Unisport A/S

Bådehavnsgade 38, 2450 København SV

CVR no. 30 80 06 80

Annual report 2023

Approved at the Company's annual general meeting on 30 May 2024

Chair of the meeting:

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Jesper Rechter Christensen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unisport A/S for the financial year 1 January - 31 December 2023.

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

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.

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

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

Copenhagen, 28 May 2024
Executive Board:

Michael Johannes Burk CEO	Jesper Rechter Christensen CFO

Board of Directors:

Filip Domagala Chairman	Jess Ørgaard Libak Tropp	Christian Hedegaard

Independent auditor's report

To the shareholder of Unisport A/S

Opinion

We have audited the financial statements of Unisport 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 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 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.

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

Independence

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.

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.

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 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 the 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.

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 note 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, 28 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant
mne24687

Louise Hänsch Olsen
State Authorised Public Accountant
mne48534

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	913,165	701,536	568,023	431,034	382,058
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	36,408	15,037	17,701	2,723	3,660
Operating profit/loss	10,544	-8,483	3,168	-13,047	-10,223
Normalised EBITDA (before special items)	35,762	28,577	17,570	3,336	4,321
Net financials	-9,634	-4,163	-2,660	-2,186	-2,548
Profit/loss for the year	8,364	-1,936	2,374	-8,789	-7,604
Total assets	267,150	308,403	223,819	183,338	141,939
Investments in property, plant and equipment	1,308	2,248	1,678	812	1,061
Equity	22,147	13,783	15,719	13,345	22,134
Gross merchandise value	919,947	691,067	591,149	449,100	384,937
Financial ratios					
Operating margin	2.2%	0.3%	1.0%	-2.1 %	-1.9 %
Equity ratio	8.3%	4.5%	7.0%	7.3%	15.6%
Return on equity	46.6%	-13.1%	16.3%	-49.5%	-29.3%
Average number of full-time employees	214	178	146	150	133

For terms and definitions, please see the accounting policies.

Management's review

Data ethics

The Company currently do not have a data ethics policy. The Company only collects and processes data to a necessary extent in the Company's main activity, hence a policy is not developed. The Company has worked intensively with implementing GDPR policies for customer and HR data and external reviews are conducted. Last review conducted in Q2 '23.

We will ensure compliance with applicable data protection laws and have a strong focus on the principles of self-determination, human dignity, responsibility, equality and fairness, progressiveness, and diversity in general. We always keep people in focus, and when we develop new products and services, we focus on privacy by design and standard.

Business review

The activity of the Group is trade of football equipment from leading sports brands and football clubs, mainly through the internet (e-commerce).

The Company trades football equipment directly to the end-consumers (B2C) as well to football clubs (B2B). In terms of online sales, the Company uses a well-established wholesale logistics model as well as an asset light Marketplace model as a sales channel on its platform. Marketplace is expected to continue to be a key growth driver in the upcoming years strengthening the product offering without additional working capital needs as well as optimizing the supply chain.

In terms of sales channels the Company distributes exclusively through the own Unisport online platform, a B2B sales force as well as through a Premium Flagship Retail stores located in the city centre of Copenhagen (Denmark). The store delivered all-time-high visitor and revenue in 2023.

The B2B sales channel aimed at professional as well as amateur football clubs, football schools as well as football federations has developed very well in 2023. The Company measures it's performance by the number of football players registered by its clubs on contract ("members on contract") as well as the revenue derived from products of the Teamsales category. At the end of 2023, clubs having close to 130.000 members have been contracted which equals a growth of 31% versus prior year. The cooperation with the Danish DBU football school was fruitful due to the football school reaching new all-time high number of participants (26.899) and coaches (3.500).

The Company aims at building loyalty and increasing the number of repeat buyers amongst its customer base. The key initiatives to drive loyalty are customer experience, CRM and membership. The Company had started its loyalty and membership program called "Unisport F.C" in 2020 and was able to grow members quickly. During 2023, Unisport F.C. surpassed the milestone of 1 million members followed by a week-long celebration called "dream week" giving away prices like signed football shirts and tickets to football matches to it's members and customers. By the end of 2023 the number of members had grown by +54% yoy to around 1.3 million members – making it the largest membership program in the football industry globally.

