

# Unisport Holding ApS

c/o Unisport A/S

Bådehavns­gade 38, DK-2450 Kø­ben­havn SV

CVR no. 35 65 06 79

## Annual report 2021

Approved at the Company's annual general meeting on 29 June 2022

Chairman:

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Jesper Rechter Christensen

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements for the period 1 January – 31 December	13
Statement of comprehensive income	13
Balance sheet	14
Cash flow statement	16
Statement of changes in equity	17
Summary of notes to the consolidated financial statements	18
Notes	19
Parent company financial statements for the period 1 January – 31 December	46
Income statement	46
Balance sheet	47
Statement of changes in equity	48
Summary of notes to the parent company financial statements	49
Notes	50

## 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 Holding ApS for the financial year 1 January - 31 December 2021 .

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

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

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

Copenhagen, 23 June 2022  
Executive Board:

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Michael Johannes Burk

Board of Directors:

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Filip Domagala  
Chairman

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Michael Christiansen

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Jess Ørgaard Libak Tropp

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Martin Lumbye Hansen

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Jakob Nordenhof Jønck

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Christian Hedegaard

## Independent auditor's report

To the shareholders of Unisport Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Unisport Holding ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

## Independent auditor's report

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible 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 Group's and the Parent 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 Group or the Parent 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 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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risk 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

## Independent auditor's report

- ▶ 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.
- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 23 June 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Henrik Kronborg Iversen  
State Authorised  
Public Accountant  
mne24687

## Management's review

### Company details

Name	Unisport Holding ApS
Address, zip code, city	c/o Unisport A/S, Bådehavnsgade 38, DK-2450 Copenhagen SV
CVR no.	35 65 06 79
Established	29 January 2014
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Filip Domagala (Chairman) Michael Christiansen Jess Ørgaard Libak Tropp Martin Lumbye Hansen Jakob Nordenhof Jønck Christian Hedegaard
Executive Board	Michael Johannes Burk
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

## Management's review

### Financial highlights for the Group

	2021	2020	2019	2018	2017
<b>Key figures (DKK'000)</b>					
Gross merchandise value	609,338	457,165	391,388	363,318	337,925
Revenue	579,924	439,076	388,510	363,318	337,925
Gross profit	169,411	122,275	114,190	94,626	97,844
Operating profit/loss before depreciation and amortisation (EBITDA)	29,436	7,069	6,792	-4,460	3,292
Operating profit/loss before special items, depreciation and amortisation (adjusted EBITDA)	31,411	7,682	8,081	815	9,507
Operating profit/loss before special items	12,329	-9,934	-7,162	-8,822	2,656
Operating profit/loss	10,354	-10,546	-8,452	-14,097	-3,559
Profit/loss from financial income and expense	-10,476	-9,164	-8,713	-4,485	-3,790
Profit/loss for the year	1,184	-17,109	-13,474	-14,666	-5,834
Total assets	441,312	403,248	362,720	312,758	305,613
Investment in property, plant and equipment, excluding leases	6,537	1,622	4,187	1,702	483
Equity	152,260	153,128	168,292	180,410	194,558
Cash flows from operating activities	-14,506	46,661	5,929	-1,071	12,081
Cash flows from investing activities	-11,230	-2,885	-9,981	-7,336	-4,342
Cash flows from financing activities	-10,228	-8,672	-6,103	-4,250	-397
Total cash flows	-35,964	35,104	-10,155	-12,657	7,342
<b>Financial ratios (%)</b>					
Gross margin	29.2	28.0	29.4	26.0	29.0
Operating margin	1.8	-2.4	-2.2	-3.9	-1.1
Solvency ratio	34.2	38.0	46.4	56.1	63.7
Return on equity	0.8	-10.6	-7.7	-7.8	-3.0
FTE (employees)	172	159	142	127	116

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios. For terms and definitions, please see the accounting policies.



## Management's review

### Operating review

#### Primary activities

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

In 2019 the Group established Marketplace as a new sales channel on its platform. Through the existing online sales platforms, the Company trades football equipment delivered by the suppliers directly to the end-consumer. In 2021 the Marketplace platform was further extended adding more suppliers as well as offering significantly more products. Marketplace is expected 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 2021 the Group established a subsidiary in Sweden and opened a Flagship Store in Stockholm in December. In addition, the Company will serve football clubs.

In 2021 the Group established a subsidiary in Norway that mainly will serve football clubs but also operate a physical store in Oslo.

Apart from trading football equipment, the Group has a media business operating one of the largest Social Media influencer networks for Football with inhouse content production serving close to 7 million followers globally across various popular Social Media networks like YouTube, Instagram, Facebook, TikTok and others.

During the second half of 2021, the Group signed an important agreement with Liverpool F.C. (LFC) becoming the official retail partner of the club. The agreement includes both online and offline retail channels to bring the club experience to fans across Norway, Denmark, Sweden, Germany, France, Netherlands, Belgium, Iceland, Finland and Austria. The partnership increases the product offering and access to both LFC and Nike merchandise, as well as exclusive LFC-branded merchandise.

The Group aims at building loyalty and increasing the amount of repeat buyers amongst its customer base. The key initiatives to drive loyalty are CRM and membership. The Group had started its loyalty and membership program called "Unisport F.C" in 2020 and was able to grow members with +181% yoy to just below 480.000 members by the end of 2021.

#### Unusual conditions

In the beginning of 2021, business was negatively influenced by the COVID-19 pandemic throughout the Group's individual markets:

- Football training and matches were cancelled, thus very limited demand for football related equipment
- The physical stores in Copenhagen City and Paris City were forced to close-down for approx. 2 months
- Implementation of additional safety measures to protect the Group's employees and at the same time ensure an operational warehouse.
- Supply issues since a large share of goods being produced in Asia

The pandemic had a negative impact to revenue as well as profitability during the lock-down period. No governmental support was received during the year.

On the other hand, the Group benefited from the accelerated shift towards e-commerce which is documented in the all-time high number of new customers and online orders.

Apart from this, the Company has not been influenced by unusual conditions in the financial year.

In the annual report for 2020, Management expected a growth in revenue and profits in 2021.

The Group realized a very strong growth in revenue and profits compared to 2020 and over delivered on the plan. 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.

## Management's review

### *Gross Merchandise Value (GMV):*

GMV comprise the value of all merchandise sold to customers after cancellations and returns and excluding VAT. GMV has been added to report the total value of sales through the Group's sales platforms.

GMV amounted to DKK million 609.3 (2020: DKK 457.2) and therefore increased by 33.1%. GMV was positively impacted by high growth from sales and marketing activities that has led to a 25% increase in number of customers surpassing more than 750,000 active customers during the last 12 months for the first time ever. An amount of 1.1 million orders were shipped to customers during 2021, an increase of 25% versus 2020.

### *Revenue:*

Despite the unusual conditions in the year, revenue grew 31.8% compared to 2020 and amounted to DKK 579.9 million (2020: DKK 439.1 million). Revenue was positively impacted by high growth from sales and marketing activities that has led to a net increase in number of customers.

### *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 the COVID-19 pandemic, profitability was negatively impacted by a shift in sales mix and competition and extraordinary high price discounts in the marketplace.

Profitability was negatively influenced by the establishment of the new subsidiaries in Norway and Sweden due to late opening of the Flagship Store in Stockholm and building a sales organization serving football clubs.

The Company had a significantly higher profitability after the COVID-19 pandemic following the successful growth and improved cost efficiency.

### *Special items / one-off costs:*

In 2021 Management decided to initiate an extensive supply chain research study. Related costs amount to mDKK 1.3 that is considered one-off costs.

In 2021 a provision has been made by mDKK 0.4 related to a legal complaint regarding a potential breach of Intellectual Property Rights. The potential breach relates to the use of music in 2016. The provision includes estimated legal costs.

Property costs prior to opening the Flagship Stores in Stockholm and Oslo are recognized special items by mDKK 0.2.

### *Outlook*

The Company expects to continue its strong momentum and grow revenue as well as profits in 2022. The UEFA Women's EURO 2022 in England during summertime as well the first winter Men's FIFA World Cup 2022 in Qatar will bring two global football events driving awareness and excitement amongst the population as well as inspiring young children to join the game of football.

The recent COVID-19 outbreak in China, the crisis in Ukraine, a very tight freight situation and inflationary pressures are creating increased uncertainty. This forces the company to remain very flexible and to manage the business as well as possible in the short-term without hindering momentum and the mid-term growth potential.

### *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.

### *Currency risks*

The Group'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.

## Management's review

### Research and development activities

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

### Branches and companies abroad

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

The group have registered the following Companies abroad:

France (established 2019): Unisport France SAS, operating an Experience Hub in Paris.

