



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	954 690 873
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ADIDAS NORGE AS
Forretningsadresse:	Spaces Tullinløkka Kristian Augusts gate 13 0164 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Nei
-----------------------	-----

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kathryn Swarbrick
Dato for fastsettelse av årsregnskapet:	16.11.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.09.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	2	702 469 530	703 600 014
Other operating income		1 976 203	6 526
Sum inntekter		704 445 733	703 606 540
Kostnader			
Cost of sales	3	560 636 510	567 628 528
Wages, salaries and social security contributions	4	29 197 250	28 566 618
Depreciation	5	5 361 677	3 650 748
Other operating expenses	6	85 608 389	84 223 269
Sum kostnader		680 803 826	684 069 163
Driftsresultat		23 641 907	19 537 377
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		535 844	121 217
Annen renteinntekt		55	18 590
Financial income		91 227	185 015
Sum finansinntekter		627 126	324 822
Annen rentekostnad		1 739 212	1 844 347
Financial expenses		196 055	147 479
Sum finanskostnader		1 935 267	1 991 826
Netto finans		-1 308 141	-1 667 004
Ordinært resultat før skattekostnad		22 333 766	17 870 373
Tax on ordinary profit	7	4 697 515	4 486 802
Ordinært resultat etter skattekostnad		17 636 251	13 383 571
Årsresultat		17 636 251	13 383 571
Overføringer og disponeringer			
Ordinært utbytte		19 000 000	13 000 000
Allocated to other equity		-1 363 748	383 570



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Sum overføringer og disponeringer		17 636 252	13 383 570



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		3 256 427	2 835 132
Sum immaterielle eiendeler		3 256 427	2 835 132
Varige driftsmidler			
Improvement leased offices	5	101 151	105 745
Machinery and equipment	5	2 384 392	7 683 191
Machinery and equipment	5		959 354
Sum varige driftsmidler		2 485 543	8 748 290
Sum anleggsmidler		5 741 970	11 583 422
Omløpsmidler			
Varer			
Inventories	8	12 224 525	11 885 740
Sum varer		12 224 525	11 885 740
Fordringer			
Receivables from customers (non-group)		39 225 452	20 302 090
Other short term receivables		3 930 596	6 129 978
Konsernfordringer	11	44 963 605	81 886 762
Sum fordringer		88 119 653	108 318 830
Bankinnskudd, kontanter og lignende			
Bank and cash balances	9	560 300	1 307 699
Sum bankinnskudd, kontanter og lignende		560 300	1 307 699
Sum omløpsmidler		100 904 478	121 512 269
SUM EIENDELER		106 646 448	133 095 691

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Share capital	10	5 000 000	5 000 000
Overkurs	10	13 194 000	13 194 000
Sum innskutt egenkapital		18 194 000	18 194 000
Opptjent egenkapital			
Profit and loss account	10	498 095	1 861 843
Sum opptjent egenkapital		498 095	1 861 843
Sum egenkapital		18 692 095	20 055 843
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	12	4 019 833	15 218 506
Company tax liabilities	7	6 070 087	5 328 419
Other tax liabilities		22 191 637	21 838 534
Utbytte		19 000 000	13 000 000
Other current liabilities		36 672 797	57 654 390
Sum kortsiktig gjeld		87 954 354	113 039 849
Sum gjeld		87 954 354	113 039 849
SUM EGENKAPITAL OG GJELD		106 646 449	133 095 692



KPMG AS
Vangsvæien 73
N-2317 Hamar

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Adidas Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Adidas Norge AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the

Offices in:

© KPMG AS, a Norwegian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Oslø	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bødø	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

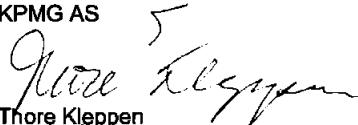
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.



We communicate with the Board of Directors 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.

