Unisport Holding ApS

c/o Unisport A/S

Bådehavnsgade 38, DK-2450 København SV

CVR no. 35 65 06 79

Annual report 2022

Approved at the Company's annual general meeting on 29 June 2023

Chairman:

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Jesper Rechter Christensen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unisport Holding ApS for the financial year 1 January - 31 December 2022 .

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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2022 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, 22 June 2023
Executive Board:

Michael Johannes Burk

Board of Directors:

Filip Domagala Chairman	Michael Christiansen	Jess Ørgaard Libak Tropp
Martin Lumbye Hansen	Jakob Nordenhof Jønck	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 2022 , 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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 22 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen state authorised public accountant mne24687	Thomas Steen Andersen state authorised public accountant mne47810

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

Group chart at 31 December 2022

Company	Country	Voting rights and ownership
Unisport Holding ApS		
- Unisport A/S	Denmark	100%
- Unisport France SAS	France	100%
- Unisport Norge AS	Norway	100%
- Unisport Store Sverige AB	Sweden	100%

Management's review

Financial highlights for the Group

	2022	2021	2020	2019	2018
Key figures (DKK'000)					
Gross merchandise value	752,150	609,338	457,165	391,388	363,318
Revenue	727,333	579,924	439,076	388,510	363,318
Gross profit	222,952	169,411	122,275	114,190	94,626
Operating profit/loss before depreciation and amortisation (EBITDA)	27,633	29,436	7,069	6,792	-4,460
Operating profit/loss before other material expenses of income statement, special items, depreciation and amortisation (adjusted EBITDA)	41,171	31,411	7,682	8,081	815
Operating profit/loss before other material expenses of income statement and special items	19,822	12,329	-9,934	-7,162	-8,822
Operating profit/loss	6,284	10,354	-10,546	-8,452	-14,097
Profit/loss from financial income and expense	-13,225	-10,476	-9,164	-8,713	-4,485
Profit/loss for the year	-5,487	1,184	-17,109	-13,474	-14,666
Total assets	523,719	441,312	403,248	362,720	312,758
Investment in property, plant and equipment, excluding leases	4,812	6,537	1,622	4,187	1,702
Equity	146,952	152,260	153,128	168,292	180,410
Cash flows from operating activities	-614	-14,517	46,661	5,929	-1,071
Cash flows from investing activities	-8,512	-11,219	-2,885	-9,981	-7,336
Cash flows from financing activities	-12,488	-10,228	-8,672	-6,103	-4,250
Total cash flows	-21,614	-35,964	35,104	-10,155	-12,657
Financial ratios (%)					
Gross margin	30.7	29.2	28.0	29.4	26.0
Operating margin	0.9	1.8	-2.4	-2.2	-3.9
Solvency ratio	28.1	34.2	38.0	46.4	56.1
Return on equity	-6.8	0.8	-10.6	-7.7	-7.8
FTE (employees)	205	172	159	142	127

For terms and definitions of financial ratios and alternative performance measures not defined by IFRS, please see accounting policies note 1.

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).

The Group trades football equipment directly to the end-consumers (B2C) as well to football clubs (B2B). In terms of online sales, the Group uses a well-established wholesale logistics model as well as an asset light Marketplace model as a sales channel on its platform. In 2022 the Marketplace platform was further extended adding more suppliers as well as offering significantly more products. Marketplace is expected to continue to be a key growth driver in the upcoming years strengthening the product offering without additional working capital needs as well as optimizing the supply chain.

In terms of sales channels the Group mainly distributes through the own Unisport online platform as well as through 3 Premium Flagship Retail stores located in prime inner-city locations. The Flagship stores are located in the heart of Paris (France), city centre of Copenhagen (Denmark) as well as in downtown Stockholm (Sweden). In 2022, all retail stores have shown very good results each of them reaching all-time-high revenue numbers.

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 8 million followers globally across various popular Social Media networks like YouTube, Instagram, Facebook, TikTok and others. Through these social media channels, the Group reaches the hard-to-reach and young “Generation Z”. Its main global YouTube channel has reached around 800 million lifetime views and close to 4 million subscribers at the end of 2022. In 2022 alone, the global YouTube channel reached 266 million views marking a new record for a 1-year period.

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 +101% yoy to around 841.000 members by the end of 2022 – making it the largest membership program in the football industry globally.

The UEFA Women's EURO 2022 in England during summertime has been a great success. The combined spectatorship of 574,875 fans that had attended the games more than doubled the previous tournament attendance record set at Euro 2017 in the Netherlands. A record crowd of 87,192 for a European Championship final – men’s or women’s – watched England’s victory over the eight-time winner Germany. Globally, the tournament has been the most-watched women’s European soccer championships in history. The tournament has set an example that will be an inspiration for girls and women today, and for future generations.