Sweden (established 2021), Unisport Store Sverige AB, operating a Flagship Store in Paris as well as serving football clubs.

Norway (established 2021), Unisport Norge AS, mainly serving football clubs and operate a physical store in Oslo.

### Corporate Social Responsibility

The Group is active in sports - mainly in football - retailing primarily online in Europe and rest of the world. In addition, the Group currently operates four physical stores in Denmark, France, Sweden and Norway.

The group is a reseller of global brands like Nike, Adidas, Puma and Hummel, but also to a limited extent develops private label products which are produced by manufacturers in e.g. China, Bangladesh, Turkey and Sweden.

The Group employs store staff in Paris and Stockholm as well as sales representatives in Sweden and Norway. No collective agreements have been entered.

All other Group employees are employed in Denmark. No collective agreements have been entered.

The Group has entered a collective Pension agreement for Danish white-collar employees. The agreement contains an insurance package that supports employees in event of sickness, loss of work ability etc.

### COVID-19

In the beginning of 2021, the COVID-19 pandemic has put additional pressure on the physical and mental well-being of our employees caused by health risks and lockdowns. The Group has put a great focus on protecting employees during this time by prescribing guidelines, providing protective equipment, and enabling work from home for non-operational administrative work functions. This has, among other things, ensured the health of employees during the pandemic.

The Group adopted a CSR policy in 2018 covering the following areas:

- ▶ Anticorruption and competition
- ▶ Labour standards and Human rights

### *Anticorruption and competition*

The Group refuses to accept or retain business through bribery. Employees are not allowed directly or indirectly to offer, promise, grant, or authorize the giving of money or anything of value to someone in order to unduly influence the recipient in the performance of professional duties or in order to obtain or retain an improper business advantage. Employees do not ask for or accept improper benefits from others for performance of their duties to the Group. Applicable anti-bribery laws are strictly followed.

The Group and its employees follow applicable competition law. Employees do not engage in discussions with competitors regarding market allocation, information exchange, production and sales quotas.

## Management's review

The Group has identified the key risk areas to be within the Groups buying function (carries out all purchases from suppliers) and Product management team/Country Teams (customer pricing).  
Management's review

New employees dealing with buying's and product Management are instructed in the guidelines.

During 2021 we have not registered any breaches of our policies.

In the coming years, the Group will continue training as well new employees and existing employees within relevant departments. Further, the Group will continue it's active dialogue with key suppliers.

### *Labour standards and Human rights*

The Group does not compromise on requirements set out in national law or international standards with regards to worker safety and human rights. The Group takes responsibility for all people participating in the conduct of its business. Those whose work contributes to the Group's business success are not deprived of their human rights, or subject to mental or bodily harm in their labour.

The Group continuously work to ensure that we uphold our responsibility to respect human- and labour rights. As number of suppliers is expected to increase in the coming years, we plan to extent or monitoring of our supply chain and will further develop a human rights policy, which will be communicated to suppliers.

The Groups' suppliers are mainly world market leaders of Football products. Therefore, the Group do not consider human rights as a significant risk element to the business. The area will, however, be monitored in the coming years in line with planned increases of number of suppliers. Human rights policy will be developed, and all suppliers will be informed. The Group did not observe any human rights issues in 2021.

The Group carries out mutual initiatives focusing on a healthy and safe working environment. The Group invests in several social activities among its employees to improve social relations and employees' wellbeing on the job. Given the relatively small size of organization, it has been decided that most of these activities are carried out by the operational management team. Management aim to arrange at least one social activity per year where all employees in the Group have the possibility to attend.

The Group has identified working accidents – primarily at the warehouse – as the main risks associated with social and employee conditions.

Safety is taken into consideration while designing, implementing, and deciding operational processes. During 2021 no major changes to operations processes have been implemented.

During 2021 new employees and managers were trained in the Company processes and guidelines with a special attention to safety. A total of more than 75 employees/managers received this training.

No working accidents have been reported in year 2021.

For the coming years, the Group will continuously develop and maintain the Group policies related to health and safety. Both related to changes to processes & guidelines, but also in terms of revising policies related to ongoing operations.

### *The environment & climate*

The Group complies with all applicable environmental laws and regulations.

The Group has not yet developed specific policies regarding environment & climate, because based on a risk assessment the Group as an online retailer with very limited physical presence, only have a very limited footprint on environment & climate. The area will however be monitored closely in the coming years, and specific policies will be development if relevant.

## Management's review

### Policy concerning the underrepresented gender

The Board of Directors of the Company consists of six members, of whom all are men. The goal was to increase the proportion of women to a minimum of 14% by the end of 2021 corresponding to one woman. The goal has not been met in 2021 since there has been no change to the Board of Directors during 2021. Goal has been revised and the goal is to have a minimum of one female board member at that end of 2023.

It is the policy of the Group always 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 Group aspires to have a least one of each gender represented in the final interview stages.

In the Management team (level 1 and 2) at the head office the proportion of women is currently 0%. The goal was to have at least one woman by the end of 2021. The goal was not met since no changes to the Management team were made during 2021. Goal has been revised and the goal is to have a minimum of one female member of the Management team (level 1 and 2) by the end of 2023.

### Data ethics

The Company has implemented GDPR policies for customer and HR data.

- Revenue: the policy can be accessed through the Company's individual websites, e.g. at [www.unisport.dk](http://www.unisport.dk). The Company stores only customer information that are required to either fulfill orders and/or to comply with legal requirements.
- HR: the policy can be accessed on [unisport.dk/job](http://unisport.dk/job). The Company stores only necessary personal data that are required for recruiting and salary purposes and/or to comply with legal requirements.

## Consolidated financial statements for the period 1 January – 31 December

### Statement of comprehensive income

Note	DKK'000	2021	2020
3	Revenue	579,924	439,076
	Cost of goods sold	-410,513	-316,801
	Gross profit	169,411	122,275
	Other operating income	4,348	5,316
4	Other external costs	-87,531	-68,390
5	Staff costs	-54,817	-51,519
6	Special items	-1,975	-613
	Earnings before interests, tax, amortisation and depreciation	29,436	7,069
9	Amortisation	-4,854	-3,487
11	Depreciation	-14,228	-14,128
	Operating profit/loss	10,354	-10,546
7	Financial expenses	-10,476	-9,164
	Profit/loss before tax	-122	-19,710
8	Tax for the year	1,306	2,601
	Profit/loss for the year	1,184	-17,109
	Other comprehensive income after tax	0	0
	Total comprehensive income	1,184	-17,109

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
9,10	Intangible assets		
	Goodwill	195,312	195,312
	Brand value	0	0
	Development costs	4,956	6,711
		<u>200,268</u>	<u>202,023</u>
11	Property, plant and equipment		
12	Leased assets	32,839	32,824
	Plant and equipment	7,918	4,244
	Leasehold improvements	908	310
		<u>41,665</u>	<u>37,378</u>
	Other non-current assets		
	Deposits, investments	4,515	2,932
8	Deferred tax assets	7,415	6,109
		<u>11,930</u>	<u>9,041</u>
	Total non-current assets	<u>253,863</u>	<u>248,442</u>
	Current assets		
13	Inventories	155,315	89,793
	Trade receivables	4,253	5,794
	Prepayments	400	202
	Right of return assets	7,221	4,491
	Other receivables	2,081	383
	Cash at bank and in hand	18,179	54,143
	Total current assets	<u>187,449</u>	<u>154,806</u>
	TOTAL ASSETS	<u><u>441,312</u></u>	<u><u>403,248</u></u>

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
14	Equity		
	Share capital	19,549	19,549
	Treasury shares	-2,003	-2,003
	Retained earnings	134,714	135,582
	Total equity	<u>152,260</u>	<u>153,128</u>
	Liabilities		
	Non-current liabilities		
15	Provisions	500	500
16	Amounts owed to former owners	73,462	65,592
12	Lease liabilities	15,476	16,915
	Loans from suppliers	8,921	10,458
	Other payables	3,272	2,902
	Total non-current liabilities	<u>101,631</u>	<u>96,367</u>
	Current liabilities		
	Lease liabilities	11,684	7,756
	Loans from suppliers	1,490	1,494
	Prepayments from customers	2,528	2,538
	Refund liabilities	12,768	6,954
	Trade payables	121,539	99,898
	Corporate tax	0	356
17	Other payables	33,828	31,823
	Deferred income	3,584	2,934
	Total current liabilities	<u>187,421</u>	<u>153,753</u>
	Total liabilities	<u>289,052</u>	<u>250,120</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>441,312</u></u>	<u><u>403,248</u></u>



