



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - 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: 01.01.2021 - 31.12.2021

### 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: Andrew Hackett  
Dato for fastsettelse av årsregnskapet: 27.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 10.12.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	3	703 600 014	511 438 978
Other operating income		6 526	19 870
<b>Sum inntekter</b>		<b>703 606 540</b>	<b>511 458 848</b>
<b>Kostnader</b>			
Cost of sales	11	567 628 528	370 623 107
Wages, salaries and social security contributions	4	28 566 618	27 685 795
Depreciation	6	3 650 748	7 129 096
Other operating expenses	2	84 223 269	90 051 558
<b>Sum kostnader</b>		<b>684 069 164</b>	<b>495 489 555</b>
<b>Driftsresultat</b>		<b>19 537 377</b>	<b>15 969 293</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		121 217	172 461
Annen renteinntekt		18 590	371
Financial income		185 015	262 468
<b>Sum finansinntekter</b>		<b>324 822</b>	<b>435 300</b>
Annen rentekostnad		1 844 347	2 188 416
Financial expenses		147 479	367 208
<b>Sum finanskostnader</b>		<b>1 991 826</b>	<b>2 555 624</b>
<b>Netto finans</b>		<b>-1 667 004</b>	<b>-2 120 324</b>
<b>Ordinært resultat før skattekostnad</b>		<b>17 870 372</b>	<b>13 848 968</b>
Tax on ordinary profit	5	4 486 802	2 688 661
<b>Ordinært resultat etter skattekostnad</b>		<b>13 383 570</b>	<b>11 160 308</b>
<b>Årsresultat</b>		<b>13 383 570</b>	<b>11 160 308</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>13 383 570</b>	<b>11 160 308</b>
<b>Totalresultat</b>		<b>13 383 570</b>	<b>11 160 308</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte		13 000 000	11 000 000
Allocated to other equity		383 570	160 308
<b>Sum overføringer og disponeringer</b>		<b>13 383 570</b>	<b>11 160 308</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel		2 835 132	1 383 352
<b>Sum immaterielle eiendeler</b>		<b>2 835 132</b>	<b>1 383 352</b>
<b>Varige driftsmidler</b>			
Improvement leased offices	6	105 745	
Machinery and equipment	6	7 683 191	10 896 031
Machinery and equipment	6	959 354	1 188 919
<b>Sum varige driftsmidler</b>		<b>8 748 291</b>	<b>12 084 950</b>
<b>Sum anleggsmidler</b>		<b>11 583 422</b>	<b>13 468 302</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	7	11 885 740	8 781 721
<b>Sum varer</b>		<b>11 885 740</b>	<b>8 781 721</b>
<b>Fordringer</b>			
Receivables from customers (non-group)		20 302 090	16 532 590
Other short term receivables		6 129 978	6 815 352
Konsernfordringer	11	81 886 762	125 125 615
<b>Sum fordringer</b>		<b>108 318 830</b>	<b>148 473 557</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank and cash balances	8	1 307 699	411 616
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 307 699</b>	<b>411 616</b>
<b>Sum omløpsmidler</b>		<b>121 512 269</b>	<b>157 666 894</b>
<b>SUM EIENDELER</b>		<b>133 095 692</b>	<b>171 135 196</b>

## BALANSE - EGENKAPITAL OG GJELD



### Balanse

Beløp i: NOK	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	9	5 000 000	5 000 000
Overkurs	9	13 194 000	13 194 000
<b>Sum innskutt egenkapital</b>		<b>18 194 000</b>	<b>18 194 000</b>
<b>Opptjent egenkapital</b>			
Profit and loss account	9	1 861 843	1 478 273
<b>Sum opptjent egenkapital</b>		<b>1 861 843</b>	<b>1 478 273</b>
<b>Sum egenkapital</b>		<b>20 055 843</b>	<b>19 672 273</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	1	15 218 506	21 751 635
Company tax liabilities	5	5 328 419	962 182
Other tax liabilities		21 838 534	19 820 501
Utbytte		13 000 000	11 000 000
Other current liabilities		57 654 390	97 928 605
<b>Sum kortsiktig gjeld</b>		<b>113 039 848</b>	<b>151 462 923</b>
<b>Sum gjeld</b>		<b>113 039 848</b>	<b>151 462 923</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>133 095 692</b>	<b>171 135 196</b>



Organisation number: 954 690 873

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**adidas Norge AS**

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**Financial statements  
for the year ended 31 December 2021**



adidas Norge AS

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**for the year ended 31 December 2021**

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for the year ended 31 December 2021



## adidas Norge AS

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### Annual Report for the year ended 31 December 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### 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 2021, the company's revenue increased by 38%. adidas Norge AS leases an outlet in Lillestrøm 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.

