



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 925 541 559
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: ON EUROPE AG - NORWAY
Forretningsadresse: c/o TMF Norway AS
Hagaløkkveien 26
1383 ASKER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Martin Hoffmann
Dato for fastsettelse av årsregnskapet: 21.01.2026

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, 22.02.2026



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenue	5	6 311 327	
Sum inntekter		6 311 327	
Kostnader			
Operating expenses	6	7 454 131	
Sum kostnader		7 454 131	
Driftsresultat		-1 142 804	
Finance costs	7	604 184	
Sum finanskostnader		604 184	
Netto finans		-604 184	
Resultat før skattekostnad		-1 746 988	
Tax cost	8	-57 698	
Årsresultat		-1 689 290	



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Property, plant and equipment	9	77 446	
Right-of-Use assets	9	1 128 517	
Deferred tax assets	8	10 401	
Sum varige driftsmidler		1 216 364	
Finansielle anleggsmidler			
Trade and other receivables	11,16	8 201 780	
Sum finansielle anleggsmidler		8 201 780	
Sum anleggsmidler		9 418 144	
Omløpsmidler			
Varer			
Sum omløpsmidler			
SUM EIENDELER		9 418 144	
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Retained earnings		-1 592 161	
Other reserves		1 114 273	
Sum opptjent egenkapital		-477 888	
Sum egenkapital		-477 888	



Balanse

Beløp i: NOK	Note	2021	2020
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Long-term provisions	13	34 876	
Lease liabilities	14	558 833	
Sum annen langsiktig gjeld		593 709	
Sum langsiktig gjeld		593 709	
Kortsiktig gjeld			
Trade and other payables	15	1 230 168	
Other current liabilities	15	7 500 197	
Lease liabilities	15	571 958	
Sum kortsiktig gjeld		9 302 323	
Sum gjeld		9 896 032	
SUM EGENKAPITAL OG GJELD		9 418 144	



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2026 314353

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Brønnøysundregistrene, 21.02.2026



Organisasjonsnr: 925 541 559
ON EUROPE AG - NORWAY

RESULTATREGNSKAP

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Organisasjonsnr: 925 541 559
ON EUROPE AG - NORWAY

BALANSE

Beløp i: NOK	Note	2021	2020
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BALANSE - EIENDELER

Anleggsmidler
Immaterielle eiendeler

Varige driftsmidler

Property, plant and equipment	9	77 446	
Right-of-Use assets	9	1 128 517	
Deferred tax assets	8	10 401	
Sum varige driftsmidler		1 216 364	

Finansielle anleggsmidler

Trade and other receivables	11,16	8 201 780	
Sum finansielle anleggsmidler		8 201 780	

Sum anleggsmidler		9 418 144	
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Omløpsmidler

Varer

Sum omløpsmidler

SUM EIENDELER		9 418 144	
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital
Innskutt egenkapital

Opptjent egenkapital

Retained earnings		-1 592 161	
Other reserves		1 114 273	
Sum opptjent egenkapital		-477 888	

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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Long-term provisions	13	34 876	
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Kortsiktig gjeld



Trade and other payables	15	1 230 168
Other current liabilities	15	7 500 197
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Sum gjeld		9 896 032
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Organisasjonsnr: 925 541 559
ON EUROPE AG - NORWAY

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Er det usikkerhet om fortsatt drift?: Nei

Note

Antall årsverk i regnskapsåret
4.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Skatteetaten

Vår dato 15.05.2025	Din/Deres dato	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90833418
Org.nr 974761076	Vår referanse 2025/5126768	Postadresse Postboks 9200 Grønland 0134 OSLO

DELOITTE SERVICES AS
Att.Fred-Atle Mæla
Postboks 221, Sentrum
0103 OSLO
Norge

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for On Europe AG - Norway, org.nr. 925 541 559

Vi viser til deres brev innsendt 15. april 2025 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for On Europe AG - Norway.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering On Europe AG - Norway dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