## Consolidated financial statements for the period 1 January – 31 December

### Cash flow statement

Note	DKK'000	2021	2020
	Profit/loss for the year	1,184	-17,109
	Depreciation and amortisation	19,082	17,616
19	Other adjustments of non-cash operating items, etc.	7,118	7,878
	Cash generated from operations (operating activities) before changes in working capital	27,384	8,385
20	Changes in working capital	-31,340	40,802
	Cash generated from operations	-3,956	49,187
	Interest paid	-9,225	-1,329
	Interest payments under IFRS 16	-752	-807
	Corporation tax paid/received	-571	-390
	Cash flows from operating activities	-14,504	46,661
9	Acquisition of other intangible assets	-3,099	-2,411
11	Acquisition of property, plant and equipment	-6,537	-1,622
	Net change in deposits, investments	-1,583	523
	Lease incentives received when entering a new lease	0	625
	Receivables from subsidiaries (long term)	-13	0
	Cash flows from investing activities	-11,232	-2,885
	External financing:		
	Lease payments under IFRS 16	-8,687	-7,178
	Re-payment of loan to suppliers	-1,541	-1,494
	Cash flows from financing activities	-10,228	-8,672
	Net cash flows from operating, investing and financing activities	-35,964	35,104
	Cash and cash equivalents at 1 January	54,143	19,039
	Cash and cash equivalents at 31 December	18,179	54,143

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

## Consolidated financial statements for the period 1 January – 31 December

### Statement of changes in equity

DKK'000	Share Capital	Treasury shares	Retained earnings	Total
Equity 1 January 2021	19,549	-2,003	135,582	153,128
Comprehensive income in 2021				
Loss for the year	0	0	1,184	1,232
Total comprehensive income for the period	0	0	1,184	1,232
Transactions with owners				
Incentive program	0	0	-2,052	-2,052
Total transactions with owners	0	0	0	0
Equity 31 December 2021	19,549	-2,003	134,714	152,260

### Statement of changes in equity

DKK'000	Share Capital	Treasury shares	Retained earnings	Total
Equity 1 January 2020	19,549	-2,003	150,746	168,292
Comprehensive income in 2020				
Loss for the year	0	0	-17,109	-17,109
Total comprehensive income for the period	0	0	-17,109	-17,109
Transactions with owners				
Incentive program (reversal)	0	0	1,945	1,945
Total transactions with owners	0	0	1,945	1,945
Equity 31 December 2020	19,549	-2,003	135,582	153,128

## Consolidated financial statements for the period 1 January – 31 December

### Summary of notes to the consolidated financial statements

#### Note

- 1 Accounting policies
- 2 Significant estimation uncertainty, assumptions and assessments
- 3 Revenue
- 4 Fees paid to auditor appointed at the annual general meeting
- 5 Staff costs
- 6 Special items
- 7 Financial expenses
- 8 Tax
- 9 Intangible assets
- 10 Impairment test
- 11 Property, plant and equipment
- 12 Leases
- 13 Inventories
- 14 Equity
- 15 Provisions
- 16 Amounts owed to former owners
- 17 Other payables
- 18 Contractual obligations and contingencies, etc.
- 19 Other adjustments of non-cash operations items, etc.
- 20 Changes in working capital
- 21 Financial risks and financial instruments
- 22 Related party disclosures
- 23 Events after the balance sheet date
- 24 Composition of the Board of Directors

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies

Unisport Holding ApS is a limited liability company registered in Denmark. The financial statements section of the annual report for the period 1 January – 31 December 2021 comprises both the consolidated financial statements of Unisport Holding ApS and its subsidiary (the Group) and the separate parent company financial statements.

The consolidated financial statements for Unisport Holding ApS for 2021 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to large reporting class C entities.

The annual report also fulfils the requirements laid down in International Financial Reporting Standards issued by the IASB.

On 23 June 2022, the Board of Directors and the Executive Board discussed and approved the annual report of Unisport Holding ApS for 2021. The annual report is presented to the shareholders of Unisport Holding ApS for adoption at the annual general meeting on 29 June 2022.

The accounting policies are unchanged from last year.

#### Basis of preparation

The consolidated financial statements have been presented in Danish kroner rounded to the nearest DKK thousand, which is also the functional currency for the Parent Company.

The accounting policies set out below have been applied consistently in respect of the financial year and comparative figures.

#### Summary of significant accounting policies

##### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Unisport Holding ApS (the Company), and subsidiaries controlled by Unisport Holding ApS.

The Group controls an entity if the Group is exposed to or is entitled to variable returns due to its interest in the entity and can impact these returns through its controlling interest in the entity. In the assessment as to whether the Group exercises control, allowance is made for de facto control and potential voting rights that are real and of substance at the reporting date.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Business combinations

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect acquisitions. Discontinued operations and assets held for sale are presented separately, see below.

The purchase method is applied to acquisitions of new businesses over which Unisport Holding ApS obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The acquisition date is the date when Unisport Holding ApS effectively obtains control over the acquired business.

Any excess of the consideration transferred, the value of non-controlling equity interests in the acquired entity and the fair value of any previously held equity interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (goodwill) is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested annually for indications of impairment. The first impairment test is performed before the end of the year of acquisition.

The consideration paid for a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Expenses incurred in connection with corporate acquisitions are recognised in administrative expenses in the year in which the expenses are incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. After that, goodwill will not be adjusted. Changes in estimates of contingent purchase considerations are recognised in profit or loss for the year.

Gains and losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets, including goodwill at the date of disposal and costs of disposal.

##### Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date.

The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Revenue

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 Flagship Store or delivery from the website.

The recognized revenue is measured at the fair value of the agreed price exclusive of VAT and fees collected on behalf of third parties. All forms of discounts are recognised in revenue.

##### *Right of return*

The customers hold a right to return the goods within a specified period. The Group 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 Group will be entitled. For goods that are expected to be returned, instead of revenue, the Group 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.

##### Cost of goods sold

Cost of sales includes the cost of goods used in generating the year's revenue.

Cost of goods sold is recognised after deduction of supplier discounts and bonuses.

##### Other operating income

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

##### Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

##### Staff costs

Staff costs comprise wages, salaries, pensions and other staff costs.

##### Special items

Special items comprise significant income and expenses of an exceptional nature relative to the Group's earnings-generating operating activities, including restructuring cost, as well as other significant one-off items.

The items are stated separately to give a true and fair view of the Group's operating profit/loss and are specified in a note to the financial statements.

##### Financial income and expenses

Finance income and expenses comprise interest income and expenses as well as exchange gains and losses on transactions denominated in foreign currencies. Furthermore, amortisation of financial assets and liabilities as well as surcharges and allowances under the on-account tax scheme and fair value adjustments of derivative financial instruments which are not designated as hedging instruments are included.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Tax

###### *Tax on profit/loss for the year*

Unisport Holding ApS is jointly taxed with its Danish subsidiary Unisport A/S. The current Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises the year's current tax charge and deferred tax adjustments. The tax expense is recognised in profit or loss, other comprehensive income or directly in equity.

###### *Current and deferred tax*

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation; 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 and jurisdiction.

Deferred tax assets are subject to annual impairment tests and are recognised only in so far as it is probable that the assets will be utilised.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to 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. The change in deferred tax as a result of changes in tax rates is recognised in the comprehensive income for the year.

##### Intangible assets

###### *Goodwill*

Goodwill is initially recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. Identification of cash-generating units is based on the management structure and internal financial control.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### *Brand value and customer rights*

Brand value and customer rights acquired in business combinations are measured at cost less accumulated amortisation and impairment losses. Brand value and customer rights are amortised on a straight-line basis over the expected useful life as follows:

Brand value	5 years
Customer rights	3 years

##### *Development costs*

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are demonstrated, and where the Group intends to complete and use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in profit and loss under other external costs.

Development costs comprise costs, salaries and amortization directly or indirectly attributable to the Group's development activities.

Recognised development costs are measured at cost less accumulated amortisation and impairment losses. Cost comprises wages and salaries, amortisation and other costs attributable to the Group's development activities as well as borrowing costs relating to specific and general borrowing directly attributable to the development of development projects.

Following the completion of development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is 3 years. The basis of amortisation is calculated less impairment losses, if any.

##### *Property, plant and equipment*

Plant and machinery and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Further, cost includes the present value of the estimated costs for dismantling and removing the asset and restoring the site on which the asset was located.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are de-recognised in the balance sheet position, and the carrying amount is recognised in the income statement. All other expenses relating to ordinary repairs and maintenance are recognised in profit or loss as incurred.

Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Plant and equipment	3-5 years
Leasehold improvements	3-5 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When the depreciation period or the residual value is changed, the effect on depreciation is recognised prospectively as a change in accounting estimates.



## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Impairment testing of non-current assets

###### *Goodwill*

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year. Similarly, development projects in progress are subject to an annual impairment test.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit or group of cash-generating units to which goodwill is allocated. The assets of the cash-generating units are written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount of a cash-generating unit is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which the goodwill relates.

###### *Other non-current assets*

The carrying amount of other non-current assets is tested annually for evidence of impairment. When there is evidence that assets may be impaired, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

###### *Recognition of impairment losses in the income statement*

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised in a separate line item in the income statement.

Impairment of goodwill is not reversed. Impairment losses recognised in respect of other assets are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment losses are reversed only in so far as the new carrying amount of the asset does not exceed the carrying amount that would have resulted (net of amortisation or depreciation) had no impairment loss been recognised in respect of the asset in prior years.

##### Leasing

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 and key money paid to the landlord or the former lessee. The lease liability is measured at the present value of lease payments discounted using the interest rate implicit in the lease. 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. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease are also accounted for following same principle.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Right-of-use assets classified as buildings relate to leases of the Flagship store, office buildings and inventory warehouses. All other leases regarding other property, plant and equipment have been assessed as low value leases and hence is not recognized as right-of-use assets.

Buildings leases normally have an estimated lease term of 60 months.

#### Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value.

Goods for resale are measured at cost, comprising 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.

#### Receivables

Receivables are measured at amortized cost. A credit loss allowance is made upon initial recognition based on historical observed default rates adjusted for forward looking estimates (simplified 'expected credit loss' model). The cost of the credit loss allowances is included in other external costs. A loss is considered realized when it is certain that we will not recover the receivable, e.g. in case of bankruptcy or similar.

#### Prepayments

Prepayments are measured at cost.

#### Equity

##### *Dividends*

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

##### *Treasury share reserve*

The treasury share reserve comprises cost of acquisition for the Group's portfolio of treasury shares. Dividends received from treasury shares are recognised directly in retained earnings in equity. Gains and losses from sale of treasury shares are recognised in share premium.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Employee obligations

###### *Pension commitments and similar non-current liabilities*

The Group has not entered into pension plans with its employees.

###### *Warrants programme*

The value of services received in exchange for granted warrants is measured at the fair value of the warrants granted.

For equity-settled programmes, the warrants are measured at the fair value at the grant date and recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity as an owner transaction.

On initial recognition of the warrants, an estimate is made of the number of warrants expected to vest. That estimate is subsequently revised for changes in the number of warrants expected to vest so that the total recognition is based on the actual number of vested warrants.

Accordingly, recognition is based on the number of warrants ultimately vested. The fair value of granted warrants is estimated using an option pricing model, taking into account the terms and conditions upon which the warrants were granted.

##### Provisions

Provisions are recognised when, as a result of past events, the Group 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.

Restructuring costs are recognised as liabilities once a detailed, formal restructuring plan has been published no later than on the balance sheet date to the persons affected by the plan. On acquisition of businesses, restructuring provisions in the acquired business are included in goodwill only when the acquired business had a restructuring liability at the acquisition date.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

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.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Prepayments from customers

Prepayments from customers comprise liabilities regarding issued gift vouchers, recognised at the date of issue.

Prepayments from customers are measured at amortised cost.

##### Financial liabilities

Financial liabilities are measured at amortised cost.

##### Deferred income

Deferred income is measured at cost.

##### Fair value measurement

The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants ("exit price").

The fair value is a market-based and not an entity-specific measurement. The entity uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. The entity's purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined.

The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are classified based on the fair value hierarchy, see below:

- ▶ Level 1: Value in an active market for similar assets/liabilities
- ▶ Level 2: Value based on recognised valuation methods on the basis of observable market information
- ▶ Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

##### Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest income and expenses, dividends received and corporation taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and activities, addition and disposal of intangible assets, property, plant and equipment and other non-current assets as well as securities not classified as cash and cash equivalents.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Cash flows from financing activities comprise changes in the size and composition of the share capital and associated expenses as well as borrowings, repayment of interest-bearing debt, lease payments under IFRS 16, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash which are subject to an insignificant risk of changes in value.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the rates ruling at the transaction date.

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios.

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

#### *Gross merchandise value*

Gross merchandise value, as disclosed in the Management's review, is defined as the value of all merchandise sold to customers after cancellations and returns and excluding VAT.

#### 2 Significant estimation uncertainty, assumptions and assessments

##### Significant estimation uncertainty and assumptions

The calculation of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions made are among other things based on historical experience and other factors that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. The Group is subject to risks and uncertainties which may mean that the actual outcome may differ from the estimates made. Special risks for the Group are mentioned in the Management's review and in note 21 to the consolidated financial statements.

It may be necessary to change previously made estimates due to changes in the facts on which these estimates were based or due to new knowledge or subsequent events.

Estimates particularly material to the financial reporting are made, e.g., by way of impairment testing of goodwill and an assessment of the impairment write-down in respect of inventories.

## Consolidated financial statements 1 January – 31 December

### Notes

#### 2 Significant estimation uncertainty, assumptions and assessments (continued)

##### Impairment test, goodwill

In connection with the presentation of the financial statements for 2021, Management performed an impairment test of goodwill. The test was based on a number of assumptions as to the Company's financial development going forward. The most material assumptions relate to revenue growth and expectations as to improved earnings. Therefore, the estimates of revenue and earnings growth are material. Also, the expectations as to the development in the interest rate used for discounting purposes are material.

If the expected earnings development is not realised, the carrying amount of goodwill cannot be maintained.

The impairment test and the relating particularly sensitive factors are described in detail in note 10 to the consolidated financial statements.

##### Assessment of the need for write-down of deferred tax assets

In connection with the preparation of the financial statements for 2021, Management assessed the future utilization of deferred tax assets. The assessment was carried out in connection with the preparation of the impairment test and based on the expectations of improved profitability, deferred tax assets have been recognized due to an expectation of utilization within the next 3-5 years, except from deferred tax assets related to the French subsidiary, cf. note 8

##### Assessment of the need for write-down in respect of inventories

The Group has inventories in its flagship stores and in the central warehouse. As the net realisable value of some of these inventories is expected to be lower than cost, the inventories have been written down to such expected lower value. The write-down is based on an estimate of the net realisable value based on actual, historical sales and Management's assessment.

##### Special items

Management has assessed certain costs as being special items due to their exceptional nature relative to the Group's earnings-generating operating activities.

The items are stated separately to give a true and fair view of the Group's operating profit/loss and are specified in a note to the financial statements.

##### Leases

The Group has entered into leases regarding the flagship stores, head quarter and inventory buildings.

##### *Lease period*

The lease term includes the non-cancellable period of the lease, periods covered by an extension clause, which the Group with reasonable probability expects to use, and periods covered by a termination clause, which the Group reasonable probability does not expect to use.

##### *Provisions for restoration of leaseholds*

As stated in note 1 (accounting policies), an obligation to restore the Group's leaseholds has been recognised. The amount is determined using the expected costs at the time of the vacating of the leaseholds.

##### *Discount rate*

The Group uses its incremental borrowing rate to measure the future lease payments to the present value. Management has assessed its incremental borrowing rate to 3% at 31 December 2021.

## Consolidated financial statements 1 January – 31 December

### Notes

#### Significant accounting judgements in applying the chosen accounting policies

As part of the application of the Group's accounting policies, Management performs judgements, based on estimations, which may materially impact the amounts recognised in the consolidated financial statements.

#### 3 Revenue

The Group's revenue derives from sales from the websites in each of the countries in which the Group operates. In addition to sales through the websites, part of revenue derives from the flagship stores in central Copenhagen, central Paris and central Stockholm, 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 Group 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.

Below, a breakdown of revenue into mature markets and new markets is presented:

DKK'000	2021	2020
Revenue		
Mature markets	454,802	347,170
New markets	125,122	91,906
	<u>579,924</u>	<u>439,076</u>
4 Fees paid to auditor appointed at the annual general meeting		
Fee regarding statutory audit	325	183
Other assurance engagements	0	50
Tax assistance	82	43
Other assistance	124	121
	<u>531</u>	<u>397</u>
5 Staff costs		
Wages and salaries	52,064	46,055
Other social security costs	2,371	1,249
Pensions	2,433	2,270
Share-based payment	-2,051	1,945
	<u>54,817</u>	<u>51,519</u>
Average number of employees	<u>172</u>	<u>159</u>

## Consolidated financial statements 1 January – 31 December

### Notes

#### 5 Staff costs (continued)

##### Remuneration of the Board of Directors, the Executive Board and executive employees

DKK'000	2021		2020	
	Board of Directors and Executive Board	Executive employees	Board of Directors and Executive Board	Executive employees
Wages and salaries	3,042	8,074	2,711	7,662
Pension	-	406	-	299
Social costs	1	12	3	12
Share-based payment	-1,189	-627	1,125	622
	<u>1,854</u>	<u>7,865</u>	<u>3,839</u>	<u>8,595</u>

With reference to the Danish Financial Statements Act, section 98.3, remuneration of the Board of Directors and the Executive Board has been disclosed together.