Hamar, 30 November 2023

KPMG AS



Thore Kleppen

State Authorised Public Accountant



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

Organisation number: 954 690 873

adidas Norge AS

**Financial statements
for the year ended 31 December 2022**



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Contents
for the year ended 31 December 2022

	Page
The Board's Annual report	3 - 6
Income statement	7
Balance sheet	8 - 10
Cash flow statement	11
Notes to the financial statements	12 - 18

for the year ended 31 December 2022



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Annual Report for the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activities

adidas Norge AS is a trading entity and agent of sports and leisure products in Norway. The business operates in the Norwegian market. The head office is located in Oslo. During 2022, the company's revenue remained static vs 2021. adidas Norge AS leases an outlet in Lillestrom which retails adidas products from previous seasons.

The Board of Directors opine that the Financial Statements give a true and fair view of adidas Norge AS' assets, liabilities, financial position and profit for the year

Workplace environment

The company registered number of sick days was 4.77% of total working hours in 2022. The company will continue to reduce the number of sick days by offering gym membership, employees health insurance and physiotherapy. In 2022 the company did not have any staff injuries. The working environment is regarded as positive. Cooperation with the employees' organisations has been constructive and has had a positive effect on the business.

Research and development

The company does not have any research and development activities.

Environment

Being a sustainable business is about striking a balance between shareholder expectations and the needs and concerns of our employees, consumers, and communities, as well as the workers in our supply chain and the environment. We believe that acting as a responsible company will contribute to lasting economic success.

Our holistic approach to sustainability responds to the challenges that endanger our planet and people. Consequently, sustainability continues to be an integral component of our business model and we continue to innovate in our approach to meet and exceed consumer expectation.

adidas Norge does not pollute the environment in a significant way from its operations. However, we acknowledge the fact that the most significant source of emissions comes from outsourced production and transportation of goods. Therefore, the board is continually engaged in improvements within our supply chain and working towards minimizing our carbon footprint. Please refer to our publicly available Group Sustainability report on the Adidas AG website for further detailed information on Environmental factors considered.

Insurance

The company holds various types of general liability insurance against risks to the business, no separate executive board or general manager insurance is held.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Annual Report for the year ended 31 December 2022

Future development

The corporate group has a clear vision of growth in the future, both in terms of profit and particularly in terms of revenue. Focus will be placed on winning the end consumer by means of placing more weight on the strong brand name through increased marketing and increased focus on product development.

Profit, cash flow, investments, financing and liquidity

Revenue increased from kr. 703.6 mill in 2021 to kr. 704.4 mill in 2022. The profit for the year increased from a profit of kr. 13.4 mill in 2021 to a profit of kr. 17.6 mill in 2022.

Cash flows from operating activities were kr. +12.3 mill in 2022 versus kr. +12.2 mill in 2021. The operating profit for the company was kr. 23.6 mill in 2022 versus kr. 19.5 mill in 2021.

The company has kr. 0.6 mill in cash as at 31.12.2022. The company's ability to self-finance investments is good. The company's short-term liabilities amounted to 100.0% of total liabilities at 31.12.2022, compared with 100.0% at 31.12.2021.

Total capital was kr. 106.6 mill at the year end, compared with kr. 133.1 mill in the prior year. The equity-to assets ratio as at 31.12.2022 was 17.5%, compared with 15.1% as at 31.12.2021.

Financial risk

Market risk

The company has an indirect risk linked to foreign exchange (EUR/USD). The company has not entered into any forward contracts or agreements to reduce the company's foreign exchange risk and consequently the operational market risk.

Credit risk

The risk that the customer does not have the economic means to meet obligations is assessed as low as historically there has been a low level of bad debt. Gross credit risk at 31.12.2022 amounts to kr 39.2 mill for the company. This is an increase compared to 31.12.2021 when credit risk was kr 20.3 mill. These numbers are exclusive of receivables from group companies. There are no debt-factoring agreements in place or other financial instruments to reduce credit risk in adidas Norge AS.

