



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - 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:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Nei
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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:	02.09.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 06.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	2	540 804 747	702 469 530
Other operating income		412 007	1 976 203
Sum inntekter		541 216 754	704 445 733
Kostnader			
Cost of sales	3	412 684 524	560 636 510
Wages, salaries and social security contributions	4	30 816 057	29 197 250
Depreciation	5	2 335 495	5 361 677
Other operating expenses	6	79 845 943	85 608 389
Sum kostnader		525 682 019	680 803 826
Driftsresultat		15 534 735	23 641 907
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		1 407 972	535 844
Annen renteinntekt		557	55
Financial income		180 251	91 227
Sum finansinntekter		1 588 780	627 126
Annen rentekostnad		2 264 801	1 739 212
Financial expenses		293 185	196 055
Discontinued Operations		39 138	
Sum finanskostnader		2 597 124	1 935 267
Netto finans		-1 008 344	-1 308 141
Ordinært resultat før skattekostnad		14 526 391	22 333 766
Tax on ordinary profit	7	3 264 175	4 697 515
Ordinært resultat etter skattekostnad		11 262 216	17 636 251
Årsresultat		11 262 216	17 636 251
Overføringer og disponeringer			
Ordinært utbytte		11 000 000	19 000 000



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Allocated to other equity		262 218	-1 363 748
Sum overføringer og disponeringer		11 262 218	17 636 252



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		2 571 618	3 256 427
Sum immaterielle eiendeler		2 571 618	3 256 427
Varige driftsmidler			
Improvement leased offices	5		101 151
Machinery and equipment	5	151 744	2 384 392
Sum varige driftsmidler		151 744	2 485 543
Sum anleggsmidler		2 723 362	5 741 970
Omløpsmidler			
Varer			
Inventories	8	12 558 379	12 224 525
Sum varer		12 558 379	12 224 525
Fordringer			
Receivables from customers (non-group)	11	40 560 292	39 225 452
Other short term receivables		3 850 061	3 930 596
Konsernfordringer	11	29 293 346	44 963 605
Sum fordringer		73 703 699	88 119 653
Bankinnskudd, kontanter og lignende			
Bank and cash balances	9	2 096 195	560 300
Sum bankinnskudd, kontanter og lignende		2 096 195	560 300
Sum omløpsmidler		88 358 273	100 904 478
SUM EIENDELER		91 081 635	106 646 448

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2023	2022
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	760 313	498 095
Sum opptjent egenkapital		760 313	498 095
Sum egenkapital		18 954 313	18 692 095
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	12	21 900 328	4 019 833
Company tax liabilities	7	2 579 366	6 070 087
Other tax liabilities		17 996 782	22 191 637
Utbytte		11 000 000	19 000 000
Other current liabilities		18 650 846	36 672 797
Sum kortsiktig gjeld		72 127 322	87 954 354
Sum gjeld		72 127 322	87 954 354
SUM EGENKAPITAL OG GJELD		91 081 635	106 646 449



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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Organisation number: 954 690 873

adidas Norge AS

**Financial statements
for the year ended 31 December 2023**



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adidas Norge AS

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for the year ended 31 December 2023



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adidas Norge AS

Annual Report for the year ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

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 2023, the company's revenue decreased 23% vs 2022. adidas Norge AS leases three separate outlets which retail adidas products from previous seasons, they are based in Lillestrom, Vestby & Stavanger.

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 4.84% of total working hours in 2023. The company will continue to reduce the number of sick days by offering gym membership, employees health insurance and physiotherapy.

In 2023 the company had 1 staff injury.

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.



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adidas Norge AS

Annual Report for the year ended 31 December 2023

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

Gross profit decreased from kr. 704.4 mill in 2022 to kr. 541.2 mill in 2023. The profit for the year decreased from a profit of kr. 17.6 mill in 2022 to a profit of kr. 11.2 mill in 2023.

Cash flows from operating activities were kr. +20.6 mill in 2023 versus kr. +12.3 mill in 2022. The operating profit for the company was kr. 15.5 mill in 2023 versus kr. 23.6 mill in 2022.