Members of the Executive Board and other executive officers are eligible for bonus depending on the financial performance for the year in question.

The Group has not entered into any special agreements on severance pay with members of the Executive Board in connection with a takeover of the Group.

##### Incentive programmes

Unisport Holding ApS has established a share-based incentive programme in the form of a warrant programme for executive employees and other employees. The warrants are acquired at a value close to the fair value at the grant date.

The warrants programme comprised a total of 554,272 warrants at 31 December 2021 (2020: 554,272). No warrants were granted in 2021.

Each warrant entitles the holder to subscribe for 1 share at a nominal value of DKK 1 in Unisport Holding ApS.

The right to exercise the warrants is 28 February 2023.

The warrants can only be settled in shares. The outstanding warrants constitute 3% of the share capital if all warrants are exercised (2020: 3%).

The exercise of the subscription rights is contingent on the holder not being under notice at the exercise date. There are no other conditions for the rights acquisition. Special provisions apply in the case of illness and death and in the case of changes in the capital structure of the Company, etc.



## Consolidated financial statements 1 January – 31 December

### Notes

#### 5 Staff costs (continued)

##### Specification of outstanding warrants

	Executive employees	Other employees	Number in total	Average exercise price per warrant (DKK)
Outstanding at the beginning of 2020	2,538,560	264,000	2,802,560	17.1
Cancelled	-2,040,288	-208,000	-2,248,288	
Outstanding at the end of 2020	<u>498,272</u>	<u>56,000</u>	<u>554,272</u>	13.1
Outstanding at the end of 2021	<u>498,272</u>	<u>56,000</u>	<u>554,272</u>	

The fair value calculated at the granting is based on a Black-Scholes warrant pricing model.

In 2021, income recognised in results for the year relating to warrants amounted to DKK 2.052 thousand (2020: DKK -1,945 thousand). The increase is attributable to the revaluation of warrant based on change in assumptions in 2021 of warrants issued in 2019.

DKK'000	2021	2020
6 Special items		
Strategic study, Supply Chain	-1,267	0
Establishment of Flag Ship Store in France	0	-97
Establishment of Flag Ship Store in Sweden and Norway	-162	0
Market and industry research study	-121	-516
Costs related to legal claim	-425	0
	<u>-1,975</u>	<u>-613</u>
7 Financial expenses		
Foreign exchange loss	13	388
Interest expense relating to leases	752	807
Other interest expenses	9,169	7,665
Other financial costs	542	304
	<u>-10,476</u>	<u>9,164</u>

## Consolidated financial statements 1 January – 31 December

### Notes

#### 8 Tax

##### Tax in the statement of comprehensive income

DKK'000	2021	2020
Tax on the loss for the year is specified as follows:		
Current tax	0	356
Adjustment of deferred tax	-1,306	-3,449
Adjustment of deferred tax relating to previous years	0	102
Adjustment of current taxes relating to previous years	0	390
	<u>-1,306</u>	<u>-2,601</u>

##### Tax for the year can be explained as follows:

	2021	2021	2020	2020
	DKK'000	%	DKK'000	%
Computed tax of result before tax	-27	22.0	-4,336	22.0
Tax effect of:				
Non-deductible expenses	-1,077	423.9	1,434	-6.7
Adjustment of deferred tax relating to previous years	0	0	102	-0.5
Adjustment of current tax relating to previous years	0	0	390	-2.0
Other tax rates in subsidiaries	-202	86.7	-191	0.4
	<u>-1,306</u>	<u>532.5</u>	<u>-2,601</u>	<u>13.2</u>

Deferred tax assets have been recognized based on an assessment that shows utilization within the next 3-5 years. Deferred tax assets relating to the French subsidiary have been written down as key money is not deductible until realisation (vacating the premises), which result in utilization after 5 years. Unrecognized deferred tax assets totals DKK 1,521 thousand at 31 December 2021.

##### Deferred tax

DKK'000	2021	2020
Deferred tax 1 January	-6,109	-2,762
Deferred tax for the year	-1,306	-3,449
Deferred tax relating to previous years	0	102
Deferred tax 31 December	<u>-7,415</u>	<u>-6,109</u>

##### Deferred tax is recognised as follows in the balance sheet:

Deferred tax (liability)	0	0
Deferred tax assets (assets)	-7,415	-6,109
Deferred tax 31 December, net	<u>-7,415</u>	<u>-6,109</u>

Consolidated financial statements for the period 1 January – 31 December

Notes

8 Tax (continued)

DKK'000	2021	2020
Deferred tax relates to:		
Intangible assets	5,465	6,452
Property, plant and equipment, including leases	-287	-401
Deferred income	-635	-229
Tax losses carried forward	-11,958	-11,931
	<u>-7,415</u>	<u>-6,109</u>

Changes in temporary differences during the year:

DKK'000	2021		
	Balance at 1/1	Recognised in profit for the year, net	Balance at 31/12
Intangible assets	6,452	-987	5,465
Property, plant and equipment, including leases	-401	114	-287
Deferred income	-229	-406	-635
Tax losses carried forward	-11,931	-27	-11,958
	<u>-6,109</u>	<u>1,306</u>	<u>-7,415</u>

Changes in temporary differences during the year:

DKK'000	2020		
	Balance at 1/1	Recognised in profit for the year, net	Balance at 31/12
Intangible assets	6,657	-205	6,452
Property, plant and equipment, including leases	-103	-298	-401
Deferred income	0	-229	-229
Tax losses carried forward	-9,316	-2,615	-11,931
	<u>-2,762</u>	<u>-3,347</u>	<u>-6,109</u>

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 9 Intangible assets

	Consolidated				
	Goodwill	Brand value	Customer rights	Development costs	Total
DKK'000					
Cost at 1 January 2021	195,312	7,500	6,900	15,224	224,936
Additions	0	0	0	3,099	3,099
Disposals	0	0	0	0	0
Cost at 31 December 2021	195,312	7,500	6,900	18,323	228,035
Impairment losses and amortisation at 1 Jan. 2021	0	0	0	8,513	22,913
Amortisation	0	0	0	4,854	4,854
Impairment losses and amortisation at 31 Dec. 2021	0	7,500	6,900	13,367	27,767
Carrying amount at 31 December 2021	195,312	0	0	4,956	200,268
Cost at 1 January 2020	195,312	7,500	6,900	12,813	222,525
Additions	0	0	0	2,411	2,411
Disposals	0	0	0	0	0
Cost at 31 December 2020	195,312	7,500	6,900	15,224	224,936
Impairment losses and amortisation at 1 Jan. 2020	0	7,375	6,900	5,151	19,426
Amortisation	0	125	0	3,362	3,487
Impairment losses and amortisation at 31 Dec. 2020	0	7,500	6,900	8,513	22,913
Carrying amount at 31 December 2020	195,312	0	0	6,711	202,023

Development costs comprise development of software.  
Except from goodwill, it is assessed that intangible assets have a limited useful life.

#### 10 Impairment test

##### Goodwill

At 31 December 2021, the carrying amount of goodwill for the Group amounted to DKK 195.3 million. At 31 December 2021, Management performed an impairment test of the carrying amount of goodwill, which concerns one cash-generating unit.

The recoverable value is based on the net present value, which is determined by using expected net cash flows based on budgets and forecasts for the years 2022-2026 and a discount factor before tax of 10,3% (2020: 10.3%).

Calculations are made based on the Group's strategy plan for 2022 - 2026 including assumptions for revenue growth and profitability. The strategy plan is based on historical data and expectations for the years to come, including data from external sources (strategy study). The strategy plan includes annual revenue growth rates between 5% and 21% (2020: 15% and 20%). Profitability expected to increase due to efficiency of scale. EBITDA in % of revenue is expected to increase to 8% (2020: 7.5%) during the strategy period.

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2025 is estimated at 2%. The growth rate is not assessed to exceed the long-term average growth rate within the Group's markets. The impairment test did not give rise to any need for impairment write-down.

##### Development costs, property, plant and equipment and right-of-use assets

Management has not identified any factors that indicate impairment of development costs, property, plant and equipment and right-of-use assets.