Apart from trading football equipment, the Company has a media business operating one of the largest Social Media influencer networks for Football with inhouse content production serving more than 8 million followers globally across various popular Social Media networks like YouTube, Instagram, Facebook, TikTok and others. Through these social media channels, the company reaches the hard-to-reach and young "Generation Z". In August 2023 its main global YouTube channel reached a milestone of surpassing 1 billion lifetime views and reaching close to 5 million subscribers at the end of 2023. Apart from YouTube, the TikTok channel was particularly successful growing it's subscribers from around 230.000 to more than 500.000 people by the end of the year.

Management's review

Unusual matters having affected the financial statements

As described in the annual report for 2022, the Company moved its Central Warehouse in Q4 '22. The timing was not ideal and created a high amount of one-time costs (moving costs, costs for double rent, overtime costs etc). Operations were during Q1 '23 still to some extent affected. The calculated one-time costs in Q1 '23 amount to DKK 3.5 million.
Apart from this, the Company has not been influenced by unusual conditions in the financial year.

Financial review

The income statement for 2023 shows a profit of DKK 8.4 million against a loss of DKK 1.9 million last year and the balance sheet as 31 December 2023 shows an equity of DKK 22.1 million.
In the annual report for 2022, Management expected a growth in revenue and profits in 2023.
The Company realized a very strong growth in revenue and profits (adjusted for one-off costs as mentioned above) compared to 2022 and over delivered on the expectations. Online traffic and revenue were positively impacted by the macro trends moving more consumers into the online sales. In addition, the Company has successfully continued expanding its customer base and recurring business due to customer retention projects. The offline business (Physical Flagship stores as well as the B2B Teamsales) overdelivered on the expectations as well.

Management considers the Company's financial performance in the year satisfactory.

The income statement for 2023 reflects the following:

Gross Merchandise Value (GMV):

GMV has been added to report the total value of sales through the Company´s sales platforms. GMV comprise the value of all merchandise and shipping services sold to customers after cancellations and returns and excluding VAT. Sale of goods for resale to other Company companies are not included. GMV amounted to DKK million 919.9 (2022: DKK 708.9 million) and therefore increased by 30%. GMV was positively impacted by high growth from sales and marketing activities that has led to a 23% increase in number of active customers surpassing more than 1,100,000 active customers during the last 12 months for the first time ever. An amount of 1.6 million orders were shipped to customers during 2023, an increase of 30% versus 2022.

Revenue:

Revenue grew 30% compared to 2022 and amounted to DKK 913.2 million (2022: DKK 701.5 million). Revenue was positively impacted by high growth from sales and marketing activities that has led to a net increase in number of customers. Additionally, sale of goods for resale to other Company companies has contributed positively to revenue.

Profitability:

A significant part of the growth comes from new markets requiring additional investments especially in terms of customer acquisition costs and last mile costs. During 2023 the exchange rates for SEK/DKK decreased by 7 percent and SEK/NOK decreased by 12%. Since Sweden and Norway are key market for the Company, it has had a negative impact to revenue and profitability of the Swedish and Norwegian online business.
Apart from that, the Company delivered a significantly higher profitability following the successful growth and improved cost efficiency.

One-time costs:

As mentioned in the Operating Review section, the Company moved its central warehouse in 2nd half of 2022. This led to one-time costs during Q1 '23, totalling mDKK 3.5 million.

Management's review

Balance sheet

The balance sheet as of 31 December 2023 amounts to DKK 267.2 million compared to DKK 308.4 million in 2022. The decrease was primarily due lower inventories (DKK 37.7 million). Inventories are reduced compared to the high inventory levels in 2022 following the beforementioned warehouse move.
Total equity as of 31 December 2023 amounts to DKK 22.1 million, compared to DKK 13.8 million as of 31 December 2022. The change in equity reflects the effect of the profit/loss for the year.

Financial risks and use of financial instruments

The Company´s revenue is generated in DKK, SEK, NOK and EUR. Purchases and other costs are primarily made in DKK and EUR.

According to an approved risk policy, the currency risk is not hedged.