On Europe AG - Norway er en norsk filial av et utenlandsk selskap som er en del av et internasjonalt konsern. Selskapet driver agenturhandel og formidler salg av sko, sportsutstyr, sportstøy og sportsartikler. Virksomheten retter seg mot det nasjonale og internasjonale markedet.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og



lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er en norsk filial av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



ON Europe AG - Norway

(Organization number 925541559)

Annual Report and Financial Statements for the Period Ended 31 December 2021



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

GENERAL INFORMATION

Country of incorporation	Norway
Director	Martin Hoffmann
Company Registration Number	925541559
Registered office	c/o TMF Norway AS Hagaløkkveien 26, 1383 ASHES Norway
Supervisor	The preparation of the annual financial statements was supervised by Martin Hoffmann, Director and any authorized person.



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

Contents

The reports and statements set out below comprise the annual financial statements presented to the directors:

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ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

Statement of Profit and loss and Other Comprehensive Income

	Note	01/01/2021 - 31/12/2021 NOK
Sales revenue	5	6,311,327
Operating expenses	6	-7,454,131
Operating result		<u>-1,142,804</u>
Finance costs	7	-604,184
Loss before tax		<u>-1,746,988</u>
Tax cost	8	<u>57,698</u>
Annual result		<u><u>-1,689,290</u></u>



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

STATEMENT OF BALANCE SHEET

	Note	31/12/2021 NOK
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	9	77,446
Right-of-Use assets	9	1,128,517
Deferred tax assets	8	10,401
Total non-current assets		1,216,364
<i>Current assets</i>		
Trade and other receivables	11,16	8,201,780
Total current assets		8,201,780
TOTAL ASSETS		9,418,144
EQUITY AND LIABILITIES		
<i>Equity</i>		
Retained earnings		-1,592,161
Other reserves		1,114,273
Total equity		-477,888
Liabilities		
<i>Non-Current Liabilities</i>		
Long-term provisions	13	34,876
Lease liabilities	14	558,833
Total non-current liabilities		593,709
<i>Current liabilities</i>		
Trade and other payables	15	1,230,168
Lease liabilities		571,958
Other current liabilities		7,500,197
Total current liabilities		9,302,323
Total liabilities		9,896,032
TOTAL EQUITY AND LIABILITIES		9,418,144

21 January 2026
Norway
Martin Hoffmann



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

STATEMENT OF CHANGES IN EQUITY

	Accumulated losses NOK	Other reserves NOK	Total Equity NOK
Book value as of 1 January 2021	—	—	—
Changes in equity	97,129	1,114,273	1,211,402
Annual result	-1,689,290	—	-1,689,290
Book value as of 31 December 2021	-1,592,161	1,114,273	-477,888



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

STATEMENT OF CASH FLOWS

	31/12/2021
	NOK
CASH FLOWS FROM OPERATING ACTIVITIES	
Annual result	-1,689,290
Adjustments for:	
Depreciation and amortisation	332,003
Finance costs	604,184
Share-based payment expense	1,114,273
Other gains and losses	19,728
Increase/(decrease) in provisions	135,997
Income tax/ deferred tax expense	-57,698
Net cash flow from operational activities	459,197
Changes in working capital:	
(Increase) / decrease in trade and other receivables	-6,495,631
Increase / (decrease) in trade and other payables, provisions and deferred credits	<u>6,996,529</u>
Net cash used in operating activities	<u>960,095</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment for purchase of property, plant and equipment	-35,580
Payment for lease of right-of-use assets	<u>-320,331</u>
Net cash generated from investing activities	<u>-355,911</u>
CASH FLOWS USED IN FINANCING ACTIVITIES	
Interest paid	-604,184
Net cash generated from financing activities	(604,184)
NET CHANGE IN CASH AND CASH EQUIVALENTS	—
Cash and cash equivalents at beginning of the year	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	—



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

Notes to the annual financial statements

1. General information

The company is organized as an NUF, Norwegian Registered Foreign Enterprise, by ON Europe AG domiciled in Zurich, Switzerland.