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 11 Property, plant and equipment

DKK'000	Plant and equipment	Leasehold improve- ments	Total
Cost at 1 January 2021	14,913	2,224	17,137
Additions	5,565	972	6,537
Disposals	-428	0	-428
Cost at 31 December 2021	20,050	3,196	23,246
Impairment losses and depreciation at 1 January 2021	10,669	1,914	12,583
Depreciation	1,891	374	2,265
Disposals	-428	0	-428
Impairment losses and depreciation at 31 December 2021	12,132	2,288	14,420
Carrying amount at 31 December 2021	7,918	908	8,826
Cost at 1 January 2020	7,167	8,348	15,515
Additions	1,622	0	1,622
Transfer from other accounts	6,124	-6,124	0,0
Cost at 31 December 2020	14,913	2,224	17,137
Impairment losses and depreciation at 1 January 2020	3,692	5,816	9,508
Depreciation	2,856	219	3,075
Transfer from other accounts	4,121	-4,121	0,0
Impairment losses and depreciation at 31 December 2020	10,669	1,914	12,583
Carrying amount at 31 December 2020	4,244	310	4,554

#### 12 Leases

##### Leased assets - buildings

DKK'000	2021	2020
Opening balance at 1 January	32,824	40,014
Additions in the year	8,093	7,459
Re-measurement of lease liabilities during the year	3,885	1,617
Disposals during the year	0	-5,212
Depreciation in the year	-11,963	-11,054
Carrying amount at 31 December	32,839	32,824

Included in the carrying amount is DKK 6,944 thousand (2020: 9,960 thousand) related to Key Money, which was paid to the former lessee in 2019 in order to take over the lease agreement. The Key Money has been recognized as a direct cost and is being depreciated on a straight-line basis over the expected lease term together with the Right-of-use asset. Depreciation of Key Money in 2021 amounts to DKK 2,976 thousand (2020: DKK 2,988 thousand).

Reference is made to note 2 for descriptions regarding

- ▶ the extent of the Company's lease arrangements
- ▶ the process for determination of the discount rate.

Consolidated financial statements for the period 1 January – 31 December

Notes

12 Leases (continued)

Lease liabilities	2021	2020
DKK'000		
Maturity of lease liabilities		
Within 1 year	11,684	7,756
Between 1-5 years	16,731	18,117
Over 5 years	0	0
Total non-discounted leasing liabilities at 31 December 2021	28,415	25,873
Lease liabilities recognised in the balance sheet	27,160	24,671
Current liabilities	11,684	7,756
Non-current liabilities	15,476	16,915
Amounts recognised in the statement of comprehensive income		
Interest expenses relating to leasing	-752	-807
Depreciation on leased assets	-11,963	-11,054
Gain on disposal of lease liabilities	0	333
	<u>-12,715</u>	<u>-11,528</u>

For 2021, the Group has paid DKK 9,439 thousand regarding leases (2020: DKK 7,985 thousand), of which interest expenses amount 752 thousand (2020: DKK 807 thousand). The variance from expenses in the statement of comprehensive income and the lease payment is primarily attributable to depreciation of key money of DKK 2,976 thousand (2020: DKK 3,000 thousand).

13 Inventories

DKK'000	2021	2020
Goods for resale	155,315	89,793
Total goods	155,315	89,793
Carrying amount of inventories, recognised at net sales value	<u>460</u>	<u>325</u>

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 14 Equity

##### Capital management

Management continually assesses the need to adjust the capital structure. The equity share of total assets amounted to 35% at the end of 2021 (2020: 38%).

Capital is managed for the Group as a whole.

It is the Group's policy to use cash flows from operating activities to invest in developing the Group's revenue and earnings and to repay long-term liabilities.

##### Share capital

The share capital of total DKK 19,549,316 comprises:

814,903 A shares of DKK 1 each  
6,099,750 B1 shares of DKK 1 each  
12,634,663 B2 shares of DKK 1 each

All shares have been paid in full.

The voting right of B2 shares is restricted to matters protecting the interests of non-controlling shareholders. Consequently, B1 shares and A shares represent 95.83% and 4.17% of the votes, respectively.

Changes in share capital since the establishment can be specified as follows:

DKK'000	2021	2020	2019	2018	2017
Balance at 1 January	19,549	19,549	19,490	19,463	19,313
Capital increase	0	0	59	27	150
	<u>19,549</u>	<u>19,549</u>	<u>19,549</u>	<u>19,490</u>	<u>19,463</u>

##### Treasury shares

At 31 December 2021, the Parent Company held 199,535 treasury shares (2020: 199,535).

DKK'000	Number of shares		Nominal value (DKK'000)		% of share capital	
	2021	2020	2021	2020	2021	2020
1 January	199,535	199,535	176	176	1.0	1.0
Additions	0	0	0	0	0	0
31 December	<u>199,535</u>	<u>199,535</u>	<u>176</u>	<u>176</u>	<u>1</u>	<u>1</u>

Treasury shares are primarily acquired for purposes of the Group's share option plans.

##### Warrants

The Parent Company has issued warrants in connection with incentive programme, see note 5.

## Consolidated financial statements for the period 1 January – 31 December

### Notes

15	Provisions		
	DKK'000	2021	2020
	Provisions 1 January	<u>500</u>	<u>500</u>
	Provisions 31 December	<u>500</u>	<u>500</u>

Provisions include liabilities for restoration upon 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

Costs are expected to be incurred upon expected termination of the premises, which depends on a potential extension of the leases sheet date. For further description of leases, references is made to note 12.

16	Amounts owed to former owners		
	DKK'000	2021	2020
	Non-current liabilities	73,462	65,592
	Current liabilities	<u>0</u>	<u>0</u>
	Carrying amount	<u>73,462</u>	<u>65,592</u>
	Nominal value	<u>73,462</u>	<u>65,592</u>
	Falls due more than 5 years after the balance sheet date, nominal value	<u>0</u>	<u>0</u>

2021	Average nominal interest rate	Average effective interest rate	Currency	Rate fixation period	Carrying amount
Amounts owed to former owners					
Fixed interest	12%	12%	DKK	12 months	<u>73,462</u>

2020	Average nominal interest rate	Average effective interest rate	Currency	Rate fixation period	Carrying amount
Amounts owed to former owners					
Fixed interest	12%	12%	DKK	12 months	<u>65,592</u>

17	Other payables		
	DKK'000	2021	2020
	Holiday pay obligations and salary related liabilities	7,752	9,205
	VAT payables	23,205	21,437
	Other payables	<u>2,871</u>	<u>1,181</u>
		<u>33,828</u>	<u>34,286</u>



## Consolidated financial statements for the period 1 January – 31 December

### Notes

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

Leases entered into where the right of use of the underlying assets has been transferred before year end have been recognised as leased assets according to IFRS 16. Reference is made to note 12.

Lease obligations regarding low-value leases not recognized in the balance sheet amount to DKK 48 thousand at 31 December 2021.

#### Contingent assets and liabilities

As collateral for the Group's bank credit facility, the Company has provided a floating charge of DKK 30,000 thousand (2020: DKK 30,000 thousand) in the Group's receivables, inventories and non-current assets.

#### 19 Other adjustments of non-cash operations items, etc.

DKK'000	2021	2020
Financial expenses	10,476	9,164
Tax for the year	-1,306	-2,601
Share-based payment	-2,052	1,945
Gain on disposal of a lease	0	-333
Rent free period, recognized as income in the profit and loss statement	0	-297
	<u>7,118</u>	<u>7,878</u>
20 Changes in working capital		
Change in inventories	-65,522	-8,146
Change in receivables	-354	-3,635
Change in prepayments from customers, deferred income, trade and other payables, refund liabilities and right to return assets	34,536	52,583
	<u>-31,340</u>	<u>40,802</u>

#### 21 Financial risks and financial instruments

##### The Group's risk management policy

The overall financial risk management framework is laid down in the Group's finance policy. The finance policy includes the Group's currency policy, investment policy and policies regarding credit risks vis-a-vis financial counterparties.

The Group's risk exposure or risk management has not changed relative to 2020.

The Group's finance function manages financial risks at centralised level. Every month, Management supervises the Group's risk concentration in areas such as currencies, receivables, etc.

The finance policy is updated annually and approved by the Audit Committee.

It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed solely at managing and reducing the financial risks directly associated with the Group's operations and financing.

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 21 Financial risks and financial instruments (continued)

The Group is exposed to a few financial risks. The disclosures in this note solely concern the most critical financial risks, which are:

- ▶ Market risks (currency risk)
- ▶ Liquidity and financing risks.

The Group's most critical risks are described in the sections below. Each section first provides a summary description of the financial risk, the relating business activity, impacts, risk management related to the financial risk and the effect in the financial year.