Research and development activities

A substantial part of the business IT-system is developed and managed internally.

Foreign branches

The Company has a registered branch in Sweden without permanent establishment.

Statutory CSR report

Statutory statement on corporate social responsibility, cf. the Danish Financial Statements Act §99a.

The Company has not drawn up any CSR report, as the Parent Company has done so for the entire Company according to §99a. The report is rendered in the parent company´s annual report for Unisport Holding ApS, CVR number35 65 06 79 and may be downloaded from the site www.cvr.dk.

Report on the gender composition of Management

It is the policy of the Company to appoint the best qualified candidates to leadership posts and at the same time support and enhance the qualifications of female leadership talents. When hiring white collar employees, the Company aspires to have at least one of each gender represented in the final interview stages.
The gender composition of Management as per 31 December 2023 as illustrated in the table below:

		2023	2024	2025	2026	2027
Top managerial position (Board of Directors)	Total number of members	3				
	Underrepresented gender in pct.	0%				
	Target figure in pct.	33%				
	Year for fulfilment of target	2024				
Other Managerial positions (1 and 2)	Total number of members	11				
	Underrepresented gender in pct.	9%				
	Target figure in pct.	27%				
	Year for fulfilment of target	2025				

Management's review

Top Managerial position (Board of Directors)
The Board of Directors of the Company consists of three members, of whom all are men. The target figure is 33% in 2024.

Our outgoing commitment to fostering an inclusive culture was review and assess the Board´s composition, identifying opportunities to appoint highly skilled woman with diverse expertise to maintain a balanced representation.

The target was to increase the proportion of women to a minimum of 33% during 2023. The target was not met since there has been no changes to the Board of Directors during 2023.

Other Managerial positions (level 1 and 2)
The total number of other management in 2023 are 11 members, whereas the underrepresented gender is 9% (1 member).

The target was to have at least one (1) female member of the Management team by the end of 2023. The target was realised during 2023 where one of out of two additions to the Management team was a female.

A new target has been set out for 2025 to have at least a proportion of 27% (three) female members of the Management team.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would significantly influence the evaluation of this annual report.

Outlook

Management expects and plans with achieving a revenue growth between 12% - 20% in 2024 depending on the competitive situation and impact on consumer demand. Profitability is planned to increase at least in line with the revenue growth.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
3	**Revenue**	913,165	701,536
	Other operating income	9,789	10,459
	Cost of sales	-646,961	-494,900
4	Other external expenses	-156,869	-137,520
	Gross profit	119,124	79,575
5	Staff costs	-82,716	-64,538
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-16,076	-13,061
	Profit before net financials	20,332	1,976
6	Financial income	623	440
7	Financial expenses	-10,257	-4,603
	Profit/loss before tax	10,698	-2,187
8	Tax for the year	-2,334	251
	Profit/loss for the year	8,364	-1,936

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Non-current assets		
9	**Intangible assets**		
	Completed development projects	7,017	5,660
	Goodwill	6,418	8,286
		13,435	13,946
10	**Property, plant and equipment**		
	Land and buildings	31,375	30,923
	Other fixtures and fittings, tools and equipment	1,224	1,611
	Leasehold improvements	1,600	1,538
		34,199	34,072
11	**Financial assets**		
	Deposits, investments	2,682	2,448
12	Deferred tax assets	1,657	3,851
		4,339	6,299
	Total non-current assets	51,973	54,317
	Current assets		
	Inventories		
	Finished goods and goods for resale	186,743	224,419
		186,743	224,419
	Receivables		
	Trade receivables	8,026	7,119
	Receivables from group entities	5,009	7,827
	Other receivables	5,672	3,087
	Prepayments	0	1,284
	Refund assets	9,366	10,350
		28,073	29,667
	Cash	361	0
	Total current assets	215,177	254,086
	TOTAL ASSETS	267,150	308,403