Also, the very first winter Men’s FIFA World Cup 2022 in Qatar was successful. The World Cup was enjoyed inside the stadiums by 3.4 million spectators - up from 3 million in Russia in 2018. 172 goals ensured that Qatar 2022 became the highest scoring FIFA World Cup in history, eclipsing the previous highest total of 171, in both 1998 and 2014. 88,966 spectators packed into Lusail Stadium and close to 1.5 billion around the world watched an unforgettable final between Argentina and France with Lionel Messi and La Albiceleste lifting the trophy.

Both global football events in 2022 drove awareness and excitement amongst the population as well as inspiring young children to join the game of football or to intensify their involvement in the game.

Unusual conditions

The Group has been able to consistently drive double digit growth in revenue and achieved a CAGR (Compound annual growth rate) of 22% over the last 10 years of operation. The Group has also outperformed its own targets and growth projections over the last few years. Due to the high and especially higher than planned growth in business volume, the Group was forced to pull forward a warehouse extension originally planned for mid-2023 by almost 10 months to Sep/Oct 2022. The Group moved from its existing warehouse in Albertslund (Denmark) to Køge (Denmark)

Management's review

extending the space to around 10.000 square meters – almost doubling floor space. Timing of the warehouse move was inevitable due to the high business growth however was not ideal as it collided with the usual sales peak in Q4 (Christmas and Black Friday) as well as with the first winter Football World Cup in Qatar sparking additional demand for football products many of those football shirts also including customization (Name and Number). The warehouse move created a high amount of direct one-time costs (moving costs, costs for double rent, overtime cost, stay on bonuses, hiring cost etc) as well as indirect cost (much higher than usual delivery times to customers etc). In total the direct one-time special items are estimated to be DKK 13.5 million. It took around 6 months after moving (end Q1'23) until all new warehouse instalments had been completed and processes had been implemented in order to state that warehouse operations were fully back in order. Management considers that the warehouse move is fully done and no such costs are planned to occur in the following years.

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

In the annual report for 2021, Management expected a growth in revenue and profits in 2022.

The Group realized a very strong growth in revenue and profits (adjusted for special items/one-off costs) compared to 2022 and over delivered on the expectations. Online traffic and revenue were positively impacted by the macro trends moving more consumers into the online sales. In addition, the Group has successfully continued expanding its customer base and recurring business due to customer retention projects.

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

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 752.2 (2021: DKK 609.3 million) and therefore increased by 23%. GMV was positively impacted by high growth from sales and marketing activities that has led to a 19% increase in number of customers surpassing more than 900,000 active customers during the last 12 months for the first time ever. An amount of almost 1.3 million orders were shipped to customers during 2022, an increase of 15% versus 2021.

Revenue:

Despite the unusual conditions in the year, revenue grew 25% compared to 2021 and amounted to DKK 727.3 million (2021: DKK 579.9 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 2022 the exchange rates for SEK/DKK decreased by 5 percent. Since Sweden is a key market for the Company, it has had a negative impact to revenue and profitability of the Swedish online business. The Group had a significantly higher profitability following the successful growth and improved cost efficiency.

Special items / one-off costs:

As mentioned in the Operating Review section, the Group moved its central warehouse in 2nd half of 2022. This led to significant one-off costs, totalling DKK 13.5 million.

Management's review

Balance sheet

The balance sheet as of 31 December 2022 amounts to DKK 523.7 million compared to DKK 441.3 million in 2021. The increase/decrease was primarily due to a combination of (1) increase/decreased changes in inventories (DKK 72. 9 million), (2) increase/decrease in Fixed Assets due to increase in leased assets related to new central warehouse (DKK 12.5 million).

Total equity as of 31 December 2022 amounts to DKK 147.0 million, compared to DKK 152.3 million as of 31 December 2021. The change in equity reflects the effect of the profit/loss for the year.

Outlook

Management expects and plans with achieving a growth between 10% - 20% in revenue in 2023 depending on inflationary pressure and impact on consumer demand while delivering an increase in margin in line with revenue growth and at least the same percentage growth in profits.

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, liquidity and financing risks

For risks and plans regarding currency, liquidity, and financing risks, we refer to note 23.

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, cf. Danish financial statements act §99a

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 (a temporary pop-up stadium store).

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

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

Management's review

All other Group employees are employed in Denmark. Late 2022 the Group Company Unisport A/S entered a collective agreement containing the Central Warehouse and HQ in Denmark. The collective agreement will be phased in over the next years.

Consequently, the Company´s collective Pension agreement for Danish white-collar employees was extended to include also warehouse workers. The agreement contains an insurance package that supports employees in event of sickness, loss of work ability etc.

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.

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

In 2022, there were no change of employees in the Group´s buying and Product Management functions, thus no training of new employees was conducted.

During 2022 we have not registered any breaches of our policies regarding anticorruption.

In the coming years, the Group will continue training as well new employees and existing employees within relevant departments. Further, the Group will continue its 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 2022.