The company has kr. 2.1 mill in cash as at 31.12.2023. The company's ability to self-finance investments is good.

Total capital was kr. 91.1 mill at the year end, compared with kr. 106.6 mill in the prior year. The equity-to assets ratio as at 31.12.2023 was 32.9%, compared with 17.5% as at 31.12.2022.

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 31.12.2023 amounts to kr 40.6 mill for the company. This is an increase compared to 31.12.2022 when credit risk was kr 39.2 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.

Profit for the year and distribution

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

	NOK
Proposed dividend	11,000,000
Other equity	262,218
	<hr/>
	11,262,218
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adidas Norge AS

Annual Report
for the year ended 31 December 2023

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 2023 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.

Transparency Act

adidas publishes a statement on its website at <https://www.adidas.no/hjelp/informasjon-om-selskap/redegiorelse-vedrorende-apenhetsloven> where it details in full its commitment to the act and its continued support for human rights. The transparency Act imposes a duty for a company to conduct a due diligence assessment on human rights and working conditions, adidas takes these issues very seriously and has established policies and regulations that specify its responsibility to its global workforce.

The Equality & Anti-Discrimination Act

Equality statement 2023

Our goal is to develop a culture that values the experience, well-being, and performance of our employees. To support this, we focused on implementing and embedding our six values, introduced in 2022, across our people policies and processes, including the way we hire, promote, and evaluate performance. Our six values are: Courage, Ownership, and Innovation, as well as Team Play, Respect, and Integrity.

To achieve this, adidas has a dedicated Diversity, Equity and Inclusion (DEI) team with DEI leaders in each market, led by the Global Senior Vice President DEI. We strongly believe that DEI gives us a real competitive edge and we embrace it as we work to be the best sports brand in the world. By creating a level playing field for everyone, we ensure that every individual has an equal opportunity to achieve betterment, maximize their leadership potential and unleash high performance. By recruiting talent and developing our people to reflect the rich diversity of our consumers and communities, we foster a culture of inclusion where we value and leverage differences to engage our employees, develop leaders for our diverse markets and connect with our consumers.

This statement represents adidas as an employer in Norway in line with Norwegian reporting requirements in The Equality & Anti-Discrimination Act, section 26.



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adidas Norge AS

**Annual Report
for the year ended 31 December 2023**

Fair and transparent compensation practices ensuring pay equity

We believe that our people are the key to the company's success. Their performance, well-being, and personal development have a significant impact on brand desire, consumer satisfaction, and, ultimately, our financial performance. Our people strategy comprises three key pillars: Leadership, Betterment, and Performance, all underpinned by 'Diversity, Equity, and Inclusion' ('DEI'). These pillars seek to focus our efforts on people and culture through:

- embedding DEI even further into our culture,
- attracting, developing, and retaining key talent,
- building role-model leaders who empower people,
- creating a premier employee experience,
- instilling a mindset of continuous learning,
- recognizing and rewarding both individual and team performance.

Women in management positions

Women in leadership: adidas has established a measurable, aspirational goal to help us realize our DEI ambitions for gender balance. We are committed to increasing female representation in management positions globally to achieve a gender balance of 50% by 2033.

Equal Opportunities

The company's Board of Directors is 25% female. Of the 53 employees in Norway at 31.12. 2023, 28 were female and 25 were male. The Board of Directors is aware of the need to operate with equality within the business. Arrangements related to working hours in the company are directly linked to the job description and are not dependent on gender. A yearly review of salaries includes an equal pay review whereby all positions and salaries are reviewed to ensure employees are paid equally.

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.

Racial equity

Our DEI strategy aspires to global racial equity through initiatives to identify and support high-performing talent from underrepresented and marginalized groups. We commit to promoting inclusivity across all diversity dimensions and across different intersectionalities.