#### 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.

#### Workplace environment

The company registered number of sick days was 3.18% of total working hours in 2021. The company will continue to reduce the number of sick days by offering gym membership, employees health insurance and physiotherapy. In 2021 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 is an integral component of our strategy 'Own the Game' and we have a clear roadmap for 2025 and beyond. It tackles the topics that are most material to our business and our stakeholders, and translates our overall sustainability efforts into tangible goals.

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 continuingly 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.

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## adidas Norge AS

### Annual Report for the year ended 31 December 2021

#### 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. 511.5 mill in 2020 to kr. 703.6 mill in 2021. The profit for the year increased from a profit of kr. 11.2 mill in 2020 to a profit of kr. 13.4 mill in 2021.

Cash flows from operating activities were kr. +14.7 mill in 2021 versus kr. +10.5 mill in 2020. The operating profit for the company was kr. 19.5 mill in 2021 versus kr. 16.0 mill in 2020.

The company has kr. 1.3 mill in cash as at 31.12.2021. The company's ability to self-finance investments is good. The company's short-term liabilities amounted to 100.0% of total liabilities at 31.12.2021, compared with 100.0% at 31.12.2020.

Total capital was kr. 133.1 mill at the year end, compared with kr. 171.1 mill in the prior year. The equity-to assets ratio as at 31.12.2021 was 15.1%, compared with 11.5% as at 31.12.2020.

#### 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 31.12.2021 amounts to kr 20.3 mill for the company. This is an increase compared to 31.12.2020 when credit risk was kr 16.5 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	13,000,000
Other equity	383,570
	<u>13,383,570</u>



adidas Norge AS

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Annual Report  
for the year ended 31 December 2021

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## Equal Opportunities

The company's Board of Directors is 33% female. Of 39 full time equivalent employees in 2021, 19 were female and 20 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

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.



adidas Norge AS

Annual Report  
for the year ended 31 December 2021

Oslo, 27<sup>th</sup> June 2022

Kathryn Swarbrick  
Chairman of the Board

Andrew Hackett  
Board Member

Arthur Høld  
Board Member

Jörg Döring  
Board Member



## adidas Norge AS

### Income statement for the year ended 31 December 2021

	Note	2021 NOK	2020 NOK
Revenue	3	703,600,014	511,438,978
Other operating income		6,526	19,870
<b>Gross profit</b>		<b>703,606,540</b>	<b>511,458,848</b>
Cost of sales	11	(567,628,527)	(370,623,107)
Wages, salaries and social security contributions	4	(28,566,618)	(27,685,795)
Depreciation	6	(3,650,748)	(7,129,096)
Other operating expenses	2	(84,223,269)	(90,051,558)
<b>Operating loss</b>		<b>(684,069,164)</b>	<b>(495,489,555)</b>
<b>Operating profit</b>		<b>19,537,377</b>	<b>15,969,293</b>
Interest income from group companies		121,217	172,461
Other interest income		18,590	371
Financial income		185,015	262,468
Other interest expenses		(1,844,347)	(2,188,416)
Financial expenses		(147,479)	(367,208)
<b>Net financial income/expense</b>		<b>(1,667,004)</b>	<b>(2,120,324)</b>
<b>Ordinary profit before tax</b>		<b>17,870,372</b>	<b>13,848,968</b>
Tax on ordinary profit	5	(4,486,802)	(2,688,661)
<b>Profit for the financial year</b>		<b>13,383,570</b>	<b>11,160,308</b>
		2021 NOK	2020 NOK
<b>Total distributed</b>			
Dividends paid/proposed		13,000,000	11,000,000
Allocated to other equity		383,570	160,308
<b>Total dispositions</b>		<b>13,383,570</b>	<b>11,160,308</b>



## adidas Norge AS

### Balance sheet for the year ended 31 December 2021

	Note	2021 NOK	2020 NOK
<b>Non-current assets</b>			
Intangible assets - Deferred tax asset		2,835,132	1,383,352
Fixed assets - Improvement leased offices	6	105,745	-
Fixed assets - Machinery and equipment	6	<u>8,642,546</u>	<u>12,084,950</u>
<b>Total non-current assets</b>		11,583,422	13,468,302
<b>Current assets</b>			
Inventories	7	11,885,740	8,781,721
Receivables from customers (non-group)		20,302,090	16,532,590
Receivables from group companies	11	81,886,762	125,125,615
Other short term receivables		6,129,978	6,815,352
Bank and cash balances	8	<u>1,307,699</u>	<u>411,616</u>
<b>Total current assets</b>		121,512,269	157,666,894
<b>Total assets</b>		<u>133,095,692</u>	<u>171,135,196</u>