Management's review

The Group culture is essential to the past as well as the successful future development of the Group. Management has a continued focus on investing in key people, attracting young potentials and to further strengthen the development of those in order to make Unisport a great place to work.

During 2022 we have had an increased focus on ESG both internally and across partnerships. We have worked with an external agency holding various workshops on ESG components, targets, strategy and involved top suppliers. They outcome of such activities was defining a 2030 ESG Strategy and roadmap setting specific targets. Such 2030 roadmap has been presented to and approved by the groups board of directors during the first half of 2023 and will be communicated to external stakeholders during 2023 and onwards.

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.
Culture and ESG

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. Safety was included as a key element in the warehouse transition project. Both in respect of designing and implementing new processes but also in respect of the physical move.

During 2022 new employees and managers were trained in the Group processes and guidelines with a special attention to safety. A total of more than 100 employees/managers received this training.

No working accidents have been reported in year 2022.

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 on 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.

Gender distribution in management cf. Danish financial statement act §99b
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 2022 corresponding to one woman. The goal has not been met in 2022 since there has been no change to the Board of Directors during 2022. 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.

Management's review

Data Ethics, cf section 99d of the Danish Financial Statement Act

The group currently do not have a data ethics policy. The Group only collects and processes data to a necessary extent in the group’s main activity, hence a policy is not developed. The Group has worked intensively with implementing GDPR policies for customer and HR data and external reviews are conducted. Last review conducted late 2022.

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

Parent Company

Primary activities

The entity's primary activity is to hold equity investments.

Development in activities

The income statement for 2022 shows a loss of DKK 19.1 million against DKK 14.5 million in 2021. The loss is primarily due to results realized in the investments of DKK 12.5 million and interest expense related to amounts owed to former owners.

The balance sheet as of 31 December 2022 amounts to DKK 129.3 against DKK 139.7 million in 2021. The development is primary due to the activities described above. The equity is decreased by DKK 19.1 million due to the realized loss for 2022 and amounts to DKK 46.8 million as of 31 December 2022 against DKK 65.9 million as of 31 December 2021.

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

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.

Consolidated financial statements for the period 1 January – 31 December

Statement of comprehensive income

Note	DKK'000	2022	2021
4	Revenue	727,333	579,924
	Cost of goods sold	-504,381	-410,513
	Gross profit	222,952	169,411
	Other operating income	11,882	4,348
5,8	Other external costs	-132,757	-86,468
6,8	Staff costs	-74,444	-55,880
7	Special items	0	-1,975
	Earnings before interests, tax, depreciation and amortisation	27,633	29,436
11	Amortisation	-2,986	-4,854
13,14	Depreciation	-18,363	-14,228
	Operating profit/loss	6,284	10,354
9	Financial expenses	-13,225	-10,476
	Profit/loss before tax	-6,941	-122
10	Tax for the year	1,454	1,306
	Profit/loss for the year	-5,487	1,184
	Other comprehensive income after tax	0	0
	Total comprehensive income	-5,487	1,184

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Non-current assets		
11,12	Intangible assets		
	Goodwill	195,312	195,312
	Brand value	0	0
	Customer right	0	0
	Development costs	5,662	4,956
		200,974	200,268
	Property, plant and equipment		
13	Plant and equipment	8,713	7,918
13	Leasehold improvements	894	908
14	Leased assets	45,337	32,839
		54,944	41,665
	Other non-current assets		
	Deposits	4,523	4,515
10	Deferred tax assets	9,860	7,415
		14,383	11,930
	Total non-current assets	270,301	253,863
	Current assets		
15	Inventories	228,264	155,315
	Trade receivables	9,913	4,253
	Prepayments	1,804	400
	Right of return assets	10,350	7,221
	Other receivables	3,087	2,081
	Cash at bank and in hand	0	18,179
	Total current assets	253,418	187,449
	TOTAL ASSETS	523,719	441,312

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
16	Equity		
	Share capital	19,549	19,549
	Treasury shares	-2,003	-2,003
	Retained earnings	129,406	134,714
	Total equity	146,952	152,260
	Liabilities		
	Non-current liabilities		
17	Provisions	518	500
18	Amounts owed to former owners	82,278	73,462
14	Lease liabilities	30,137	15,476
	Loans from suppliers	0	8,921
	Other payables	3,397	3,272
	Total non-current liabilities	116,330	101,631
	Current liabilities		
14	Lease liabilities	13,354	11,684
	Loans from suppliers	8,924	1,490
	Bank overdrafts	3,435	0
	Prepayments from customers	3,004	2,528
	Refund liabilities	16,048	12,768
	Trade payables	181,313	121,539
	Corporate tax	885	0
19	Other payables	31,616	33,828
	Deferred income	1,858	3,584
	Total current liabilities	260,437	187,421
	Total liabilities	376,767	289,052
	TOTAL EQUITY AND LIABILITIES	523,719	441,312