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Annual Report for the year ended 31 December 2023

Gender representation Norway 31.12.2023:

By Grade	2023	
	Women	Men
Management	3	5
Professional	25	20
Total	28	25

Pay differentials as an average Norway 31.12.2023:

Women's share of men's base salary as a percentage	2023
	Women
Monthly Salary	90%
Hourly Salary	98%

Part-time employees Norway 31.12.2023:

	2023	
	Women	Men
% part-time employees	58%	42%
% of full-time employees	55%	45%
% of all employees	57%	43%



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Annual Report
for the year ended 31 December 2023

Oslo, 2nd September 2024

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Kathryn Swarbrick
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Kathryn Swarbrick
Chairman of the Board/General Manager

Signed by:
Creighton, Matthew
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Matthew Creighton
Board Member

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Mathieu SIDOKPOHOU
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Mathieu Sidokpohou
Board Member

Signed by:
Jörg Döring
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Jörg Döring
Board Member



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adidas Norge AS

Income statement for the year ended 31 December 2023

	Note	2023 NOK	2022 NOK
Revenue	2	540,804,746	702,469,530
Other operating income		412,007	1,976,203
Gross profit		541,216,754	704,445,733
Cost of sales	3	(412,684,524)	(560,636,510)
Wages, salaries and social security contributions	4	(30,816,057)	(29,197,250)
Depreciation	5	(2,335,495)	(5,361,677)
Other operating expenses	6	(79,845,943)	(85,608,389)
Operating loss		(525,682,018)	(680,803,825)
Operating profit		15,534,736	23,641,908
Interest income from group companies		1,407,972	535,844
Other interest income		557	55
Financial income		180,251	91,227
Other interest expenses		(2,264,801)	(1,739,212)
Financial expenses		(293,185)	(196,055)
Discontinued Operations		(39,138)	0
Net financial income/expense		(1,008,343)	(1,308,141)
Ordinary profit before tax		14,526,393	22,333,767
Tax on ordinary profit	7	(3,264,175)	(4,697,515)
Profit for the financial year		11,262,218	17,636,252
		2023 NOK	2022 NOK
Total distributed			
Dividends paid/proposed		11,000,000	19,000,000
Allocated to other equity		262,218	(1,363,748)
Total dispositions		11,262,218	17,636,252



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Balance sheet			
for the year ended 31 December 2023			
	Note	2023 NOK	2022 NOK
Non-current assets			
Intangible assets - Deferred tax asset		2,571,618	3,256,427
Fixed assets - Improvement leased offices	5	0	101,151
Fixed assets - Machinery and equipment	5	151,744	2,384,392
Total non-current assets		2,723,362	5,741,970
Current assets			
Inventories	8	12,558,379	12,224,525
Receivables from customers (non-group)	11	40,560,292	39,225,452
Receivables from group companies	11	29,293,346	44,963,605
Other short term receivables		3,850,061	3,930,596
Bank and cash balances	9	2,096,195	560,300
Total current assets		88,358,273	100,904,479
Total assets		91,081,635	106,646,449



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adidas Norge AS			
Balance sheet (continued)			
for the year ended 31 December 2023			
		2023	2022
	Note	NOK	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	760,313	498,095
Total equity		18,954,313	18,692,095
Liabilities			
Liabilities to banks and financial institutions		-	-
Trade liabilities (non-group)		2,913,500	3,977,801
Liabilities to group companies	12	18,986,828	42,032
Company tax liabilities	7	2,579,366	6,070,087
Other tax liabilities		17,996,782	22,191,637
Dividend payable		11,000,000	19,000,000
Other short term liabilities		18,650,846	36,672,797
Total liabilities		72,127,322	87,954,354
Total equity and liabilities		91,081,634	106,646,449



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**Income statement and balance sheet
for the year ended 31 December 2023**

Oslo, 2nd September 2024

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Kathryn Swarbrick
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Kathryn Swarbrick
Chairman of the Board/General Manager

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Matthew Creighton
Board Member

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Mathieu SIDOKPOHOU
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Mathieu Sidokpohou
Board Member

Signed by:
joerg doering
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Jörg Döring
Board Member



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Cash flow statement for the year ended 31 December 2023