Liquidity risk

The company assesses the liquidity as good and no measures are planned to reduce liquidity risk. The payment terms to customers will be maintained.

Due to the coronavirus pandemic, there is significant uncertainty with regards to the estimated financial impact on the business.

Profit for the year and distribution

The Board proposes the following distribution of profits for the year for adidas Norge AS:

	NOK
Proposed dividend	19,000,000
Other equity	- 1,363,748
	<u>17,636,252</u>



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

**Annual Report
for the year ended 31 December 2022**

Equal Opportunities

The company's Board of Directors is 25% female. Of 56 full time equivalent employees in 2022, 32 were female and 24 were male. Both the Board of Directors and the management team are aware of the external expectations related to measures to obtain equality within the business, within management and the Board of Directors. Arrangements related to working hours in the company are directly linked to the job description and are not dependant on gender.

We strongly believe that diversity, inclusion, and equality are key to the success of our company. To be the best sports brand in the world, we need the best diverse talent that reflects the diversity of our customers and consumers. We celebrate this diversity as it helps us better serve the communities we work in, while also providing a competitive business advantage.

Going Concern

In accordance with the accounting law in Norway (regnskapsloven § 3-3a) it is confirmed that the going concern assumption is in place. This conclusion is based on the forecast profit for 2022 and the company's future longterm strategic plans.

The company is in a good economic shape and financial position. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reason. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its ultimate parent company and fellow subsidiaries.

The Company is dependent for its working capital on funds provided to it by adidas AG, its ultimate parent company, through the centralised treasury arrangement. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from adidas AG to meet its liabilities as they fall due for that period.

Adidas AG have indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Annual Report
for the year ended 31 December 2022

Oslo, 16 November 2023

DocuSigned by:
Kathryn Swarbrick 16.11.2023
F0694BCF8A334A4...

Kathryn Swarbrick
Chairman of the Board/General Manager

DocuSigned by:
Matthew Creighton 16.11.2023
0496C92E6DC1490...

Matthew Creighton
Board Member

DocuSigned by:
Arthur Höld 16.11.2023
237E9852926946D...

Arthur Höld
Board Member

DocuSigned by:
Jörg Döring 16.11.2023
42877BEF77A7422...

Jörg Döring
Board Member



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Income statement for the year ended 31 December 2022

	Note	2022 NOK	2021 NOK
Revenue	2	702,469,530	703,600,014
Other operating income		1,976,203	6,526
Gross profit		704,445,733	703,606,540
Cost of sales	3	(560,636,510)	(567,628,527)
Wages, salaries and social security contributions	4	(29,197,250)	(28,566,618)
Depreciation	5	(5,361,677)	(3,650,748)
Other operating expenses	6	(85,608,389)	(84,223,269)
Operating loss		(680,803,825)	(684,069,164)
Operating profit		23,641,908	19,537,377
Interest income from group companies		535,844	121,217
Other interest income		55	18,590
Financial income		91,227	185,015
Other interest expenses		(1,739,212)	(1,844,347)
Financial expenses		(196,055)	(147,479)
Net financial income/expense		(1,308,141)	(1,667,004)
Ordinary profit before tax		22,333,767	17,870,372
Tax on ordinary profit	7	(4,697,515)	(4,486,802)
Profit for the financial year		17,636,252	13,383,570
		2022 NOK	2021 NOK
Total distributed			
Dividends paid/proposed		19,000,000	13,000,000
Allocated to other equity		(1,363,748)	383,570
Total dispositions		17,636,252	13,383,570