#### Market risks

##### Currency risks

Related business activity	Impact	Risk management	Effect
The Group is exposed to currency fluctuations in primarily NOK, SEK and EUR due to sales that are settled in currencies other than the functional currency.	<i>Effect:</i> Moderate  <i>Threat:</i> Low	It is group currency policy not to hedge currency risks.  Purchases related to sales in NOK, SEK and EUR are made in sales currency if possible.	Fluctuations in exchange rates for NOK, SEK and EUR against DKK are accounted for in the statement of comprehensive income.

##### Exposure and sensitivity analysis

The Group's exposure and sensitiveness to currency movements are summed up in the table below.

A reasonable change in the exchange rates vis-a-vis the exchange rates at the balance sheet date would all things being equal have the following hypothetical impact on profit for the year and the Group's equity at year end (EUR does not fluctuate versus DKK thus not included in exposure and sensitivity analysis):

DKK'000	2021					
	Nominal position			Sensitivity		
	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments held to hedge future cash flows	Potential increase in the exchange rate	Hypothetical impact on profit/loss for the year	Hypothetical impact on equity
NOK/DKK	3,552	4,737	0	3%	36	36
SEK/DKK	2,322	12,952	0	3%	319	319

  

DKK'000	2020					
	Nominal position			Nominal position		
	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments held to hedge future cash flows	Potential increase in the exchange rate	Impact of profit/loss	Hypothetical impact on equity
NOK/DKK	10,352	9,148	0	3%	36	36
SEK/DKK	13,849	6,714	0	3%	214	214

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 21 Financial risks and financial instruments (continued)

A corresponding negative change of the exchange rates would have a corresponding reverse impact on profit/loss for the year and equity.

##### *Interest rate risks*

Related business activity	Impact	Risk management	Effect
The Group's long-term debt consists of loan issued by former owners and a loan issued by suppliers in connection with the acquisition of a former lease. The interest rate on the loans are fixed until termination.	<i>Effect:</i> Low  <i>Threat:</i> Low	Not applicable	Not applicable

##### *Exposure*

The Group's interest rate exposure is summed up as follows:

- ▶ The long-term debt is fixed until termination.

The Group's cash is deposited on a drawing account.

##### *Liquidity risks*

Related business activity	Impact	Risk management	Impact
The Group is exposed to liquidity risks due to its ongoing activities and repayment agreements for the loan financing.	<i>Effect:</i> Low  <i>Threat:</i> Low	The Group ensures liquidity through continuous management attention to payments terms and inventory levels.  The Group has a net positive cash flow from operations.	The Group's liquidity reserve consists of unutilised overdraft facilities and liquid funds at 31 December 2021.  The cash resources totalled DKK 63,179 thousand at 31 December 2021 (2020: DKK 99,143 thousand).  Management is of the opinion that the Group has sufficient cash resources to fulfil its obligations as they fall due.

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 21 Financial risks and financial instruments (continued)

##### *Analysis of term to maturity*

The Group's financial liabilities fall due as follows:

2021 (DKK'000)	Contractual cash flows	Within one year	1-3 years	3-5 years	After 5 years
Non-derivative financial instruments					
Amounts owed to former owners	93,072	0	93,072	0	0
Trade payables	121,539	121,539	0	0	0
Loans from suppliers	10,411	1,490	8,921	0	0
31 December 2021	<u>225,022</u>	<u>123,029</u>	<u>101,993</u>	<u>0</u>	<u>0</u>
2020 (DKK'000)					
Non-derivative financial instruments					
Amounts owed to former owners	65,492	0	65,492	0	0
Trade payables	99,898	99,898	0	0	0
Loans from suppliers	11,952	1,494	10,458	0	0
31 December 2020	<u>191,508</u>	<u>99,066</u>	<u>92,442</u>	<u>0</u>	<u>0</u>

##### *Assumptions underlying the analysis of term to maturity*

- ▶ The analysis of term to maturity is based on all non-discounted cash flows, including interest payments according to loan agreement.
- ▶ Liabilities under leases are not included, but are reflected in note 12.

On the basis of the Group's expectations as to its future operations and current cash resources, no other critical liquidity risks have been identified.

##### *Financing risks*

Related business activity	Impact	Risk management	Effect
The Group is exposed to a financing risk as the existing loan agreement with former owners terminate on 31 January 2024.	<i>Effect:</i> Moderate <i>Threat:</i> Low	It is the Group's aim that interest-bearing debt does not exceed four times the operating profit (EBITDA).	In Management's opinion, the Group's cash resources and earnings expectations suffice for the realisation of the Group's long-term strategy.
The Group's operations depend on the future financing of the Group's operations and facilities.			

Reference is made to note 16 for a specification of amounts owed to former owners.

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 21 Financial risks and financial instruments (continued)

##### *Credit risks*

Risk management	Effect
The Group's credit risks are linked to receivables and cash at bank and in hand. The maximum credit risk linked to financial assets corresponds to the values recognised in the balance sheet.	The Group has no significant risks regarding one individual customer or partner. Thus there is no insurance of trade receivables from sales.

##### Categories of financial instruments

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
DKK'000				
Deposits	4,515	4,515	2,932	2,932
Trade receivables	4,253	4,253	5,794	5,794
Other receivables	2,081	2,081	381	381
Cash at bank and in hand	18,179	18,179	54,143	54,143
Financial assets at amortised costs	<u>29.028</u>	<u>29.028</u>	<u>63.250</u>	<u>63.250</u>
Amounts owed to former owners	73,462	73,462	65,592	65,592
Loans from suppliers	10,411	10,411	11,952	11,952
Financial liabilities measured at amortised cost	<u>83,873</u>	<u>83,873</u>	<u>77,544</u>	<u>77,544</u>

Reference is made to the Section "Methods and assumptions underlying the fair value determination" below.

*Fair value hierarchy for financial instruments which are measured at fair value in the balance sheet or whose fair value is disclosed*

	Quoted prices (Level 1)	Observable input (Level 2)	Non observable input (Level 3)	Total
2021				
Amounts owed to former owners	0	0	73,462	73,462
Amounts owed to suppliers in connection with acquisition of a lease (Key Money)	<u>0</u>	<u>0</u>	<u>10,411</u>	<u>10,411</u>
Financial liabilities, where fair value is presented	<u>0</u>	<u>0</u>	<u>83,873</u>	<u>83,873</u>
2020				
Amounts owed to former owners	0	0	65,592	65,592
Amounts owed to suppliers in connection with acquisition of a lease (Key Money)	<u>0</u>	<u>0</u>	<u>11,952</u>	<u>11,952</u>
Financial liabilities, where fair value is presented	<u>0</u>	<u>0</u>	<u>77,544</u>	<u>77,544</u>

## Consolidated financial statements for the period 1 January – 31 December

### Notes

#### 21 Financial risks and financial instruments (continued)

##### Methods and assumptions underlying the fair value determination

The methods and assumptions applied to determine the fair value of financial instruments are described per class of financial instruments. The methods applied are unchanged compared to 2020.

##### *Loans from suppliers*

Loans from suppliers consists of amounts owed in connection with acquisition of a lease (Key Money). The loan agreements have been entered by two independent parties. Management is of the opinion that the terms are agreed at competitive terms (fair value).

##### *Trade receivables, deposits, cash and trade payables (measured at amortised cost in the balance sheet)*

The fair value of trade receivables, deposits, cash and trade payables with a short period of credit are deemed to be equal to the carrying amount.

#### 22 Related party disclosures

Unisport Holding ApS' related parties comprise the following:

##### Parties exercising control

Nordic Capital Fund VII, England, which controls the Company.

##### Other related parties

The member of the Executive Board and the members of the Board of Directors.

##### Transactions with related parties

Remuneration of the Executive Board and the Board of Directors is disclosed in note 5.

Related parties transactions during 2021 consist of transfer pricing adjustments.

#### 23 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.

#### 24 Composition of the Board of Directors

Jess Ørgaard Libak Tropp and Christian Hedegaard has been appointed by Nordic Capital Fund VII.

Filip Domagala, Michael Christiansen, Martin Lumbye Hansen and Jakob Nordenhof Jønck are independent.