Consolidated financial statements for the period 1 January – 31 December

Cash flow statement

Note	DKK'000	2022	2021
	Profit/loss for the year	-5,487	1,184
	Depreciation and amortisation	21,349	19,082
21	Other adjustments of non-cash operating items, etc.	11,809	7,118
	Cash generated from operations (operating activities) before changes in working capital	27,671	27,384
22	Changes in working capital	-24,431	-38,877
	Cash generated from operations	3,240	-11,493
	Interest paid	-2,546	-1,701
	Interest payments under IFRS 16	-1,202	-752
	Corporation tax paid/received	-106	-571
	Cash flows from operating activities	-614	14,517
11	Acquisition of other intangible assets	-3,692	-3,099
13	Acquisition of property, plant and equipment	-4,812	-6,537
	Net change in deposits, investments	-8	-1,583
	Cash flows from investing activities	-8,512	11,219
	External financing:		
	Lease payments under IFRS 16	-11,002	-8,687
	Re-payment of loan to suppliers	-1,486	-1,541
	Cash flows from financing activities	-12,488	-10,228
	Net cash flows from operating, investing and financing activities	-21,614	-35,964
	Cash and cash equivalents at 1 January	18,179	54,143
	Cash and cash equivalents at 31 December	-3,435	18,179

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 2022	19,549	-2,003	134,714	152,260
Comprehensive income in 2022				
Loss for the year	0	0	-5,487	-5,487
Total comprehensive income for the period	0	0	-5,487	-5,487
Transactions with owners				
Incentive program	0	0	179	179
Total transactions with owners	0	0	179	179
Equity 31 December 2022	19,549	-2,003	129,406	146,952

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 (reversal)	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

Consolidated financial statements for the period 1 January – 31 December

Summary of notes to the consolidated financial statements

Note

Note	
1	Accounting policies
2	Significant estimation uncertainty, assumptions and assessments
3	Standards issued but not yet effective
4	Revenue
5	Fees paid to auditor appointed at the annual general meeting
6	Staff costs
7	Special items
8	Other material expenses in income statement
9	Financial expenses
10	Tax
11	Intangible assets
12	Impairment test
13	Property, plant and equipment
14	Leases
15	Inventories
16	Equity
17	Provisions
18	Amounts owed to former owners
19	Other payables
20	Contractual obligations and contingencies, etc.
21	Other adjustments of non-cash operations items, etc.
22	Changes in working capital
23	Financial risks and financial instruments
24	Changes in liabilities arising from financing activities
25	Related party disclosures
26	Events after the balance sheet date
27	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 2022 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 2022 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 22 June 2023, the Board of Directors and the Executive Board discussed and approved the annual report of Unisport Holding ApS for 2022. The annual report is presented to the shareholders of Unisport Holding ApS for adoption at the annual general meeting on 29 June 2023.

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 for the period 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 for the period 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. Revenue includes fee from shipping.

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 goods sold 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 expenses

Finance expenses comprise interest 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 for the period 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 for the period 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 and other costs attributable to the Group's development activities.

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 for the period 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 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 for the period 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 investory 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.

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. Prepayments recognised under “Current assets” comprise expenses incurred concerning subsequent financial years.

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 for the period 1 January – 31 December

Notes

1 Accounting policies (continued)

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 for the period 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 for the period 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

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

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

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 23 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 for the period 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 2022, Management performed an impairment test of goodwill. The test was based on a number of assumptions as to the Group'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 12 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 2022, 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 10.

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.

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 Standards issued but not yet effective

The Group has adopted relevant new or amended standards and interpretations as adopted by the EU and which are effective for the financial year 1 January – 31 December 2022. The Group has assessed that the new or amended standards and interpretations have not had any material impact on the Group’s Annual Report in 2022.

At the date of authorisation of these financial statements, the Group has assessed the new and revised IFRS Standards that have been issued but are not yet effective. Based on the current business setup, none of the new standards or interpretations are expected to have a material impact on the Group’s Annual Report.

Consolidated financial statements for the period 1 January – 31 December

Notes

4 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 two markets; 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	2022	2021
Revenue		
Mature markets	533,083	454,802
New markets	194,250	125,122
	727,333	579,924

5 Fees paid to auditor appointed at the annual general meeting

Fee regarding statutory audit	371	325
Other assurance engagements	0	0
Tax assistance	36	82
Other assistance	173	124
	580	531

6 Staff costs

Wages and salaries	65,695	52,064
Other social security costs	2,872	2,371
Pensions	3,569	2,433
Other staff costs	2,129	1,063
Share-based payment	179	-2,051
	74.444	55,880
Average number of employees	205	172

Consolidated financial statements for the period 1 January – 31 December

Notes

6 Staff costs (continued)

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

DKK'000	2022 Board of Directors and Executive Board	2022 Executive employees	2021 Board of Directors and Executive Board	2021 Executive employees
Wages and salaries	3,153	8,128	3,042	8,074
Pension	0	426	0	406
Social costs	1	12	1	12
Share-based payment	102	68	-1,189	-627
	3,256	8,634	1,854	7,865

With reference to the Danish Financial Statements Act, section 98b(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 2022 (2021: 554,272). No warrants were granted in 2022.