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Balance sheet			
for the year ended 31 December 2022			
	Note	2022 NOK	2021 NOK
Non-current assets			
Intangible assets - Deferred tax asset		3,256,427	2,835,132
Fixed assets - Improvement leased offices	5	101,151	105,745
Fixed assets - Machinery and equipment	5	<u>2,384,392</u>	<u>8,642,546</u>
Total non-current assets		5,741,970	11,583,422
Current assets			
Inventories	8	12,224,525	11,885,740
Receivables from customers (non-group)		39,225,452	20,302,090
Receivables from group companies	11	44,963,605	81,886,762
Other short term receivables		3,930,596	6,129,978
Bank and cash balances	9	<u>560,300</u>	<u>1,307,699</u>
Total current assets		100,904,479	121,512,269
Total assets		<u><u>106,646,449</u></u>	<u><u>133,095,692</u></u>



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS			
Balance sheet (continued)			
for the year ended 31 December 2022			
	Note	2022 NOK	2021 NOK
Equity			
Share capital (5.000 shares at NOK 1.000)	10	5,000,000	5,000,000
Equity premium	10	6,930,000	6,930,000
Invested equity	10	6,264,000	6,264,000
Profit and loss account	10	<u>498,095</u>	<u>1,861,843</u>
Total equity		18,692,095	20,055,843
Liabilities			
Liabilities to banks and financial institutions		-	-
Trade liabilities (non-group)		3,977,801	5,914,030
Liabilities to group companies	12	42,032	9,304,475
Company tax liabilities	7	6,070,087	5,328,419
Other tax liabilities		22,191,637	21,838,534
Dividend payable		19,000,000	13,000,000
Other short term liabilities		<u>36,672,797</u>	<u>57,654,390</u>
Total liabilities		87,954,354	113,039,848
Total equity and liabilities		<u>106,646,449</u>	<u>133,095,692</u>



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

**Income statement and balance sheet
for the year ended 31 December 2022**

Oslo, 16 November 2023

DocuSigned by:
Kathryn Swarbrick 16.11.2023
F0694BCF8A334A4...

Kathryn Swarbrick
Chairman of the Board/General Manager

DocuSigned by:
Matthew Creighton 2023
0496C92E6DC1490...

Matthew Creighton
Board Member

DocuSigned by:
Arthur Höld 16.11.2023
237E9852926946D...

Arthur Höld
Board Member

DocuSigned by:
Jörg Döring 16.11.2023
42877BEF77A7422...

Jörg Döring
Board Member



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Cash flow statement for the year ended 31 December 2022

	Note	2022 NOK	2021 NOK
Cash flows from operating activities			
Profit before tax		22,333,767	17,870,372
Adjustments for:			
Corporation tax (paid)		(4,377,142)	(1,572,345)
Depreciation of tangible assets	5	5,361,677	3,650,748
(Increase) in stocks	8	(338,785)	(3,104,019)
Decrease in debtors		17,999,795	39,469,353
(Decrease) in creditors		(11,198,673)	(6,533,129)
Changes in other balance sheet items		(17,469,753)	(37,570,809)
Net cash generated from operating activities		<u>12,310,885</u>	<u>12,210,172</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	5	(58,284)	(314,089)
Net cash from investing activities		<u>(58,284)</u>	<u>(314,089)</u>
Cash flows from financing activities			
Net change in bank overdraft			
Dividends paid		(13,000,000)	(11,000,000)
Net cash used in financing activities		<u>(13,000,000)</u>	<u>(11,000,000)</u>
Cash and cash equivalents at beginning of year		<u>1,307,699</u>	<u>411,616</u>
Cash and cash equivalents at the end of year		<u><u>560,300</u></u>	<u><u>1,307,699</u></u>
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	9	<u>560,300</u>	<u>1,307,699</u>
		<u><u>560,300</u></u>	<u><u>1,307,699</u></u>



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

The financial statements consist of P&L statement, balance sheet, cash flow statement and notes and are in accordance with legal requirements and generally accepted accounting principles in Norway as per December 31, 2022.