Parent company financial statements for the period 1 January – 31 December

Income statement

Note	DKK'000	2021	2020
2	Staff costs	0	0
	Other external costs	-319	-305
	Operating profit/loss	-319	-305
6	Share of profit/loss in subsidiaries after tax	-8,586	-22,819
3	Financial income	607	569
4	Financial expenses	-7,880	-7,034
	Profit/loss before tax	-16,178	-29,589
5	Tax for the year	1,670	1,489
	Profit/loss for the year	-14,508	-28,100

Parent company financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	<u>2021</u>	<u>2020</u>
	ASSETS		
	Non-current assets		
	Financial assets		
6	Investments in subsidiaries	<u>112,903</u>	<u>121,449</u>
	Total non-current assets	<u>112,903</u>	<u>121,449</u>
	Current assets		
	Receivables		
	Receivables from subsidiaries	20,662	19,478
7	Deferred tax	<u>5,956</u>	<u>4,286</u>
		<u>26,618</u>	<u>23,764</u>
	Cash at bank and in hand	<u>161</u>	<u>992</u>
	Total current assets	<u>26,779</u>	<u>24,756</u>
	<b>TOTAL ASSETS</b>	<b><u>139,682</u></b>	<b><u>146,205</u></b>
	 EQUITY AND LIABILITIES		
	Equity		
8	Share capital	19,549	19,549
	Retained earnings	46,356	60,864
	Distributed profit for the year	<u>0</u>	<u>0</u>
	Total equity	<u>65,905</u>	<u>80,413</u>
	Non-current liabilities		
9	Amounts owed to former owners	<u>73,462</u>	<u>65,592</u>
	Total non-current liabilities	<u>73,462</u>	<u>65,592</u>
	Current liabilities		
	Trade payables	<u>315</u>	<u>200</u>
	Total current liabilities	<u>315</u>	<u>200</u>
	Total liabilities	<u>73,777</u>	<u>65,792</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>139,682</u></b>	<b><u>146,205</u></b>
10	Contractual obligations and contingencies, etc.		
11	Related parties		



Parent company financial statements for the period 1 January – 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2020	19,549	88,964	108,513
	Capital increase	0	0	0
	Issue of warrants	0	0	0
	Settlement of warrants	0	0	0
	Acquisition of treasury shares	0	0	0
12	Transfer, see "Distribution of profit/loss"	0	-28,100	-28,100
	Equity at 1 January 2021	19,549	60,864	80,413
12	Transfer, see "Distribution of profit/loss"	0	-14,508	-14,508
	Equity at 31 December 2021	19,549	46,356	65,905

## Parent company financial statements for the period 1 January – 31 December

### Summary of notes to the parent company financial statements

#### Note

- 1 Accounting policies
- 2 Staff costs
- 3 Financial income
- 4 Financial expenses
- 5 Tax for the year
- 6 Investments in subsidiaries
- 7 Deferred tax
- 8 Share capital
- 9 Amounts owed to former owners
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties
- 12 Distribution of profit/loss

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies

The parent company financial statements of Unisport Holding ApS for 2021 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C entities.

By reference to section 112 of the Danish Financial Statements Act, no cash flow statement has been prepared, as the cash flows are included in the consolidated financial statements.

The investment in the subsidiary is recognised in accordance with the equity method in the parent company financial statements. The financial statements of the subsidiary used for recognition in the parent company are prepared in accordance with the Danish financial statements Act. The consolidated financial statements are prepared in accordance with IFRS. The main difference in accounting policies mainly relates to goodwill being amortised over 15 years in the parent company financial statements and tested for impairment according to IFRS.

#### Business combinations

Recently acquired or formed entities are recognised in the parent company financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains and losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, thus, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities can be adjusted until the end of the year following the year of acquisition.

#### Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., the book value method is used. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity. Comparative figures for previous financial years are not restated.

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

##### Income statement

##### Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

##### Profit/loss from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement.

##### Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax for the year

The Parent Company is covered by the Danish rules on compulsory joint taxation of the Unisport Holding ApS Group's subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The Parent Company is the administration company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In the relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the entities' net asset values calculated in accordance with the Group's accounting policies adjusted to be in accordance with the Danish Financial Statements Act, minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Unisport Holding ApS are not recognised in the reserve for net revaluation.

##### Impairment of non-current assets

The carrying amount of investments in subsidiaries is assessed annually for evidence of impairment.

Impairment tests are conducted on individual assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the 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 net 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.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### 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.

##### Equity

##### *Dividends*

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income 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 base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation; 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Liabilities

Liabilities are measured at net realisable value.

#### 2 Staff costs

The Company has no employees.

Remuneration to the Group's Executive Board and Board of Directors is disclosed in the consolidated financial statements note 5.

DKK'000	2021	2020
3 Financial income		
Interests from group companies	607	569
4 Financial expenses		
Interest expenses on debt to former owners	-7,871	-7,028
Other interest expense	-9	-6
Carrying amount at 31 December	-7,880	-7,034
5 Tax for the year		
Adjustment of deferred tax for year	-1,670	-1,489
6 Investments in subsidiaries		
Cost at 1 January	217,231	217,231
Addition	40	0
Cost at 31 December	217,271	217,231
Value adjustments at 1 January	-95,782	-72,963
Profit/loss for the year	-8,586	-22,819
Value adjustments at 31 December	104,368	-95,782
Carrying amount at 31 December	112,903	121,449

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 6 Investments in subsidiaries (continued)

Name	Registered office	Voting rights and ownership
Unisport A/S	Copenhagen	100%
Unisport France SAS	Paris	100%
Unisport Norge AS	Norway	100%
Unisport Store Sverige AB	Sweden	100%

Unisport A/S was acquired on 19 January 2015. In this connection, residual value of positive goodwill determined in accordance with the acquisition method amounted to DKK 177,815 thousand, which amounted to DKK 95,613 thousand after accumulated depreciation at 31 December 2021 and is recognised in the carrying value of investments in subsidiaries.

#### 7 Deferred tax

DKK'000	2021	2020
Deferred tax 1 January	-4,286	-2,798
Deferred tax, recognised in profit for the year	-1,670	-1,489
Deferred tax 31 December	<u>-5,956</u>	<u>-4,287</u>
Deferred tax relates to:		
Tax losses carried forward	<u>-5,956</u>	<u>-4,287</u>

#### 8 Share capital

The share capital of total DKK 19,549,316 comprises:

814,903 A shares of DKK 1 each  
6,099,750 B1 shares of DKK 1 each  
12,634,663 B2 shares of DKK 1 each

The voting right of B2 shares is restricted to matters protecting the interests of non-controlling shareholders. Consequently, B1 shares and A shares represent 95.83% and 4.17% of the votes, respectively.

Changes in share capital since the establishment can be specified as follows:

DKK'000	2021	2020	2019	2018	2017
Balance at 1 January	19,549	19,549	19,490	19,463	19,313
Capital increase	0	0	59	27	150
	<u>19,549</u>	<u>19,549</u>	<u>19,549</u>	<u>19,490</u>	<u>19,463</u>

## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 8 Share capital (continued)

##### Treasury shares

At 31 December 2021, the Parent Company owns 199,535 treasury shares (31 December 2020: 199,535).

Treasury shares are primarily acquired for purposes of the Company's share option plans.

##### Warrants

Unisport Holding ApS has established a share-based incentive programme in the form of a warrant program for executive employees and other employees. The warrants are acquired at a value which is close to the fair value at the grant date.

The warrants programme comprised a total of 554,272 warrants at 31 December 2021 (2020: 554,272). References are made to note 5 in the consolidated financial statements regarding specification of warrants in 2021.

Each warrant entitles the holder to subscribe for 1 share at a nominal value of DKK 1 in Unisport Holding ApS. The right to exercise the warrants is 28 February 2023.

#### 9 Amounts owed to former owners

DKK'000	2021	2020
Non-current liabilities	73,462	65,592
Current liabilities	0	0
Carrying amount	73,462	65,592
Falling due more than 5 years after the balance sheet date, nominal value	0	0

#### 10 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The Company is jointly taxed with the subsidiary, Unisport A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes. At 31 December 2021, the net tax payables from the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase.

Apart from the above, the Company has no contingent liabilities.

#### 11 Related parties

Unisport Holding ApS' related parties comprise the following:

##### Parties exercising control

Nordic Capital Fund VII, England, which controls the Company.

##### Other related parties

The member of the Executive Board and the members of the Board of Directors.

The subsidiaries, Unisport A/S, Unisport France SAS, Unisport Norge AS and Unisport Store Sverige AB.



## Parent company financial statements for the period 1 January – 31 December

### Notes

#### 11 Related parties (continued)

##### Related party transactions

Remuneration of the Executive Board and the Board of Directors is disclosed in note 5 to the consolidated financial statements.

Related parties transactions during 2021 consist of cancellation of warrants, cf. note 5 to the consolidated financial statements.

#### 12 Distribution of profit/loss

DKK'000	2021	2020
Proposed distribution of profit/loss		
Transferred to retained earnings	-14,508	-28,100