<b>adidas Norge AS</b>			
<b>Balance sheet (continued)</b>			
<b>for the year ended 31 December 2021</b>			
		2021	2020
	Note	NOK	NOK
<b>Equity</b>			
Share capital (5.000 shares at NOK 1.000)	9	5,000,000	5,000,000
Equity premium	9	6,930,000	6,930,000
Invested equity	9	6,264,000	6,264,000
Profit and loss account	9	<u>1,861,843</u>	<u>1,478,273</u>
<b>Total equity</b>		20,055,843	19,672,273
<b>Liabilities</b>			
Liabilities to banks and financial institutions		-	-
Trade liabilities (non-group)		5,914,030	5,774,334
Liabilities to group companies	1	9,304,475	15,977,301
Company tax liabilities	5	5,328,419	962,182
Other tax liabilities		21,838,534	19,820,501
Dividend payable		13,000,000	11,000,000
Other short term liabilities		<u>57,654,390</u>	<u>97,928,605</u>
<b>Total liabilities</b>		113,039,848	151,462,923
<b>Total equity and liabilities</b>		<u>133,095,692</u>	<u>171,135,196</u>



adidas Norge AS

Income statement and balance sheet  
for the year ended 31 December 2021

Oslo, 27<sup>th</sup> June 2022

Kathryn Swarbrick  
Chairman of the Board

Andrew Hackett  
Board Member

Arthur Höld  
Board Member

Jörg Döring  
Board Member



## adidas Norge AS

### Cash flow statement for the year ended 31 December 2021

	Note	2021 NOK	2020 NOK
<b>Cash flows from operating activities</b>			
Profit before tax		17,870,372	13,848,968
<b>Adjustments for:</b>			
Corporation tax (paid)		(1,572,345)	(4,629,290)
Loss on disposal of tangible assets		-	278,803
Depreciation of tangible assets	6	3,650,748	7,129,096
(Increase) in stocks	7	(3,104,019)	(319,257)
Decrease in debtors		39,469,353	(49,311,046)
(Decrease) in creditors		(6,533,129)	3,931,221
Increase/(decrease) in net pension assets/liabs			
Changes in other balance sheet items		<u>(37,570,809)</u>	<u>39,585,402</u>
<b>Net cash generated from operating activities</b>		<b>12,210,172</b>	<b>10,513,896</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	6	<u>(314,089)</u>	<u>(604,706)</u>
<b>Net cash from investing activities</b>		<b>(314,089)</b>	<b>(604,706)</b>
<b>Cash flows from financing activities</b>			
Net change in bank overdraft			
Dividends paid		<u>(11,000,000)</u>	<u>(12,000,000)</u>
<b>Net cash used in financing activities</b>		<b>(11,000,000)</b>	<b>(12,000,000)</b>
Cash and cash equivalents at beginning of year		<u>411,616</u>	<u>2,502,426</u>
<b>Cash and cash equivalents at the end of year</b>		<b><u>1,307,699</u></b>	<b><u>411,616</u></b>
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash at bank and in hand	8	<u>1,307,699</u>	<u>411,616</u>
		<b><u>1,307,699</u></b>	<b><u>411,616</u></b>



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**Notes to the financial statements  
for the year ended 31 December 2021**

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## **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, 2021.

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.



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Notes to the financial statements  
for the year ended 31 December 2021

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**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.



## adidas Norge AS

### Notes to the financial statements for the year ended 31 December 2021

#### 2. Auditors Fees

	2021 NOK	2020 NOK
<b>Specification of auditor's fee:</b>		
Statutory auditor fee	340,000	234,000
Other services	61,381	(70,560)
	<u>401,381</u>	<u>163,440</u>

The balances above do not include VAT

#### 3. Revenue

	2021 NOK	2020 NOK
<b>By geographical location</b>		
Domestic	702,042,970	510,418,337
Rest of the world	1,563,570	1,040,511
	<u>703,606,540</u>	<u>511,458,848</u>

	2021 NOK	2020 NOK
<b>By business area</b>		
Wholesale	463,406,168	300,797,603
Retail and e-com	240,200,372	210,661,245
	<u>703,606,540</u>	<u>511,458,848</u>

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

Staff costs were as follows:

	2021 NOK	2020 NOK
Wages and salaries	23,167,780	22,535,433
Payroll tax	3,483,094	3,635,352
Pension cost	1,337,174	761,954
Other benefits	578,570	753,055
	<u>28,566,618</u>	<u>27,685,795</u>