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 (2021: 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 Group, etc.

Consolidated financial statements for the period 1 January – 31 December

Notes

6 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 2021	530,272	24,000	554,272	13.1
Granted	0	0	0	
Forfeited	0	0	0	
Exercised	0	0	0	
Expired	0	0	0	
Outstanding at the end of 2021	530,272	24,000	554,272	13.1
Outstanding at 1 January 2022	530,272	24,000	554,272	13.1
Granted	0	0	0	
Forfeited	0	0	0	
Exercised	0	0	0	
Expired	0	0	0	
Outstanding at the end of 2022	530,272	24,000	554,272	13.1

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

In 2022, income recognised in results for the year relating to warrants amounted to an expense of DKK 179 thousand (2021: Income DKK 2.052 thousand). The income recognised in 2021 was attributable to the revaluation of warrant based on change in assumptions in 2021 of warrants issued in 2019.

DKK'000	2022	2021
7 Special items		
Strategic study, Supply Chain	0	-1,267
Establishment of Flag Ship Store in France	0	0
Establishment of Flag Ship Store in Sweden and Norway	0	-162
Market and industry research study	0	-121
Costs related to legal claim	0	-425
	0	-1,975

Consolidated financial statements for the period 1 January – 31 December

Notes

DKK'000	2022	2021

8 Other material expenses in income statement

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

	2022	2021
Extra staff related to the move, operating two locations etc.	11,334	0
Transition planning and physical move	1,895	0
Other	311	0
	13,540	0
Special items are recognised in the below items of the financial statements:		
Staff costs	11,334	0
Other external expenses	2,206	0
	13,540	0

9 Financial expenses

	2022	2021
Foreign exchange loss	-969	-13
Interest expense relating to leases	-1,202	-752
Other interest expenses	-10,059	-9,169
Other financial costs	-996	-542
	-13,225	-10,476

Consolidated financial statements for the period 1 January – 31 December

Notes

10 Tax

Tax in the statement of comprehensive income

DKK'000	2022	2021
Tax on the loss for the year is specified as follows:		
Current tax	768	0
Adjustment of deferred tax	-2,175	-1,306
Adjustment of deferred tax relating to previous years	-47	0
	-1,454	-1,306

Tax for the year can be explained as follows:

	2022	2022	2021	2021
	DKK'000	%	DKK'000	%
Computed tax of result before tax	-1,251	22	-27	22
Tax effect of:				
Non-deductible expenses	-179	3	-1,077	424
Adjustment of deferred tax relating to previous years	0	0	0	0
Adjustment of current tax relating to previous years	0	0	0	0
Other tax rates in subsidiaries	-23	0.4	-202	87
	-1,454	25.6	-1,306	532.5

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 1,154 thousand at 31 December 2022.

Deferred tax

DKK'000	2022	2021
Deferred tax 1 January	-7,415	-6,109
Deferred tax for the year	-2,397	-1,306
Deferred tax relating to previous years	-48	0
Deferred tax 31 December	-9,860	-7,415
Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (liability)	0	0
Deferred tax assets (assets)	-9,860	-7,415
Deferred tax 31 December, net	-9,860	-7,415

Consolidated financial statements for the period 1 January – 31 December

Notes

10 Tax (continued)

DKK'000		2021
Deferred tax relates to:		
Intangible assets	4,924	5,465
Property, plant and equipment, including leases	-556	-287
Deferred income	-376	-635
Tax losses carried forward	-13,852	-11,958
	-9,860	-7,415

Changes in temporary differences during the year:

	2022		
DKK'000	Balance at 1/1	Recognised in profit for the year, net	Balance at 31/12
Intangible assets	5,465	-541	4,924
Property, plant and equipment, including leases	-287	-268	-556
Deferred income	-635	259	-376
Tax losses carried forward	-11,958	-1,895	-13,852
	-7,415	-2,445	-9,860

Changes in temporary differences during the year:

	2021		
DKK'000	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
	-6,109	1,306	-7,415

Consolidated financial statements for the period 1 January – 31 December

Notes

11 Intangible assets

	Consolidated				
DKK'000	Goodwill	Brand value	Custo-mer rights	Deve-lopment costs	Total
Cost at 1 January 2022	195,312	7,500	6,900	18,323	228,035
Additions	0	0	0	3,692	3,692
Disposals	0	0	0	-1,745	-1,745
Cost at 31 December 2022	195,312	7,500	6,900	23,760	229,982
Impairment losses and amortisation at 1 Jan. 2022	0	7,500	6,900	13,367	27,767
Amortisation	0	0	0	2,986	2,986
Amortisation/Depreciation and impairment losses of Disposals in the year	0	0	0	-1,745	-1,745
Impairment losses and amortisation at 31 Dec. 2022	0	7,500	6,900	18,098	29,008
Carrying amount at 31 December 2022	195,312	0	0	5,662	200,974

DKK'000	Goodwill	Brand value	Custo-mer rights	Deve-lopment costs	Total
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	7.500	6.900	8.513	22,913
Amortisation	0	0	0	4,854	4,854
Amortisation/Depreciation and impairment losses of Disposals in the year	0	0	0	0	0
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

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

12 Impairment test

Goodwill

At 31 December 2022, the carrying amount of goodwill for the Group amounted to DKK 195,312 million. At 31 December 2022, 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 2023-2027 and a discount factor before tax of 10,3% (2021: 10.3%).