The financial statements are based on basic principles regarding historical cost, comparability, contribution of operations, congruity and prudence. Transactions are accounted for according to fair value at the time of the transaction. Revenues are accounted for when they occurred, and expenses are matched with revenues. Accounting for revenues is thus normally done at the time of the delivery of goods and services. Discounts and bonuses are deducted from the operating revenues. Expenses, which do not refer directly to income, are expensed when they occur. The accounting principles are explained below.

When actual figures are not available at the time for presenting the financial statements, the generally accepted accounting principles require that the management make the best possible estimate for use in P&L and balance sheet. Differences between estimated and actual figures may arise. In use of accounting principles, and in presentation of transactions and other information, the financial realities, and not only the legal requirements shall be emphasized. Conditional losses, which are probable and possible to quantify, shall be expensed.

Assets/liabilities, which are related to the circulation of goods, and items falling due within one year after the date of balance sheet, are classified as current assets/short term liabilities. The valuation of current assets/short term liabilities is based on the lowest/highest value of acquisition cost and real value. Market value is defined as estimated future sales price with reduction of expected cost related to the sale. Other assets are classified as non-current assets.

1.1 Fixed assets

Fixed assets are booked in the balance sheet on acquisition cost, reduced with accumulated depreciations and write-downs. If the fair value of the asset is lower than book value, and this is related to reasons, which are considered to be permanent, the asset shall be written down to the fair value. Expenses related to periodical maintenance and repairs of production equipment shall be accrued. Expenses related to normal maintenance and repairs shall be expensed when they occur. Expenses related to significant replacements and renewals, which considerably increase the useful life of the assets, are activated. Fixed assets, which are replaced, shall be expensed. An asset is considered as a fixed asset if it has a useful life for more than 3 years, and an acquisition cost of more than NOK 15,000. Operational leasing shall be expensed as normal rental cost, and shall be classified as ordinary operating expense.

1.2 Depreciations

Ordinary depreciations are calculated according to the straight-line method, based on the useful life and historical cost price of the fixed assets. The depreciations are classified as ordinary depreciations.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.3 Inventories and cost of sales

Stocks of merchandise shall be valued at the lower of cost price based on "first in - first out" principle and fair value. Cost price of purchased merchandise is acquisition cost. Cost of sales for the year consists of cost price for the goods sold, in addition to write downs according to the generally accepted accounting principles as per end of the year.

1.4 Receivables

Receivables are based on original amount with reduction of estimated losses.

1.5 Currencies

Amounts in foreign currencies are calculated according to the exchange rates of the balance sheet date.

1.6 Pension obligations and pension cost

The employees have a retirement-pension plan based on the deposits into individual pension accounts. This year's payment has been expensed. Net pension cost is classified as ordinary operating expense, and is disclosed under wages, salaries and social security contributions.

1.7 Deferred tax and tax expense

Deferred tax is calculated on the basis of temporary differences between book values and tax values at the end of the accounting year. The calculation is based on the nominal tax rate. Positive and negative differences are netted within the same period. Deferred tax assets occur if temporary differences will bring future tax deductibles. Deferred tax expense, consists of changes in deferred tax and deferred tax assets, together with payable tax for the accounting year adjusted with differences in prior year's calculations.

1.8 Cash flow analysis

The cash flow analysis is presented according to the indirect method. Cash consists of cash, bank deposits and other short-term liquid deposits, which immediately, and with non-material risk can be converted into know cash amounts, and with due, date less than three months from the acquisition date.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

2. Revenue

2,022	2,021
NOK	NOK

By geographical location

Domestic	702,870,250	702,042,970
Rest of the world	1,575,483	1,563,570
	<u>704,445,733</u>	<u>703,606,540</u>

2,022	2,021
NOK	NOK

By business area

Wholesale	495,988,748	463,406,168
Retail and e-com	208,456,985	240,200,372
	<u>704,445,733</u>	<u>703,606,540</u>

