

JD Sports Fashion Denmark ApS

c/o Harbour House

Sundkrogsgade 21, DK-2100 Copenhagen

CVR no. 36 91 05 50

Annual report for 2020/21

Adopted at the annual general
meeting on 16 July 2021



Emil Skov
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Financial highlights	6
Management's review	7
Financial statements	
Income statement 1 February - 31 January	8
Balance sheet 31 January	9
Statement of changes in equity	11
Notes to the annual report	12
Accounting policies	16

Statement by management on the annual report

The executive board has today discussed and approved the annual report of JD Sports Fashion Denmark ApS for the financial year 1 February 2020 - 31 January 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 January 2021 and of the results of the company's operations for the financial year 1 February 2020 - 31 January 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 16 July 2021

Executive Board



Neil James Greenhalgh



Peter Allen Cowgill

Independent auditor's report

To the shareholder of JD Sports Fashion Denmark ApS

Opinion

We have audited the financial statements of JD Sports Fashion Denmark ApS for the financial year 1 February 2020 - 31 January 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 January 2021 and of the results of the company's operations for the financial year 1 February 2020 - 31 January 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

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

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

Statement on management's review

Management is responsible for management's review.

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

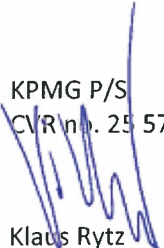
Independent auditor's report

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

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

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 16 July 2021



KPMG P/S
CVR no. 25 57 81 98

Klaus Rytz
State Authorised Public Accountant
MNE no. mne33205

Company details

JD Sports Fashion Denmark ApS
Sundkrogsgade 21
c/o Harbour House
DK-2100 Copenhagen

CVR-no. 36 91 05 50

Financial year: 1 February 2020 - 31 January 2021

Domicile: Copenhagen

Executive Board

Neil James Greenhalgh
Peter Allen Cowgill

Auditors

KPMG P/S
Dampfærgevej 28
DK-2100 Copenhagen

Bankers

Handelsbanken

Consolidated financial statements

The company is included in the consolidated financial statement of JD Sports Fashion plc.

JD Sports Fashion plc
Edinburgh House Hollinsbrook Way Pilsworth, Bury
Lancashire BL9 8RR
United Kingdom

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020/21	2019/20	2018/19	2017/18	2016/17
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	33.975	27.373	23.833	24.333	8.064
Profit/loss before net financials	5.874	-1.688	-909	4.032	-5.986
Net financials	-454	-579	-507	-620	-456
Profit/loss for the year	4.413	-2.267	-1.416	3.412	-6.442
Balance sheet total	68.948	41.999	39.430	50.232	32.046
Investment in property, plant and equipment	301	18	4.299	227	8.813
Equity	-4.607	-9.020	-6.753	-5.337	-8.749
Number of employees	69	70	63	49	42
Financial ratios					
Return on assets	10,6%	-4,1%	-2,0%	9,8%	-22,1%
Solvency ratio	-6,7%	-21,5%	-17,1%	-10,6%	-27,3%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's primary activity is sale of sports fashion, footwear and related accessories.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 January 2021 and the results of its operations for the financial year ended 31 January 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 January 2021 shows a profit of TDKK 4.413, and the balance sheet at 31 January 2021 shows negative equity of TDKK 4.607.

At 31 January 2021, the company had lost its entire share capital. JD Sports Fashion Denmark ApS has received a letter of support from the parent company, JD Sports Fashion plc., in which it is stated that JD Sport Fashion plc. will provide the necessary financial support to JD Sports Fashion Denmark ApS for the foreseeable future, being a period of at least 12 months from 31 January 2021, provided that the Company remains in the Group.

Significant events occurring after the end of the financial year

The global COVID-19 pandemic and more recently, the UK's formal exit from the European Union have presented a series of unprecedented challenges which have serveral tested all aspects of our business including our multichannel capabilities, the robustness of our operational infrastructure and the resilience of our colleagues. However, at all times, the Group has strived to do the right thing for all stakeholders.

Notwithstanding these well publicised challenges, a number of positive themes have been increasingly apparent through the year which gives us confidence that, as we begin to emerge from the worst of the disruption, JD is at the pinnacle of the global sports fashion industry. We have a market leading multichannel proposition which continues to enhance its relevance to consumers and has the necessary agility to progress in an environment where the retailing of international brands may see permanent global structural change.