	Note	2023 NOK	2022 NOK
Cash flows from operating activities			
Profit before tax		14,526,393	22,333,767
Adjustments for:			
Corporation tax (paid)		(7,960,365)	(4,377,142)
Depreciation of tangible assets	5	2,335,495	5,361,677
(Increase) in stocks	8	(333,854)	(338,785)
Decrease in debtors		14,335,418	17,999,795
(Decrease) in creditors		17,880,496	(11,198,673)
Changes in other balance sheet items		<u>(20,144,842)</u>	<u>(17,469,753)</u>
Net cash generated from operating activities		20,638,742	12,310,885
Cash flows from investing activities			
Purchase of tangible fixed assets	5	<u>(102,847)</u>	<u>(58,284)</u>
Net cash from investing activities		(102,847)	(58,284)
Cash flows from financing activities			
Net change in bank overdraft			
Dividends paid		<u>(19,000,000)</u>	<u>(13,000,000)</u>
Net cash used in financing activities		(19,000,000)	(13,000,000)
Cash and cash equivalents at beginning of year		<u>560,300</u>	<u>1,307,699</u>
Cash and cash equivalents at the end of year		<u>2,096,195</u>	<u>560,300</u>
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	9	<u>2,096,195</u>	<u>560,300</u>
		<u>2,096,195</u>	<u>560,300</u>



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Notes to the financial statements for the year ended 31 December 2023

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, 2023.

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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adidas Norge AS

**Notes to the financial statements
for the year ended 31 December 2023**

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 known cash amounts, and with the due date less than three months from the acquisition date.



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Notes to the financial statements for the year ended 31 December 2023

2. Revenue

	2023	2022
	NOK	NOK
By geographical location		
Domestic	538,195,262	702,870,250
Rest of the world	2,609,485	1,575,483
	<u>540,804,747</u>	<u>704,445,733</u>

	2023	2022
	NOK	NOK
By business area		
Wholesale	381,183,992	495,988,748
Retail and e-com	159,620,755	208,456,985
	<u>540,804,747</u>	<u>704,445,733</u>

3. Cost of Sales

	2023	2022
	NOK	NOK
Cost of Sales	412,684,524	560,636,510
	<u>412,684,524</u>	<u>560,636,510</u>

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

Staff costs were as follows:

	2023	2022
	NOK	NOK
Wages and salaries	22,563,960	21,978,934
Payroll tax	3,340,367	3,717,210
Pension cost	1,792,285	1,553,901
Other benefits	3,119,445	1,947,205
	<u>30,816,057</u>	<u>29,197,250</u>

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

	2023	2022
	No.	No.
Employees	<u>59</u>	<u>34</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.

adidas Norge AS provides an occupational pension scheme in accordance with the Norwegian Mandatory Occupational Pensions Act, this is a defined contribution plan provided by DNB.



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adidas Norge AS

Notes to the financial statements for the year ended 31 December 2023

5. Tangible fixed assets

	Machinery & equipment NOK	Assets Under Construction NOK	2023 Total NOK	2022 Total NOK
Acquisition cost				
At 1 January	30,611,961	101,151	30,713,112	30,654,829
Additions	102,847	-	102,847	58,284
Disposals	-	- 101,151	- 101,150.96	-
At 31 December	30,714,808	-	30,714,808	30,713,112
Accumulated depreciation				
At 1 January	(28,227,569)	-	(28,227,569)	(22,865,892)
Depreciation for the year	(2,335,495)	-	(2,335,495)	(5,361,677)
At 31 December	(30,563,064)	-	(30,563,064)	(28,227,569)
Book Value	151,744	-	151,744	2,485,543

	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

	2023 NOK	2022 NOK
Specification of auditor's fee:		
Statutory auditor fee (2023)	317,061	600,000
Tax services	141,373	142,995
	458,434	742,995

