

XXL SPORTS & OUTDOOR APS
C/O POWER A/S, HOVEDVEJEN 197, 2600 GLOSTRUP
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2024**

Tolle Olaf Rørvik Grøterud

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COMPANY DETAILS

Company	XXL Sports & Outdoor ApS c/o Power A/S, Hovedvejen 197 2600 Glostrup
	CVR No.: 37 42 61 56
	Established: 26 January 2016
	Municipality: Glostrup
	Financial Year: 1 January - 31 December
Board of Directors	Pasi Johannes Lämpsä Stein Alexander Eriksen Tolle Olaf Rørvik Grøterud
Executive Board	Tolle Olaf Rørvik Grøterud
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of XXL Sports & Outdoor ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the general meeting to opt out of audit for the annual report for 1 January - 31 December 2024. The Board of Directors and Executive Board consider the conditions for opting out of audit to be fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Glostrup, 28 June 2024

Executive Board

Tolle Olaf Rørvik Grøterud

Board of Directors

Pasi Johannes Lämpsä

Stein Alexander Eriksen

Tolle Olaf Rørvik Grøterud

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of XXL Sports & Outdoor ApS

Opinion

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

We have audited the Financial Statements of XXL Sports & Outdoor ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

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

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

Management's Responsibilities for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Hellerup, 28 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
MNE no. mne30221

MANAGEMENT REVIEW

Principal activities

The Company's main activity is advertising and sale of sports equipment and all related activities.

Development in activities and financial and economic position

The income statement of the Company for 2023 shows a profit of DKK 695k, and at 31 December 2023 the balance sheet of the Company shows equity of DKK 4,118k.

Significant events after the end of the financial year

During the first quarter of 2024, the company has shut down its operational activities in Denmark. The company will continue to have employees in Denmark to provide IT services.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		1.109.774	972.489
Staff costs.....	1	-996.320	-832.610
OPERATING PROFIT		113.454	139.879
Other financial income.....	2	789.118	692.215
Other financial expenses.....		-11.037	-12.783
PROFIT BEFORE TAX		891.535	819.311
Tax on profit/loss for the year.....	3	-196.159	-180.460
PROFIT FOR THE YEAR		695.376	638.851
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		695.376	638.851
TOTAL		695.376	638.851

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Trade receivables		14.136	7.091
Receivables from group enterprises.....		5.161.708	4.598.264
Deferred tax assets.....		2.925	3.900
Corporation tax receivable.....		0	179.432
Receivables.....		5.178.769	4.788.687
CURRENT ASSETS.....		5.178.769	4.788.687
ASSETS.....		5.178.769	4.788.687
EQUITY AND LIABILITIES			
Share Capital.....		100.000	100.000
Retained earnings.....		4.018.034	3.322.658
EQUITY.....		4.118.034	3.422.658
Trade payables.....		105.414	378.467
Corporation tax payable.....		224.976	217.224
Other liabilities.....		730.345	770.338
Current liabilities.....		1.060.735	1.366.029
LIABILITIES.....		1.060.735	1.366.029
EQUITY AND LIABILITIES.....		5.178.769	4.788.687
 Contingencies etc.	 4		
Related parties	5		
Significant events after the end of the financial year	6		

EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	100.000	3.322.658	3.422.658
Proposed profit allocation.....		695.376	695.376
Equity at 31 December 2023.....	100.000	4.018.034	4.118.034

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	1	1	
Wages and salaries.....	924.863	759.359	
Pensions.....	65.189	65.374	
Social security costs.....	2.272	2.272	
Other staff costs.....	3.996	5.605	
	996.320	832.610	
Other financial income			2
Group enterprises.....	670.781	62.554	
Other interest income.....	118.337	629.661	
	789.118	692.215	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	195.184	123.596	
Adjustment of deferred tax.....	975	56.864	
	196.159	180.460	
Contingencies etc.			4
Contingent liabilities			
There are no security and contingent liabilities at 31 December 2023.			
Related parties			5
The Company's related parties include:			
Controlling interest			
XXL ASA Group, is the principal shareholder. The Company is included in the Group Report of the Parent Company.			
The Group Annual Report for XXL ASA Group, may be obtained at the following address:			
Strømsveien 245			
0668 Oslo			
Norway			
Transactions with related parties			
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.			

NOTES**Note****Significant events after the end of the financial year****6**

On 1st March 2024, XXL closed down it's online shop in Denmark. Going forward the company will continue as a service provider to other XXL companies. Based on this, the board confirms that the going concern condition is present when the 2023 accounts are presented.

ACCOUNTING POLICIES

The Annual Report of XXL Sports & Outdoor ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of sales and other external expenses.

INCOME STATEMENT

Net revenue

Net revenue from the sale of goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses include interest income and expenses, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.