Calculations are made based on the Group´s strategy plan for 2023 - 2027 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 15% (2021: 15% and 20%). Profitability expected to increase due to efficiency of scale. EBITDA in % of revenue is expected to increase to 7% (2021: 8%) during the strategy period.

Consolidated financial statements for the period 1 January – 31 December

Notes

12 Impairment test (continued)

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2026 is estimated at 3%. 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.

13 Property, plant and equipment

DKK'000	Plant and equipment	Leasehold improve-ments	Total
Cost at 1 January 2022	20,050	3,196	23,246
Foreign currency translation adjustments	0	-432	-432
Additions	2,463	2,349	4,812
Disposals	-404	-300	-704
Cost at 31 December 2022	22,109	4,813	26,922
Impairment losses and depreciation at 1 January 2022	12,132	2,288	14,420
Foreign currency translation adjustments	0	-66	-66
Depreciation	1,562	1,997	3,559
Disposals	-298	-300	-598
Impairment losses and depreciation at 31 December 2022	13,396	3,919	17,315
Carrying amount at 31 December 2022	8,713	894	9,607
Cost at 1 January 2021	14,913	2,224	17,137
Additions	5,565	972	6,537
Transfer from other accounts	-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
Transfer from other accounts	-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

Consolidated financial statements for the period 1 January – 31 December

Notes

14 Leases

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

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.

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.

The Group uses its incremental borrowing rate to measure the future lease payments to the present value. Management has assessed its incremental borrowing rate between 5.9 % - 7.5% (2021: 3 %).

Leased assets - buildings

DKK'000	2022	2021
Opening balance at 1 January	32,839	32,824
Additions in the year	28,378	8,093
Re-meassurement of lease liabilities during the year	-1,076	3,885
Depreciation in the year	-14,804	-11,963
Carrying amount at 31 December	45,337	32,839

Included in the carrying amount is DKK 3,968 thousand (2021: 6,944 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 2022 amounts to DKK 2,976 thousand (2021: DKK 2,976 thousand).

Lease liabilities

DKK'000	2022	2021
Maturity of lease liabilities		
Within 1 year	15,613	11,684
Between 1-5 years	33,666	16,731
Over 5 years	0	0
Total non-discounted leasing liabilities at 31 December 2021	49,279	28,415
Lease liabilities recognised in the balance sheet	43,491	27,160
Current liabilities	13,354	11,684
Non-current liabilities	30,137	15,476

Consolidated financial statements for the period 1 January – 31 December

Notes

14 Leases (continued)

Amounts recognised in the statement of comprehensive income

DKK'000	2022	2021
Interest expenses relating to leasing	-1,202	-752
Depreciation on leased assets	-14,804	-11,963
	-16,006	-12,715

For 2022, the Group has paid DKK 12,204 thousand regarding leases (2021: DKK 9,439 thousand), of which interest expenses amount 1,202 thousand (2021: DKK 752 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 (2021: DKK 2,976 thousand).

15 Inventories

Goods for resale	228,264	155,315
Total goods	228,264	155,315
Carrying amount of inventories, recognised at net sales value	620	460

16 Equity

Capital management

Management continually assesses the need to adjust the capital structure. The equity share of total assets amounted to 28 % at the end of 2022 (2021: 35%).

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	2022	2021	2020	2019	2018
Balance at 1 January	19,549	19,549	19,549	19,490	19,463
Capital increase	0	0	0	59	27
	19,549	19,549	19,549	19,549	19,490

Consolidated financial statements for the period 1 January – 31 December

Notes

16 Equity (continued)

Treasury shares

At 31 December 2022, the Parent Company held 199,535 treasury shares (2021: 199,535).

	Number of shares		Nominal value (DKK'000)		% of share capital	
DKK'000	2022	2021	2022	2021	2022	2021
1 January	199,535	199,535	176	176	1.0	1.0
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
31 December	199,535	199,535	176	176	1	1

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 6.

17 Provisions

DKK'000	2022	2021
Provisions 1 January	500	500
Provisions in the year	150	0
Provisions utilised in the year	-132	0
Provisions 31 December	518	500

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 14.