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	5,626	5,626
	Reserve for development costs	5,438	4,399
	Retained earnings	11,083	3,758
	Total equity	22,147	13,783
	Liabilities		
14	**Non-current liabilities**		
15	Other provisions	518	518
	Lease liabilities	22,872	23,971
	Other payables	3,516	3,397
	Total non-current liabilities	26,906	27,886
	Current liabilities		
	Bank debt	15,334	7,812
14	Lease liabilities	10,325	7,996
	Prepayments received from customers	3,307	3,004
	Trade payables	120,384	179,407
	Payables to group entities	4,979	22,942
	Joint taxation contribution payable	140	0
	Refund liabilities	15,353	16,048
	Other payables	44,898	27,671
16	Deferred income	3,377	1,854
	Total current liabilities	218,097	266,734
	Total liabilities	245,003	294,620
	TOTAL EQUITY AND LIABILITIES	267,150	308,403

1 Accounting policies
2 Special items
17 Appropriation of profit/loss
18 Contractual obligations and contingencies, etc.
19 Security and collateral
20 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2022	5,626	3,866	6,227	15,719
17	Transfer, see "Appropriation of profit/loss"	0	533	-2,469	-1,936
	Equity at 1 January 2023	5,626	4,399	3,758	13,783
17	Transfer, see "Appropriation of profit/loss"	0	1,039	7,325	8,364
	Equity at 31 December 2023	5,626	5,438	11,083	22,147

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Unisport A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Unisport Holding ApS.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the time of sale in the stores or delivery from the website.
The Company considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated.
Revenue includes shipping income as well.

The customers hold a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets and received marketing contribution from suppliers.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.
Cost of sales is recognised after deduction of supplier discounts and bonuses.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Goodwill	20 years

The amortisation period is 20 years as the business strategy and earning potential is considered long-term.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	1-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Land and buildings comprise the carrying amount of leased premises, which are depreciated over the expected leasing periods for each lease, which usually varies from 1-5 years. The remaining lease terms are disclosed in the note for property, plant and equipment.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest expenses, e.g. from group entities, financial expenses relating to finance leases and realised and unrealised exchange gains and losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's eperience of the specific business areas. Goodwill is amortised on a straight-line basis over a period of 20 years, because it is related to strategically acquired enterprises.

The amortisation period is 20 years as the business strategy and earning potential is considered long-term.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

The depreciation period is determined at the time of acquisition and is reassessed every year. In case of changes in the amortisation period, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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 and other external expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

Whether a contract contains a lease is assessed at contract inception. For identified leases a right-of-use asset and corresponding lease liability are recognised at the lease commencement date. At initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs including dismantling and restoration costs. The lease liability is measured at the present value of lease payments discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined an appropriate incremental borrowing rate is used instead.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability. Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease contract are also accounted for following same principel.

Right-of-use assets classified as buildings mainly relate to leases of stores and office buildings. All other lease contracts regarding other property, plant and equipment have been assessed as either short-term or low value leases and hence is not recognized as right-of-use assets.

Deposits, investments

Deposits are measured at cost price.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into accuont marketability, obsolescence and development in expected selling price.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes to the discount factor during the year are recognised as financial expenses.

Provisions for restoration of leasehold improvements, etc. are measured at the present value of the expected future restoration costs at the end of the reporting period. The provision is calculated on the basis of current public authority orders and estimated costs that are discounted at present value. Specific risks associated with the provision are included in the estimated costs. A discount factor reflecting the general interest rate levels is used. Provisions are recognised as they arise and are adjusted on an ongoing basis in order to reflect changes in requirements and prices, etc. The present value of the costs is recognised in the cost of the property, plant and equipment in question and is depreciated with these assets. The increase of the present value due to the passage of time is recognised in the income statement as financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Prepayments received from customers

Prepayments from customers include payments received from customers regarding subsequent years, including gift cards.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years, including leasehold contributions from suppliers.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Normalised EBITDA
Normalised EBITDA, as disclosed in the Management's review, comprise operating profit before amortisation, depreciation and impairment losses and adjusted for special items.
Special items
Special items comprise significant income and expenses of a special nature relative to the Company's revenue generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items that, in the opinion of Management, do not form aprt of the Company's operating activities.
Gross merchandise value
Gross merchandise value, as disclosed in the Management's review, comprise is defined as the value of all merchandise sold to customers after cancellations and returns and excluding VAT, dynamically reported.