The balances above do not include VAT



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adidas Norge AS

Notes to the financial statements for the year ended 31 December 2023

7. Taxes

	2023	2022
	NOK	NOK
Tax payable		
Ordinary profit before tax expenses	14,526,393	22,333,767
Permanent differences	310,759	100,788
Change in temporary differences	<u>(3,112,769)</u>	<u>5,156,752</u>
	11,724,383	27,591,307
Taxes payable at 22%	<u>2,579,364</u>	<u>6,070,088</u>
Total tax payable	<u><u>2,579,364</u></u>	<u><u>6,070,088</u></u>
	2023	2022
	NOK	NOK
Tax expenses for the year in P&L		
Tax payable	2,579,364	6,070,088
Deferred tax - gross changes	684,810	(421,296)
Correction to previous years	0	(951,277)
Total tax expenses for the year in P&L	<u><u>3,264,174</u></u>	<u><u>4,697,515</u></u>
	2023	2022
	NOK	NOK
Specification of basis for the deferred taxes		
Fixed assets	(7,283,364)	(6,864,806)
Current assets	(1,070,400)	(1,379,619)
Liabilities	<u>(3,335,409)</u>	<u>(6,556,614)</u>
	(11,689,173)	(14,801,039)
Deferred tax asset at 22%	<u>(2,571,618)</u>	<u>(3,256,229)</u>
Total deferred tax payable	<u><u>(2,571,618)</u></u>	<u><u>(3,256,229)</u></u>



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Notes to the financial statements for the year ended 31 December 2023

8. Inventory

	2023	2022
	NOK	NOK
Finished goods and goods for resale	12,558,379	12,224,525
	<u>12,558,379</u>	<u>12,224,525</u>

All goods are valued at acquisition cost.

9. Cash and cash equivalents

	2023	2022
	NOK	NOK
Amount related to the tax deduction account	304,688	373,822
	<u>304,688</u>	<u>373,822</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	498,095	18,692,095
Changes in equity:					
Proposed dividends	-	-	-	(11,000,000)	(11,000,000)
Profit for the year	-	-	-	11,262,218	11,262,218
At 31 December	<u>5,000,000</u>	<u>6,930,000</u>	<u>6,264,000</u>	<u>760,313</u>	<u>18,954,313</u>

Share capital consists of 5000 shares with a nominal value of NOK 1,000 per share.

The shares are wholly owned by adidas AG. All shares afford equal voting rights.



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Notes to the financial statements for the year ended 31 December 2023

11. Accounts Receivables

	2023	2022
	NOK	NOK
Gross accounts receivables	41,591,215	40,666,125
Provision for losses on receivables	(1,030,923)	(1,440,673)
	<u>40,560,292</u>	<u>39,225,452</u>

Outstanding receivables older than 60 days comprise approx 1.5% of gross receivables. adidas continuously monitors the overdue amounts and believes that the provision for bad debts is adequate.

12. Related parties

Transactions with related parties	2023	2022
	NOK	NOK
Purchases		
adidas AG	33,986,503	23,130,862
adidas International Marketing BV	409,224	370,826
adidas International Trading AG	398,145,364	551,535,099
adidas Finland	0	15,523
adidas Uk	0	37,013
adidas Poland	0	870
adidas Austria	0	15,523
adidas Sweden	14,762,334	7,950,116
adidas Business Services Lda.	3,150,817	4,983,545
adidas Denmark	1,594,101	2,792,806
adidas France	703,200	0
	<u>452,751,543</u>	<u>590,832,183</u>
Sales		
adidas Sweden	37,500	0
adidas France	234,400	0
adidas International Marketing BV	1,575	0
adidas International Trading AG	0	923
	<u>273,475</u>	<u>923</u>



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Notes to the financial statements for the year ended 31 December 2023

	NOK	NOK
Payables		
adidas AG	6,443,475	42,032
adidas International Marketing BV	67,402	0
adidas International Trading AG	10,202,737	0
adidas Sweden	1,302,891	0
adidas Denmark	232,739	0
adidas Business Services Lda.	34,383	0
adidas France	703,200	0
	<u>18,986,828</u>	<u>42,032</u>
Receivables		
adidas AG	29,293,346	44,963,605
	<u>29,293,346</u>	<u>44,963,605</u>

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.

Sales to related parties during 2023 were NOK 0.273 mill versus NOK 0.001 mill in 2022.

13. Financial Risk

As of 31 December 2023, 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 31.12.2023.

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

14. Post year-end events

No events of significance have occurred after the balance sheet date for the annual accounts.



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 2023, 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 2023, 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 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 2 September 2024

PricewaterhouseCoopers AS

Berit Alstad
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning - Adidas

Signers:

Name	Method	Date
Alstad, Berit	BANKID	2024-09-03 11:08

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