18 Amounts owed to former owners

DKK'000	2022	2021
Non-current liabilities	82,278	73,462
Current liabilities	0	0
Carrying amount	82,278	73,462
Nominal value	82,278	73,462
Falls due more than 5 years after the balance sheet date, nominal value	0	0

Consolidated financial statements for the period 1 January – 31 December

Notes

18 Amounts owed to former owners (continued)

2022	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	82,278

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	73,462

19 Other payables

DKK'000	2022	2021
Holiday pay obligations and salary related liabilities	7,361	7,752
VAT payables	17,191	23,205
Other payables	7,063	2,871
	31.616	33,828

20 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 14.

Lease obligations regarding low-value leases not recognized in the balance sheet amount to DKK 0 thousand at 31 December 2022 (2021: DKK 48 thousand).

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 (2021: DKK 30,000 thousand) in the Group's receivables, inventories and non-current assets.

21 Other adjustments of non-cash operations items, etc.

DKK'000	2022	2021
Financial expenses	13,225	10,476
Tax for the year	-1,454	-1,306
Share-based payment	179	-2,052
Gain on disposal of a assets	-106	0
Other adjustments	-35	0
	11,809	7,118

Consolidated financial statements for the period 1 January – 31 December

Notes

22 Changes in working capital

DKK'000	2022	2021
Change in inventories	-72,949	-65,522
Change in receivables	-8,070	-355
Change in prepayments from customers, deferred income, trade and other payables, refund liabilities and right to return assets	56,588	27,000
	-24,431	-38,877

23 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 2021.

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.

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.

23 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.	*Effect:* Moderate *Threat:* 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.

Consolidated financial statements for the period 1 January – 31 December

Notes

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):

	2022					
	Nominal position			Sensitivity		
DKK'000	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	8,167	8,757	0	3%	18	18
SEK/DKK	11,292	10,589	0	3%	21	21

	2021					
	Nominal position			Nominal position		
DKK'000	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	3,552	4,737	0	3%	36	36
SEK/DKK	2,322	12,952	0	3%	319	319

Consolidated financial statements for the period 1 January – 31 December

Notes

23 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.	*Effect*: Low *Threat:* 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.	*Effect:* Low *Threat:* 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 2022. The cash resources totalled DKK 71,565 thousand at 31 December 2022 (2021: DKK 63,179 thousand). Management is of the opinion that the Group has sufficient cash resources to fulfil its obligations as they fall due. Reference is made to below section regarding Financing risks.

Consolidated financial statements for the period 1 January – 31 December

Notes

23 Financial risks and financial instruments (continued)

Analysis of term to maturity

The Group's financial liabilities fall due as follows:

2022 (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	181,313	181,313	0	0	0
Loans from suppliers	8,924	8,924	0	0	0
31 December 2022	283,309	190,237	93,072	0	0

2021 (DKK'000)					
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	225.022	123,029	101,993	0	0

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 14.

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.

Consolidated financial statements for the period 1 January – 31 December

Notes

23 Financial risks and financial instruments (continued)

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. The Group's operations depend on the future financing of the Group's operations and facilities.	*Effect:* Moderate *Threat:* 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. Management are considering what would be the best short term and long term financing of the Group taking into account the expected growth. As part of this management has engaged with current credit facility providers as well as other credit institutions in relation to cover the current financing made by bank and the vendor note. Management expect the financing being finally agreed before the due date of the current financing agreements.

Reference is made to note 18 for a specification of amounts owed to former owners.

Consolidated financial statements for the period 1 January – 31 December

Notes

23 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

	2022		2021	
DKK'000	Carrying value	Fair value	Carrying value	Fair value
Deposits	4,523	4,523	4,515	4,515
Trade receivables	9,913	9,913	4,253	4,253
Other receivables	3,087	3,087	2,081	2,081
Cash at bank and in hand	0	0	18,179	18,179
Financial assets at amortised costs	17,523	17,523	29.028	29.028
Amounts owed to former owners	82,278	82,278	73,462	73,462
Loans from suppliers	8,924	8,924	10,411	10,411
Bank overdrafts	3,435	3,435	0	0
Financial liabilities measured at amortised cost	94,637	94,637	83,873	83,873

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

DKK'000	Quoted prices (Level 1)	Observable input (Level 2)	Non observable input (Level 3)	Total
2022	0	0		
Amounts owed to former owners	0	0	82,278	82,278
Amounts owed to suppliers in connection with acquisition of a lease (Key Money)	0	0	8,924	8,924
Financial liabilities, where fair value is presented	0	0	91,202	91,202
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)	0	0	10,411	10,411
Financial liabilities, where fair value is presented	0	0	83,873	83,873

Consolidated financial statements for the period 1 January – 31 December

Notes

23 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 2021.

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.