The address of its registered office is: c/o TMF Norway AS, Hagaløkkveien, 26, 1383 ASHES.

2. Accounting Policies

2.1. Basis of preparation

The annual financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards. The annual accounts are presented in Norwegian kroner.

2.2. Significant estimates and assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Going Concern

Management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's abilities to continue as a going concern. Therefore the financial statements continue to be prepared on the going concern basis.

Trade and other receivables

The company assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset, consisting of expected lifetime credit losses and 12-month credit losses

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realize the net deferred tax assets recorded at the end of the reporting period could be impacted.



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

2.3. Property, Plant and Equipment

The cost of an item of equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are recorded in profit or loss during the financial period in which they are incurred. Equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value. The useful lives of items of equipment have been assessed as follows:

Asset	Average useful life 31 December 2021
Office equipment	4 years
Leasehold improvements	2.5 years

Equipment is carried at cost less accumulated depreciation and any impairment losses.

The residual value, useful life and depreciation method of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.4. Right-of-use assets and lease liability

The Company applies the reporting standard on Leases, IFRS 16. All leases are recognised as right-of-use assets with corresponding lease liabilities at the date on which the leased asset is available for use by the Company.

At inception of a contract, the Company assesses whether it is a lease or contains a lease component. A right-of-use asset and a lease liability is recognized at the lease commencement date considering any relevant contractual condition. Short-term leases with a lease term of 12 months or less and low-value leases are recognized as an expense in the income statement on a straight-line basis over the lease term.



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

The right-of-use asset is initially measured at cost and, subsequently, at cost less accumulated depreciation and impairment losses as well as certain lease liability remeasurements. These costs comprise discounted and unpaid lease payments adjusted by initial direct cost, prepaid expenses, dismantling cost, and lease incentives received.

Depreciation is calculated on a straight-line basis over the shorter of the assets or asset categories' useful life and the respective lease term:

- Cars: 1 to 4 years

The lease liability is initially measured at the present value of any lease payments that are not paid at the commencement date and are discounted using the interest rate implicit in the lease, if that rate can be readily determined, otherwise Company's incremental borrowing rate.

Each lease payment is allocated between a reduction of the liability and an interest expense. The interest expense is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2.5. Receivables and cash

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired, consisting of expected lifetime credit losses and 12-month credit losses. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value, and any impairment is assessed considering expected lifetime credit losses and 12-month credit losses.



ON EUROPE AG - NORWAY
(Organization number 925541559)
Annual Financial Statements for the period ended 31 December 2021

2.6. Income tax

Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax expenses

Current and deferred income taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income,
- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred income taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

2.8. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Share-based payments

ON Holding AG parent entity of ON Europe AG - Norway has granted share-based awards to selected employees. These grants are designed to reward long-term and valued employees for their individual performance by giving them the opportunity to benefit from the involvement of On by receiving a bonus in the form of share-based payment awards. All awards granted were classified as equity-settled share-based payments. If applicable, grants in the form of stock options are valued using a Cox-Rubinstein binomial tree model. The granted share-based awards are recognised in equity and administrative expenses.



ON EUROPE AG - NORWAY
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Annual Financial Statements for the period ended 31 December 2021

2.9. Revenue

The application of IFRS 15 requires the company to make judgements that affect the determination of the amount and timing of revenue from contracts with customers. These include:

- determining the timing of satisfaction of performance obligations,
- determining the transaction price allocated to the performance obligations, and
- determining the stand-alone selling prices, if applicable.

The stand-alone selling prices for the services provided are estimated as cost of sale plus a margin.

2.10. Conversion of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in NOK, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity.

When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

3. Adoption of new and revised standards

New standards and interpretations which came into force during the year did not have a significant impact on the company's financial statements.

