



Footbalance System Denmark ApS

C/O Redmark Dirch Passers Allé 76, 2000 Frederiksberg

Company reg. no. 43 04 36 25

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 27 June 2024.

Morten Israelsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Footbalance System Denmark ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and 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.

The Board of Directors and the Managing Director consider the conditions for audit exemption of the 2023 financial statements to be met.

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

We recommend that the annual report be approved at the Annual General Meeting.

Frederiksberg, 27 June 2024

Managing Director

Morten Israelsen

Board of directors

Erkki Juhani Hakkala

Practitioner's compilation report

To the Shareholder of Footbalance System Denmark ApS

We have compiled the financial statements of Footbalance System Denmark ApS for the financial year 1 January - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 27 June 2024

Redmark

Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Mark Leerdrup Hansen

State Authorised Public Accountant
mne19802

Company information

The company	Footbalance System Denmark ApS C/O Redmark Dirch Passers Allé 76 2000 Frederiksberg Company reg. no. 43 04 36 25 Financial year: 1 January - 31 December
Board of directors	Erkki Juhani Hakkala
Managing Director	Morten Israelsen
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Parent company	FOOTBALANCE SYSTEM OY Finland

Management's review

The principal activities of the company

The company's purpose is to conduct business with the sale, marketing and import of sports and orthopedic products as well as all business, as per the management's discretion is related to this.

Development in activities and financial matters

The gross profit for the year totals DKK 2.045.281 against DKK -386.280 last year. Income or loss from ordinary activities after tax totals DKK 92.813 against DKK -1.558.473 last year. Management considers the net profit or loss for the year satisfactory.

Capital situation

The company has lost its equity, but the equity is expected to be re-established through its own operations. In addition, the parent company has indicated that it wants to provide the necessary financing.

Events occurring after the end of the financial year

After the end of the financial year, no events have occurred that could change the company's position financial position significantly.

Income statement

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12</u> <u>2023</u>	<u>2/2 - 31/12</u> <u>2022</u>
Gross profit	2.045.281	-386.280
2 Staff costs	<u>-1.891.839</u>	<u>-1.159.778</u>
Operating profit	153.442	-1.546.058
3 Other financial expenses	<u>-60.629</u>	<u>-12.415</u>
Pre-tax net profit or loss	92.813	-1.558.473
Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
Net profit or loss for the year	92.813	-1.558.473
Proposed distribution of net profit:		
Transferred to retained earnings	92.813	0
Allocated from retained earnings	<u>0</u>	<u>-1.558.473</u>
Total allocations and transfers	92.813	-1.558.473

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Current assets		
Other receivables	10.614	0
Prepayments	35.185	56.019
Total receivables	<u>45.799</u>	<u>56.019</u>
Total current assets	<u>45.799</u>	<u>56.019</u>
Total assets	<u>45.799</u>	<u>56.019</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	40.000	40.000
Retained earnings	-1.465.661	-1.558.473
Total equity	-1.425.661	-1.518.473
Liabilities other than provisions		
Trade payables	43.378	21.436
Payables to group enterprises	1.328.046	1.364.535
Other payables	100.036	188.521
Total short term liabilities other than provisions	1.471.460	1.574.492
Total liabilities other than provisions	1.471.460	1.574.492
Total equity and liabilities	45.799	56.019

1 Capital situation

4 Charges and security

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	40.000	-1.558.473	-1.518.473
Retained earnings for the year	0	92.813	92.813
	40.000	-1.465.660	-1.425.660

Notes

All amounts in DKK.

1. Capital situation

The company has lost its equity, but the equity is expected to be re-established through its own operations. In addition, the parent company has indicated that it wants to provide the necessary financing.

	1/1 - 31/12 2023	2/2 - 31/12 2022
2. Staff costs		
Salaries and wages	1.836.679	1.132.377
Pension costs	40.379	22.857
Other costs for social security	14.781	4.544
	<u>1.891.839</u>	<u>1.159.778</u>
 Average number of employees	 <u>2</u>	 <u>1</u>
3. Other financial expenses		
Other financial costs	60.629	12.415
	<u>60.629</u>	<u>12.415</u>

4. Charges and security

The company has no pledges or guarantees etc.

Accounting policies

The annual report for Footbalance System Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, other operating income and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.