2 Special items

DKK'000	2023	2022
Expenses		
Extra staff related to the move, operating two locations etc.	-3,536	-11,334
Transition planning and physical move	0	-1,895
Other	0	-311
	-3,536	-13,540
Special items are recognised in the below items of the financial statements		
Staff costs	-3,536	-11,334
Other external costs	0	-2,206
Net loss on special items	-3,536	-13,540

Due to higher than planned growth, the Group was during 2022 forced to pull forward a planned warehouse extension from mid-2023 by almost 10 months to second half of 2022. Running two warehouses for a period of time and the physical warehouse move created a high amount of one-time costs and higher staff in-take.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2023	2022
3	**Segment information**		
	Breakdown of revenue by business segment:		
	Mature markets	667,454	521,336
	New markets	245,711	180,200
		913,165	701,536

The Company's revenue derives from sales from the websites in each of the countries in which the Company operates. In addition to sales through the websites, part of revenue derives from the flagship stores in central Copenhagen and a minor part of revenue consists of sales to soccer clubs and sports associations.

All revenue transactions are recognised at a point in time.

The Company focuses on the two segments; mature markets and new markets. New markets consists of France, Germany and Austria and mature markets consists of the Scandinavian countries and Holland.

4 **Fee to the auditors appointed in general meeting**

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Unisport Holding ApS.

DKK'000		2023	2022
5	**Staff costs**		
	Wages/salaries	74,216	58,468
	Pensions	4,029	2,551
	Other social security costs	1,888	1,468
	Other staff costs	2,583	2,051
		82,716	64,538
	Average number of full-time employees	214	178
	Remuneration to members of Management:		
	Executive Board	4,145	4,050
	Board of Directors	595	595
		4,740	4,645
6	**Financial income**		
	Interest income, group entities	286	440
	Other interest income	337	0
		623	440

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2023	2022
7	**Financial expenses**		
	Interest expenses related to bank facilities incl. expansion of bank credit facility	64	523
	Interest expenses, group entities	38	525
	Interest expenses regarding leases	2,163	771
	Other interest expenses	5,765	1,659
	Foreign currency adjustments	2,227	1,125
		10,257	4,603
8	**Tax for the year**		
	Estimated tax charge for the year	140	0
	Deferred tax adjustments in the year	2,257	-251
	Tax adjustments, prior years	-63	0
		2,334	-251

9 **Intangible assets**

DKK'000	Completed development projects	Goodwill	Total
Cost at 1 January 2023	20,268	37,369	57,637
Additions in the year	4,503	0	4,503
Disposals in the year	-294	0	-294
Cost at 31 December 2023	24,477	37,369	61,846
Impairment losses and amortisation at 1 January 2023	14,608	29,083	43,691
Amortisation in the year	3,146	1,868	5,014
Reversal of amortisation/depreciation and impairment of disposals	-294	0	-294
Impairment losses and amortisation at 31 December 2023	17,460	30,951	48,411
Carrying amount at 31 December 2023	7,017	6,418	13,435
Amortised over	3 years	20 years	

Completed development projects

The Company's internal development projects relates to the Company's web platform and operational system, which is used in the Company's operations.

The capitalised expenses primarily consist of internal expenses in the form of payroll costs and external expenses from consulting.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	57,208	13,101	3,225	73,534
Additions in the year	9,881	483	824	11,188
Disposals in the year	0	-1,926	0	-1,926
Cost at 31 December 2023	67,089	11,658	4,049	82,796
Impairment losses and depreciation at 1 January 2023	26,285	11,490	1,687	39,462
Depreciation in the year	9,429	870	762	11,061
Reversal of amortisation/depreciation and impairment of disposals	0	-1,926	0	-1,926
Impairment losses and depreciation at 31 December 2023	35,714	10,434	2,449	48,597
Carrying amount at 31 December 2023	31,375	1,224	1,600	34,199
Property, plant and equipment include finance leases with a carrying amount totalling	31,375	0	0	31,375

Buildings with a carrying amount of DKK 31,375 thousand at 31 December 2023 consist of Right-of-use assets regarding leased warehouse, flag ship store and office buildings.