3. Cost of Sales

2,022	2,021
NOK	NOK

Cost of Sales	560,636,510	567,628,527
	<u>560,636,510</u>	<u>567,628,527</u>

4. Salaries, number of employees, benefits, loan to employees, pension etc.

Staff costs were as follows:

2,022	2,021
NOK	NOK

Wages and salaries	21,978,934	23,167,780
Payroll tax	3,717,210	3,483,094
Pension cost	1,553,901	691,174
Other benefits	1,947,205	1,224,570
	<u>29,197,250</u>	<u>28,566,618</u>

The average monthly number of employees during the year was as follows:

2,022	2,021
No.	No.
<u>34</u>	<u>39</u>

Managing director receives remuneration from adidas UK Ltd. The company holds various types of general liability insurance against risks to the business, no separate executive board or general manager insurance is held.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

5. Tangible fixed assets

	Improvements to leased offices NOK	Machinery & equipment NOK	Assets Under Construction NOK	2022 Total NOK	2021 Total NOK
Acquisition cost					
At 1 January	-	30,549,084	105,745	30,654,829	29,723,685
Additions	-	62,878	4,594	58,284	314,089
Disposals	-	-	-	-	-
At 31 December	-	30,611,962	101,151	30,713,113	30,037,774
Accumulated depreciation					
At 1 January	-	(22,865,892)	-	(22,865,892)	(17,638,735)
Depreciation for the year	-	(5,361,677)	-	(5,361,677)	(3,650,748)
Depreciation on disposal	-	-	-	0	-
At 31 December	-	(28,227,569)	-	(28,227,569)	(21,289,484)
Book Value	-	2,384,393	101,151	2,485,544	8,748,291

	Expected useful economic life	Depreciation plan
Improvements leased offices	10 years	Lineal
Fixtures, fittings and equipment	3 years	Lineal
Intangible fixed assets	10 years	Lineal

6. Auditors Fees

	2022 NOK	2021 NOK
Specification of auditor's fee:		
Statutory auditor fee	600,000	340,000
Other services	142,995	61,381
	742,995	401,381

The balances above do not include VAT



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

7. Taxes

	2022	2021
	NOK	NOK
Tax payable		
Ordinary profit before tax expenses	22,333,767	17,870,372
Permanent differences	100,788	
Change in temporary differences	<u>5,156,752</u>	<u>6,349,714</u>
	27,591,307	24,220,087
Taxes payable at 22%	<u>6,070,088</u>	<u>5,328,419</u>
Total tax payable	<u><u>6,070,088</u></u>	<u><u>5,328,419</u></u>
	2022	2021
	NOK	NOK
Tax expenses for the year in P&L		
Tax payable	6,070,088	5,328,419
Deferred tax - gross changes	(421,296)	(1,451,780)
Correction to previous years	<u>(951,277)</u>	<u>610,163</u>
Total tax expenses for the year in P&L	<u><u>4,697,515</u></u>	<u><u>4,486,802</u></u>
	2022	2021
	NOK	NOK
Specification of basis for the deferred taxes		
Fixed assets	(6,864,806)	(3,890,244)
Current assets	(1,379,619)	918,730
Liabilities	<u>(6,556,614)</u>	<u>(9,915,447)</u>
	(14,801,039)	(12,886,961)
Deferred tax asset at 22%	<u>(3,256,229)</u>	<u>(2,835,131)</u>
Total deferred tax payable	<u><u>(3,256,229)</u></u>	<u><u>(2,835,131)</u></u>



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

Notes to the financial statements for the year ended 31 December 2022

8. Inventory

	2022	2021
	NOK	NOK
Finished goods and goods for resale	12,224,525	11,885,740
	<u>12,224,525</u>	<u>11,885,740</u>

All goods are valued at acquisition cost.

9. Cash and cash equivalents

	2022	2021
	NOK	NOK
Amount related to the tax deduction account	373,822	967,188
	<u>373,822</u>	<u>967,188</u>

The company has a bank guarantee of NOK 2,875,375 in Danske Bank which applies to rent of premises.