New standards and interpretations not yet effective

The IASB and IFRIC have issued the following standards, which will be applicable for the annual periods as mentioned below:



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Standard(s)	Topic	Annual periods beginning on or after
IFRS 17	Insurance Contracts	01/01/2021
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	01/01/2022

The company intends to adopt these standards in the first accounting period after the effective date. The Directors do not anticipate that the adoption of the standards and interpretations listed will have a material effect on the financial statements in the period of initial application.

4. Risk management

Market risk

Foreign exchange risk

Foreign exchange risk is the risk arising from future commercial transactions or recognised financial assets or liabilities being denominated in a currency that is not the company's functional currency.

Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates or gaps in the amount of assets and liabilities that mature or re-price in a given period. As the company has no significant interest bearing assets and liabilities, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding amounts from related parties.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. With respect to credit risk arising from the other financial assets of the Company, including bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

With respect to exposures with banks, management considers the credit risk exposure to be minimal. The management does not expect any losses from non-performance by these counterparties.

The Company does not recognize Expected Credit Losses on trade receivables, as all sales are made to related parties within the Group.



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Trade and other receivables

The Company ensures that cash collection is made at time of service rendering. Credit limits are established for all the customers based on internal and external rating criteria. Outstanding accounts receivable are regularly monitored and any credit concerns are highlighted to management. Cash are substantially placed with commercial banks with sound credit ratings. There are no significant concentrations of credit risk, whether through exposure to individual customer or region.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for the customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are written-off if past due for more than three years and are not subject to enforcement activity.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to accounts receivable as low, as its customers are located in same jurisdictions and operate in largely independent markets.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and all such investments are subject to approval of partners. Management continuously monitors the limits of investments with different financial institutions to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Trade payables are normally settled within 30 to 60 days of the date of purchase. In accordance with prudent liquidity risk management, the management aims to maintain sufficient bank balances to meet the Company's working capital requirements and ensure that the Company has adequate committed credit facilities to manage its liquidity risk. The Company is dependent on its partners for continued funding.

The table below summarises the maturities of the Company's financial liabilities, based on contractual undiscounted payments.

	Less than 1 year	1 year to 5 years	Total
	NOK	NOK	NOK
31/12/2021			
Trade and other receivables	8,201,780	—	8,201,780
Trade and other payables	1,230,168	—	1,230,168
	9,431,948	—	9,431,948



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5. Sales revenue

	01/01/2021 - 31/12/2021 NOK
Income from sales to the group	6,309,867
Other income	1,460
	<u>6,311,327</u>

Revenue is composed of the commissions allocated to the Norwegian branch based on the total sales performed in the country.

6. Operating expenses

	01/01/2021 - 31/12/2021 NOK
Depreciation of fixed assets	332,003
Payroll and related costs (6i)	6,262,913
Other operating expenses (6ii)	859,215
	<u>7,454,131</u>

6 (i) Payroll and related costs

Salaries and wages	4,393,486
Other personnel costs	1,802,381
Others	67,046
	<u>6,262,913</u>

6 (ii) Other operating expenses

Accounting expenses	147,312
Car expenses	42,588
Travel, subsistence and car allowance	171,763
Accounting services	202,298
Travel expenses	11,553
Advertising	17,894
Bank charges	26,183
Other gains/losses	18,867
Car leases	220,757
	<u>859,215</u>



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7. Finance costs

	01/01/2021 - 31/12/2021 NOK
Interest charged on intercompany balances	604,184
	<u>604,184</u>

8. Tax cost

8.1 Income tax

	01/01/2021 - 31/12/2021 NOK
Loss before tax for the period	-1,746,988
Current Tax	49,646
Current charge	
Adjustments in respect of prior years	49,646
Deferred tax	8,052
Origination and reversal of temporary differences	8,052
Tax charge for the period	<u>57,698</u>

The charge for the year can be reconciled to the profit before tax as follows:

Profit before tax on continuing operations	-1,746,988
Tax at the corporation tax rate	—
Tax expense for the year	<u>—</u>