24 Changes in liabilities arising from financing activities

DKK'000	1 January 2022	Cash flows	Leases	Other	31 December 2022
Loans from suppliers	10,411	-1,487	0	0	8,924
Lease liabilities	27,160	-12,204	27,302	1,233	43,491
Total liabilities from financing activities	37,571	-13,691	27,302	1,233	52,415

DKK'000	1 January 2021	Cash flows	Leases	Other	31 December 2021
Loans from suppliers	11,952	-1,541	0	0	10,411
Lease liabilities	24,671	-9,439	11,176	752	27,160
Total liabilities from financing activities	36,623	-10,980	11,176	752	37,571

25 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.

Consolidated financial statements for the period 1 January – 31 December

Notes

25 Related party disclosures (continued)

Transactions with related parties

Remuneration of the Executive Board and the Board of Directors is disclosed in note 6.

Remuneration to the Executive Board and the Board of Directors is paid by a group company.

Members of the Executive Board and the Board of Directors holds shares in the group.

26 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.

27 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	2022	2021
2	Staff costs	0	0
	Other external costs	-394	-319
	Operating profit/loss	-394	-319
6	Share of profit/loss in subsidiaries after tax	-12,453	-8,586
3	Financial income	625	607
4	Financial expenses	-8,816	-7,880
	Profit/loss before tax	-21,038	-16,178
5	Tax for the year	1,936	1,670
	Profit/loss for the year	-19,102	-14,508

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

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Non-current assets		
	Financial assets		
6	Investments in subsidiaries	100,450	112,903
	Total non-current assets	100,450	112,903
	Current assets		
	Receivables		
	Receivables from subsidiaries	20,925	20,662
7	Deferred tax	7,892	5,956
		28,817	26,618
	Cash at bank and in hand	24	161
	Total current assets	28,841	26,779
	TOTAL ASSETS	129,291	139,682
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	19,549	19,549
	Retained earnings	27,254	46,356
	Total equity	46,803	65,905
	Non-current liabilities		
9	Amounts owed to former owners	82,278	73,462
	Total non-current liabilities	82,278	73,462
	Current liabilities		
	Trade payables	210	315
	Total current liabilities	210	315
	Total liabilities	82,488	73,777
	TOTAL EQUITY AND LIABILITIES	129,291	139,682

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 2021	19,549	60,864	80,413
12	Transfer, see "Distribution of profit/loss"	0	-14,508	-14,508
	Equity at 1 January 2022	19,549	46,356	65,905
12	Transfer, see "Distribution of profit/loss"	0	-19,102	-19,102
	Equity at 31 December 2022	19,549	27,254	46,803

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 2022 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C entities.

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.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

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 6.

	DKK'000	2022	2021
3	Financial income		
	Interests from group companies	625	607
4	Financial expenses		
	Interest expenses on debt to former owners	-8,816	-7,871
	Other interest expense	0	-9
		-8,816	-7,880
5	Tax for the year		
	Adjustment of deferred tax for year	-1,889	-1,670
	Adjustment to prior year	-47	0
		-1,936	-1,670
6	Investments in subsidiaries		
	Cost at 1 January	217,271	217,231
	Addition	0	40
	Cost at 31 December	217,271	217,271
	Value adjustments at 1 January	-104,368	-95,782
	Profit/loss for the year	-12,453	-8,586
	Value adjustments at 31 December	-116,821	-104,368
	Carrying amount at 31 December	100,450	112,903

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	Oslo	100%
Unisport Store Sverige AB	Stockholm	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 83,785 thousand after accumulated depreciation at 31 December 2022 and is recognised in the carrying value of investments in subsidiaries.

7 Deferred tax

DKK'000	2022	2021
Deferred tax 1 January	-5,956	-4,286
Deferred tax, recognised in profit for the year	-1,936	-1,670
Deferred tax 31 December	-7,892	-5,956
Deferred tax relates to:		
Tax losses carried forward	-7,892	-5,956

For information about deferred tax reference is made to note 10 in the consolidated financial statement.

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	2022	2021	2020	2019	2018
Balance at 1 January	19,549	19,549	19,549	19,490	19,463
Capital increase	0	0	0	59	27
	19,549	19,549	19,549	19,549	19,490

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

Notes

8 Share capital (continued)

Treasury shares

At 31 December 2022, the Parent Company owns 199,535 treasury shares (31 December 2021: 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 2022 (2021: 554,272).

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.

For additional information, reference is made to note 6 in the consolidated financial statements.

9 Amounts owed to former owners

DKK'000	2022	2021
Non-current liabilities	82,278	73,462
Current liabilities	0	0
Carrying amount	82,278	73,462
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 2022, 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 6 to the consolidated financial statements.

Remuneration to the Executive Board and the Board of Directors is paid by a group company.

Related party transactions with subsidiaries

Unisport Holding ApS was engaged in the below related party transactions with subsidiaries:

DKK'000	2022	2021
Interests	625	607
Receivables from subsidiaries	20,925	20,662

12 Distribution of profit/loss

DKK'000	2022	2021
Proposed distribution of profit/loss:		
Transferred to retained earnings	-19,102	-14,508