Maturity: 30.04.2024

The company has submitted a surety for any outstanding with adidas AG.

10. Equity

	Share capital	Equity premium	Invested equity	Other equity	Total
	NOK	NOK	NOK	NOK	NOK
At 1 January	5,000,000	6,930,000	6,264,000	1,861,843	20,055,843
Changes in equity:					
Proposed dividends	-	-	-	(19,000,000)	(19,000,000)
Other changes	-	-	-	0	0
Profit for the year	-	-	-	17,636,252	17,636,252
At 31 December	<u>5,000,000</u>	<u>6,930,000</u>	<u>6,264,000</u>	<u>498,095</u>	<u>18,692,095</u>

Share capital and information about share holders:

The share capital in adidas Norge as per 31.12.2022, consists of one share class with equal right to vote. adidas AG is the sole owner of the shares.



DocuSign Envelope ID: 7FC37BB8-B721-438F-91C5-80056C7E9A51

adidas Norge AS

**Notes to the financial statements
for the year ended 31 December 2022**

11. Related parties

Group companies are considered to be related parties. All goods for sale are purchased from group companies.

Sales and purchase transactions with group companies are conducted in compliance with normal commercial terms and the arm's length principle. Significant agreements with related parties are concluded in writing.

At 31.12.2022 receivables due from group companies was NOK 45.0 mill compared to NOK 81.9 mill at 31.12.2021. Liabilities to group companies was NOK 0 mill at 31.12.2022 versus NOK 9.3 mill at 31.12.2021.

Purchases from related parties during 2022 amounted to NOK 590.8 mill compared to NOK 602.3 mill in 2021.

Sales to related parties during 2022 were NOK 0.001 mill versus NOK 0.1 mill in 2021.

This looks low in comparison to the receivables due from group companies as this isnt actual sales but legal costs incurred on behalf of group companies and then recharged.

12. Financial Risk

As of 31 December 2022, the company does not use any financial instruments for managing the financial risk.

The majority of sales are in NOK. Purchases are mainly in EUR, SEK and NOK. The company does not have any foreign exchange forward contracts per 31.12.2022.

The company has thorough follow-up procedures of outstanding accounts. Credit assessment is undertaken for new customers.



Our date 24.04.2019	Din/Your date 14.03.2019	Inquiries to Henning Stokke
800 80 000 Tax Administration Norway.no	Din/Your reference Lauren Beswick	Telephone 800 80 000
Org.nr 974761076	Our reference 2019/5541232	Postal address P.O. Box 9200 Grønland 0134 OSLO

ADIDAS NORGE AS
P.O. Box 2929 Solli
0230 OSLO

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 14 March 2019 with respect to the matter above, regarding Adidas Norge AS, org.no. 954 690 873.

Based on a total evaluation, the view of The Directorate of Taxes is that the above mentioned company may state the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

From the application:

- *Adidas Norge AS is a 100 % owned subsidiary of a foreign company*
- *It has a solely professional owner (no personal owners)*
- *The members of the Board of Directors are foreign citizens without sufficient knowledge of the Norwegian language*
- *Goods for sale are solely bought from group companies, and those group companies are of foreign origin*
- *The company is operating in an international business sector*
- *There are very few users of the financial statements except for the owners (there is no external financing)*
- *A significant share of transactions are in foreign currency*

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".



Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

Hence, one of the main aims of the Accounting Act is to contribute to “*informative accounts for different users of accounts*”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is wholly owned by an international Parent Company. Further, the company is part of a global Group, where the Group working language is English. All parties in this trade of business uses and masters the English language.

Please state “our reference” (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Inger Helene Iversen
Senior Adviser
Legal Departement
Norwegian Directorate of Taxes

Henning Stokke

This document has been electronically approved and contains therefore no handwritten signatures.