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

	2021 No.	2020 No.
Employees	<u>39</u>	<u>41</u>

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



adidas Norge AS

Notes to the financial statements  
for the year ended 31 December 2021

5. Taxes	2021	2020
	NOK	NOK
<b>Tax payable</b>		
Ordinary profit before tax expenses	17,870,372	13,848,968
Permanent differences		
<b>Change in temporary differences</b>	<u>6,349,714</u>	<u>(9,475,414)</u>
	24,220,087	4,373,555
Taxes payable at 22%	<u>5,328,419</u>	<u>962,182</u>
<b>Total tax payable</b>	<u><u>5,328,419</u></u>	<u><u>962,182</u></u>
	2021	2020
	NOK	NOK
<b>Tax expenses for the year in P&amp;L</b>		
Tax payable	5,328,419	962,182
Deferred tax - gross changes	(1,451,780)	1,750,058
Correction to previous years	<u>610,163</u>	<u>(23,579)</u>
<b>Total tax expenses for the year in P&amp;L</b>	<u><u>4,486,802</u></u>	<u><u>2,688,661</u></u>
	2021	2020
	NOK	NOK
<b>Specification of basis for the deferred taxes</b>		
Fixed assets	-	-
Current assets	41,117,116	44,330,436
Liabilities	<u>(54,004,077)</u>	<u>(50,618,399)</u>
	(12,886,962)	(6,287,963)
Deferred tax asset at 22%	<u>(2,835,132)</u>	<u>(1,383,352)</u>
<b>Total deferred tax payable</b>	<u><u>(2,835,132)</u></u>	<u><u>(1,383,352)</u></u>



adidas Norge AS

Notes to the financial statements  
for the year ended 31 December 2021

6. Tangible fixed assets

	Improvements to leased offices NOK	Machinery & equipment NOK	Assets Under Construction NOK	2021 Total NOK	2020 Total NOK
<b>Acquisition cost</b>					
At 1 January	-	29,723,685	-	29,723,685	30,036,865
Additions	-	208,344	105,745	314,089	604,706
Disposals	-	-	-	-	917,886.07
<b>At 31 December</b>	<b>-</b>	<b>29,932,029</b>	<b>105,745</b>	<b>30,037,774</b>	<b>29,723,685</b>
<b>Accumulated depreciation</b>					
At 1 January	-	(17,638,735)	-	(17,638,735)	(11,148,723)
Depreciation for the year	-	(3,650,748)	-	(3,650,748)	(7,129,096)
Depreciation on disposal	-	-	-	0	639,083.21
<b>At 31 December</b>	<b>-</b>	<b>(21,289,484)</b>	<b>-</b>	<b>(21,289,484)</b>	<b>(17,638,735)</b>
<b>Book Value</b>	<b>-</b>	<b>8,642,546</b>	<b>105,745</b>	<b>8,748,291</b>	<b>12,084,950</b>

	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



## adidas Norge AS

### Notes to the financial statements for the year ended 31 December 2021

#### 7. Inventory

	2021	2020
	NOK	NOK
Finished goods and goods for resale	11,885,740	8,781,721
	<u>11,885,740</u>	<u>8,781,721</u>
All goods are valued at acquisition cost.		

#### 8. Cash and cash equivalents

	2021	2020
	NOK	NOK
Amount related to the tax deduction account	967,188	334,290
	<u>967,188</u>	<u>334,290</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.

#### 9. 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	1,478,273	19,672,273
Changes in equity:					
Proposed dividends	-	-	-	(13,000,000)	(13,000,000)
Profit for the year	-	-	-	13,383,570	13,383,570
At 31 December	<u>5,000,000</u>	<u>6,930,000</u>	<u>6,264,000</u>	<u>1,861,843</u>	<u>20,055,843</u>

Share capital and information about share holders:

The share capital in adidas Norge as per 31.12.2021, consists of one share class with equal right to vote. adidas AG is the sole owner of the shares.



adidas Norge AS

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**Notes to the financial statements  
for the year ended 31 December 2021**

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**10. Financial Risk**

As of 31 December 2021, 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 31.12.2021.

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

**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 31.12.2021 receivables due from group companies was NOK 81.9 mill compared to NOK 125.1 mill at 31.12.2020. Liabilities to group companies was NOK 9.3 mill at 31.12.2021 versus NOK 16.0 mill at 31.12.2020.

Purchases from related parties during 2021 amounted to NOK 602.3 mill compared to NOK 395.3 mill in 2020.

Sales to related parties during 2021 were NOK 0.1 mill versus NOK 0.2 mill in 2020.

This looks low in comparison to the receivables due from group companies as this isn't actual sales but legal costs incurred on behalf of group companies and then recharged.



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.*



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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 2021, 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 2021, 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 laws and regulations 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 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 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 legal 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

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Statautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ålesund	Finnsnes	Molde	Streume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knaresund	Sandnessjøen	Tynset
Drammen	Kristiansund	Stavanger	Ålesund



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, 27 June 2022  
KPMG AS

Thore Kleppen  
State Authorised Public Accountant