Income statement 1 February - 31 January

	Note	2020/21 TDKK	2019/20 TDKK
Gross profit		33.975	27.373
Staff costs	1	-22.345	-24.230
Depreciation on property, plant and equipment		-3.560	-2.765
Other operating expenses		-2.196	-2.066
Profit/loss before net financials		5.874	-1.688
Financial income		1	0
Financial costs	2	-455	-579
Profit/loss before tax		5.420	-2.267
Tax on profit/loss for the year	3	-1.007	0
Profit/loss for the year		4.413	-2.267
Distribution of profit			
Retained earnings		4.413	-2.267
		4.413	-2.267

Balance sheet 31 January

	Note	2020/21 TDKK	2019/20 TDKK
Assets			
Other fixtures and fittings, tools and equipment		6.652	9.909
Tangible assets	4	6.652	9.909
Deposits		5.592	5.476
Fixed asset investments		5.592	5.476
Total non-current assets		12.244	15.385
Finished goods and goods for resale		12.539	10.219
Stocks		12.539	10.219
Trade receivables		0	36
Other receivables		827	86
Prepayments		2.004	989
Receivables		2.831	1.111
Cash at bank and in hand		41.334	15.284
Total current assets		56.704	26.614
Total assets		68.948	41.999

Balance sheet 31 January

	Note	2020/21 TDKK	2019/20 TDKK
Equity and liabilities			
Share capital		50	50
Retained earnings		-4.657	-9.070
Equity		-4.607	-9.020
Provision for deferred tax		87	0
Total provisions		87	0
Other payables		3.142	3.590
Total non-current liabilities	5	3.142	3.590
Short-term part of long-term debt	5	458	465
Trade payables		4.368	879
Payables to group entities		39.934	30.660
Corporation tax		920	0
Other payables		24.646	15.425
Total current liabilities		70.326	47.429
Total liabilities		73.468	51.019
Total equity and liabilities		68.948	41.999
Uncertainty about the continued operation (going concern)	6		
Significant events occurring after the end of the financial year	7		
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership structure	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 February 2020	50	-9.070	-9.020
Net profit/loss for the year	0	4.413	4.413
Equity at 31 January 2021	50	-4.657	-4.607

Notes

	2020/21 TDKK	2019/20 TDKK
1 Staff costs		
Wages and salaries	20.969	22.977
Pensions	1.376	1.253
	22.345	24.230
Average number of employees	69	70

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

	2020/21 TDKK	2019/20 TDKK
2 Financial costs		
Financial expenses, group entities	373	505
Other financial costs	82	74
	455	579

	2020/21 TDKK	2019/20 TDKK
3 Tax on profit/loss for the year		
Current tax for the year	920	0
Deferred tax for the year	87	0
	1.007	0

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 February 2020	18.184
Additions for the year	301
Cost at 31 January 2021	18.485
Impairment losses and depreciation at 1 February 2020	8.275
Impairment losses for the year	1.453
Depreciation for the year	2.105
Impairment losses and depreciation at 31 January 2021	11.833
Carrying amount at 31 January 2021	6.652

5 Long term debt

	Debt at 1 February 2020	Debt at 31 January 2021	Instalment next year	Debt outstanding after 5 years
Other payables	4.055	3.600	458	170
	4.055	3.600	458	170

6 Uncertainty about the continued operation (going concern)

At 31 January 2021, the Company had lost its entire share capital. JD Sports Fashion Denmark ApS has received a letter of support from the parent company, JD Sports Fashion plc., in which it is stated that JD Sport Fashion plc. will provide the necessary financial support to JD Sports Fashion Denmark ApS for the foreseeable future, being a period of at least 12 months from 31 January 2021, provided that the Company remains in the Group.

Notes

7 Significant events occurring after the end of the financial year

The global COVID-19 pandemic and more recently, the UK's formal exit from the European Union have presented a series of unprecedented challenges which have serveral tested all aspects of our business including our multichannel capabilities, the robustness of our operational infrastructure and the resilience of our colleagues. However, at all times, the Group has strived to do the right thing for all stakeholders.

Notwithstanding these well publicised challenges, a number of positive themes have been increasingly apparent through the year which gives us confidence that, as we begin to emerge from the worst of the disruption, JD is at the pinnacle of the global sports fashion industry. We have a market leading multichannel proposition which continues to enhance its relevance to consumers and has the necessary agility to progress in an environment where the retailing of international brands may see permanent global structural change.

8 Contingent assets, liabilities and other financial obligations

The company has entered into a lease on premises with a minmum lease obligation totalling TDKK 40.173 (2019/20: TDKK 51.610).

The company has entered into a guarantee totalling TDKK 493 (2019/20: TDKK 493).

Notes

9 Related parties and ownership structure

Controlling interest

JD Sports Fashion plc
Edinburgh House Hollinsbrook Way Pilsworth, Bury
Lancashire BL9 8RR

Transactions

Transactions with related parties:

	<u>2020/21</u>	<u>2019/20</u>
	TDKK	TDKK
Purchase of goods from group companies	89.947	81.017
Purchase of services from group companies	31.167	24.753
Cost to management fee/royalties	643	2.251
Financial expenses group companies	373	505
Payables to group companies	39.934	30.660

Besides the above listed transaction, no other transactions were carried out with shareholders or other group companies in the year.

Accounting policies

The annual report of JD Sports Fashion Denmark ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2020/21 is presented in TDKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

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

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of other fixtures and fittings, tools and equipment

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipments	7 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of other fixtures and fittings, tools and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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

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

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Cash flow statement

In pursuance of section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the cash flows are included in the consolidated cash flow statement of the parent company.

Financial highlights

Definitions of financial ratios.

Return on assets

$$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$$

Solvency ratio

$$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$$