Right of use assets are depreciated over the expected lease term of the contracts, which varies from 12 - 44 months from the balance sheet date. As discount rate, the incremental borrowing between 3.0 % - 7.5 % has been applied (2022: 3.0 - 7.5 %).

Financial statements 1 January - 31 December

Notes to the financial statements

11 Financial assets

DKK'000	Deposits, investments
Cost at 1 January 2023	2,038
Additions in the year	1,667
Disposals in the year	-1,486
Cost at 31 December 2023	2,219
Value adjustments at 1 January 2023	410
Revaluations for the year	53
Value adjustments at 31 December 2023	463
Carrying amount at 31 December 2023	**2,682**

Deposits, investment consists of deposits on leased premises.

DKK'000	2023	2022
12 Deferred tax		
Deferred tax at 1 January	-3,851	-3,600
Adjustment of deferred tax relating to prior period	-63	0
Adjustment of deferred tax	2,258	-251
Deferred tax at 31 December	**-1,656**	**-3,851**
Deferred tax relates to:		
Intangible assets	2,956	3,068
Property, plant and equipment	6,612	-583
Tax loss	-3,720	-5,960
Other taxable temporary differences	-7,504	-376
	-1,656	-3,851

As of 31 December 2023, Management has assessed the extent to which profits under applicable tax legislation can be realised in the foreseeable future. The capitalisation has been made based on expected positive earnings within the next 3-5 years.

DKK'000	2023	2022
13 Share capital		
Analysis of the share capital:		
56,261 shares of DKK 100.00 nominal value each	5,626	5,626
	5,626	5,626

No shares contain special rights.

The Company's share capital has remained DKK 5,626 thousand over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

14 Non-current liabilities

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other provisions	518	0	518	0
Lease liabilities	33,197	10,325	22,872	0
Other payables	3,516	0	3,516	0
	37,231	10,325	26,906	0

Other payables consists of frozen holiday obligation.

15 Other provisions

Other provisions at 1 January 2023	518	500
Provisions in the year	0	150
Provisions utilised in the year	0	-132
Other provisions at 31 December	518	518

The provisions are expected to be payable in:

> 1 year	518	518
	518	518

Provisions include liabilities for restoration upon the vacation of premises. The liability accumulates as wear and tear increase on the premises and is reassessed annually to determine the state of the premises at the balance sheet date.

Costs are expected to incur upon the expected termination of the premises which depends on potential extensions of the leases.

16 Deferred income

Deferred income, DKK 3,377 thousand (2022: DKK 1,854 thousand), mostly consists of establishment support and will be recognised when utilised.

DKK'000	2023	2022
17 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Reserve for development costs	1,039	533
Retained earnings/accumulated loss	7,325	-2,469
	8,364	-1,936

Financial statements 1 January - 31 December

Notes to the financial statements

18 **Contractual obligations and contingencies, etc.**

The Company is jointly taxed with the Danish parent company Unisport Holding ApS. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes. At 31 December 2023, the net taxes receivable from the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 0. Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase.

Other financial obligations

Lease obligations regarding low-value leases not recognised in the balance sheet amount to DKK 0 thousand at 31 December 2023 (2022: 0).

19 **Security and collateral**

As collateral for the Company's bank credit facility, the Company has provided floating charge of DKK 100 million in the Company's receivables, inventories and non-current assets.

20 **Related parties**

Unisport A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Unisport Holding ApS	Bådehavnsgade 38, 2450 København SV	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Unisport Holding ApS	Bådehavnsgade 38, 2450 København SV	Danish Public Authorities (www.cvr.dk)

Related party transactions

Unisport A/S was engaged in the below related party transactions:

DKK'000	2023	2022
Sales of product to subsidiaries etc.	19,776	18,479
Costs related to subsidiaries etc.	10,168	9,634
Interests income, group entities	286	440
Interest expenses, group entities	38	525
Receivables from group entities	5,009	7,827
Payables to group entities	4,979	22,942

The parent company has issued a letter of support to the Company, and will provide the Company with the necessary liquidity 12 months from issuing the financial statment in order to support the continued operations of the Company.

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

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Michael Johannes Burk
Direktion
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Jesper Rechter Christensen
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