8.2 Deferred income tax

The following represents the approximate tax effect of cumulative temporary differences between financial net income and taxable income, which has been recognized as a deferred income tax asset as of 31 December 2021:



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	01/01/2021 - 31/12/2021 NOK	01/01/2021 - 31/12/2021 NOK
	Deferred tax assets	Deferred tax liabilities
Right-of-Use assets	248,774	
Lease liabilities	—	(248,274)
Long-term provisions	9,901	
Total	<u>258,675</u>	<u>(248,274)</u>
Deferred tax charge for the period	<u>10,401</u>	

Movement in deferred income tax asset account for the years ended 31 December 2021 is as follows:

	01/01/2021 - 31/12/2021 NOK
At the beginning of the year	2,349
Charged to profit or loss	8,052
Charged to other comprehensive income	—
At the end of the year	<u>10,401</u>



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9. Property, plant and equipment

	Office Equipment NOK	Right-of-Use assets NOK	Total NOK
Cost			
At 1 January 2021	63,148		63,148
Additions	35,580	1,443,286	1,478,866
Disposals	—		—
At 31 December 2021	<u>98,728</u>	<u>1,443,286</u>	<u>1,542,014</u>
Accumulated depreciation			
At 1 January 2021	(4,048)		(4,048)
Charge for the period	(17,235)	(314,768)	(332,003)
Retirements	—		—
At 31 December 2021	<u>(21,283)</u>	<u>(314,768)</u>	<u>(336,051)</u>
Net book value			
At 31 December 2021	<u>77,445</u>	<u>1,128,518</u>	<u>1,205,963</u>

10. Leases

This note provides information for leases where the Company is a lessee.

1. Lease liabilities

Lease liabilities recognised as at 31 December:

	31/12/2021 NOK
Non-current liabilities	
1-3 years	558,833
	<u>558,833</u>



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11. Trade and other receivables

	31/12/2021
	NOK
VAT receivable	93,594
Receivables from group companies	7,951,593
Others	156,593
	<u>8,201,780</u>

The ageing analysis of receivables was as follows:

Less than one year	8,201,780
	<u>8,201,780</u>

13. Long-term provisions

	Total
	NOK
At 1 January 2021	2,039
Increase provision	32,837
At 31 December 2021	<u>34,876</u>

14. Lease liabilities

	31/12/2021
	NOK
Non-current liabilities	558,833
	<u>558,833</u>



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15. Trade and other payables

	31/12/2021
	NOK
Trade and other payables	1,230,168
Lease liabilities	571,958
Other payables (i)	7,500,197
	<u>9,302,323</u>
 <i>(i) Other payables</i>	
Payables to group companies	7,389,754
Other liabilities	110,443
	<u>7,500,197</u>

16. Related parties

Related parties represent the Ultimate Shareholders, Parent Company, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties

During the year, the Company entered into the following significant transactions with these related parties which arose in the normal course of business from commercial transactions and carried out at rates agreed between the related parties:

	31/12/2021
	NOK
IC Participation plans LOCAL	350,164
IC interest expenses	596,347
IC sales commissions (Income)	-6,309,868
	<u>-5,363,357</u>



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Balances with related parties

31/12/2021

NOK

Due from related parties	Relationship	
On Europe AG (ONEU)	Immediate parent of the Branch ONNO	7,951,593
		<u>7,951,593</u>
Due to related parties	Relationship	
On AG	Co-subsidiary of ONEU	7,252,178
On Holding AG	Ultimate holding company	137,576
		<u>7,389,754</u>

17. Share-based payments

Share options over the shares of On Holding AG, the ultimate parent entity, are granted to certain employees and executives of the Company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity (capital reserves). The fair value is measured at grant date using the Cox-Rubinstein binomial tree model model, and is recognised as an expense over the year the employee becomes unconditionally entitled to the options/units expected to vest.

18. Events after the reporting period

There were no significant events after the end of the year.