1.7 Tax on profit for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including charges arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

**1.8 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less any projected residual value after the end of the useful life. The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Operating Equipment	2-8 years
Leasehold Improvements	3-10 years

adidas recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured based on the present value of lease payments plus any initial direct costs incurred and the costs of obligations to refurbish the asset, less any incentives received. The ROU asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

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**Notes to the financial statements  
for the year ended 31 December 2023**

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## **1. Accounting policies (continued)**

### Leased assets

The Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognizing and measurement of finance leases to which the Company is the lessee.

At the commencement date, the right-of-use asset is initially measured at cost, which is comprised of the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by adidas in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Leased assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use assets or the end of the lease term. The estimated useful lives of the assets are determined on the same basis as those of property, plant and equipment.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

### 1.9 Impairment of non-current assets

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

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write downs are 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.

Previously recognised write downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

### 1.10 Inventories

Inventories are measured using FIFO method. Where the net realisable value is lower than the cost, inventories are carried at this lower value. The cost of goods for resale and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

### 1.11 Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivables is impaired, an impairment loss for that individual asset is recognised.

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**Notes to the financial statements  
for the year ended 31 December 2023**

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**1. Accounting policies (continued)**

**1.12 Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

**1.13 Equity**

**Dividend**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

The expected dividend payment for the year is disclosed as a separate item under equity.

**1.14 Provisions**

Provisions comprise expected expenses relating to warranties. Provisions are recognised, when as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at value in use.

**1.15 Corporation tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income of the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.



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**Notes to the financial statements  
for the year ended 31 December 2023**

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**1. Accounting policies (continued)**

**1.16 Liabilities other than provisions**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between proceeds and the nominal value is recognised in the income statement over the term of the loan.

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

**1.17 Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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**Notes to the financial statements  
for the year ended 31 December 2023**

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**2. Employees**

	2023	2022
	DKK	DKK
Wages and salaries	19,162,777	19,392,944
Social security costs	314,103	440,275
Pensions	2,098,853	2,043,992
Other staff costs	57,607	937,489
	<u>21,633,339</u>	<u>22,814,699</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2023	2022
	No.	No.
	<u>51</u>	<u>74</u>

The Company has not paid any remuneration to the Executive Board or the Board of Directors during the financial year.

**3. Financial Expenses**

	2023	2022
	DKK	DKK
Financial expenses from group companies	193,780	189,613
Other financial expenses	523,067	226,566
	<u>716,848</u>	<u>416,179</u>

**4. Tax on profit for the year**

	2023	2022
Current tax for the year	1,848,553	3,393,718
Deferred tax for the year	1,437,808	0
Adjustment of current tax concerning previous years	0	0
Transfer pricing tax refund	-	-
	<u>3,286,361</u>	<u>3,393,718</u>

**5. Proposed profit appropriation**

	2023	2022
	DKK	DKK
Proposed dividend for the year	7,000,000	12,000,000
Retained earnings	4,506,267	61,591
	<u>11,506,267</u>	<u>12,061,591</u>

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**Notes to the financial statements  
for the year ended 31 December 2023**

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**6. Tangible fixed assets**

	Right of use assets DKK	Vehicles DKK	Leasehold upgrade DKK	Assets under Construction DKK	Operating equipment DKK	Total DKK
<b>Cost or valuation</b>						
At 1 January 2023	48,348,395	534,528	19,057,396	18,668	1,524,531	69,483,519
Additions	3,919,553	-	0	-	75,202	3,994,755
Disposals	- 6,948,883	-	-	14,168	-	6,963,051
At 31 December 2023	45,319,065	534,528	19,057,396	4,501	1,599,733	66,515,223
<b>Depreciation</b>						
At 1 January 2023	25,987,097	418,630	11,032,011	-	852,534	38,290,271
Charge for the period on owned assets	7,223,160	81,400	1,227,955	-	345,888	8,878,404
Disposals	-	-	-	-	-	-
At 31 December 2023	33,210,257	500,030	12,259,966	-	1,198,422	47,168,675
<b>Carrying Amount</b>						
At 31 December 2023	12,108,808	34,498	6,797,430	4,501	401,311	19,346,548
Assets held under finance lease	12,108,808	34,498	-	-	-	12,143,306

**7. Other Receivables**

Majority of Other Receivables derives from Marketplace sales. These are customers with a platform where adidas sell through

**8. Deferred Tax Asset**

	2023 DKK	2022 DKK
Deferred tax as at 1 January	2,879,035	2,879,035
Adjustment to prior year	(896,726)	-
Deferred tax adjustment for the year income statement	(1,437,808)	0
	<u>544,501</u>	<u>2,879,035</u>

**9. Prepayments**

Prepayments comprise prepaid expenses regarding rent, service charge, insurance premiums and subscriptions.

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**Notes to the financial statements**  
**for the year ended 31 December 2023**

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**10. Equity**

The share capital consists of 4 shares of a nominal value of DKK 2,000 thousand. No shares carry any special rights.

**11. Other Provisions**

	2023	2022
Warranty provision	6,188,951	9,629,016
	6,188,951	9,629,016

**12. Lease Liabilities**

Non-current liabilities other the provisions can be specified as follows:

	2023	2022
	DKK	DKK
Lease liabilities		
<1 year	2,784,398	6,859,446
Between 1-5 year	6,685,354	12,460,643
More than 5 years	3,779,743	4,548,148
	13,249,495	23,868,237

**13. Contingent assets, liabilities and other financial obligations****Contingent Liabilities**

The company has entered into multi-years sponsor agreements with several sporting associations and athletes. The total liability at 31 December 2023 totalled DKK 63 million, of which DKK 11 million falls due for payment in 2024.

The company has issued bank guarantees of DKK 0.4 million.

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**Notes to the financial statements  
for the year ended 31 December 2023**

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**14. Related parties and ownership****Controlling interest**

adidas International B.V., Hoogoorddreef 9A, Amsterdam, Holland.

adidas International B.V. holds the majority of contributed capital in the Company

**Ownership**

adidas Danmark A/S is part of the consolidated financial statements of the adidas Group. The consolidated financial statements can be requisitioned at <http://www.adidas-group.com/>

adidas Danmark A/S is part of the consolidated financial statements of the adidas Group, adidas AG, which is the largest and smallest group in which the Company is consolidated.

**Related party transactions**

	2023	2022
	DKK '000	DKK '000
<b>Transactions with related parties</b>		
Sale of goods and services to group companies	8,439	11,528
Purchase of goods and services from group companies	435,313	543,084

Receivables and payables from/to subsidiaries are disclosed in the balance sheet, and interest expense is disclosed in note 5.

**15. Post year-end events**

The directors do not believe there are any post year-end events to be disclosed in these statements