

Registered number: 20 75 47 88

adidas Danmark A/S

Øster Allé 56, 2 sal
2100 Copenhagen Ø

Annual report and financial statements

for the year ended 31 December 2020

The annual report was presented and adopted at the annual general meeting of the company

Chairman of meeting



Krystof Mejstrik

Date 02.06.2021

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for the year ended 31 December 2020

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**Statement by Board of Directors and the Executive Board
for the year ended 31 December 2020**

The Board of Directors and the Executive Board have today discussed and approved the annual report of adidas Danmark A/S for the financial year 1 January - 31 December 2020.

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

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position as 31 December 2020 and of the results of the company's operations for the year 1 January - 31 December 2020.

In our opinion, the Management's review includes a fair view of the development in the company's operations and financial matters, of the results for the year and of the company's financial position, and of the matters discussed in the Management's review.

We recommend that the annual report be adopted at the annual general meeting on 2nd June 2021.

Copenhagen, 17th May 2021



Executive Board

Sabina Lerne

Board of Directors



Krystof Mejstrik
Chairman



Sabina Lerne
Deputy Chairman



Brad Casselman
Director



Independent auditor's report

To the shareholder of adidas Danmark A/S

Opinion

We have audited the financial statements of adidas Danmark A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, 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.

Independent auditor's report

- 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 in preparing the financial statements 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 contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.



adidas Danmark A/S
Annual report 2020
CVR no. 20 75 47 88

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 17 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to read 'Michael E. K. Rasmussen'.

Michael E. K. Rasmussen
State Authorised
Public Accountant
mne41364

adidas Danmark AS

Management Review
for the year ended 31 December 2020

Seen over a five-year period the development of the company is described by the following financial highlights:

	2020	2019	2018	2017	2016
	DKK	DKK	DKK	DKK	DKK
	'000	'000	'000	'000	'000
Gross profit	44,318	53,660	36,509	44,646	44,073
Profit before financial income and expenses	13,255	14,366	7,703	12,819	12,231
Net financials	(726)	(951)	(111)	1,996	(228)
Profit/loss for the year	11,722	9,823	5,903	12,007	12,526
Balance sheet total	144,613	156,792	81,069	78,030	73,356
Investments in Property, Plant & Equipment	673	63,282	3,455	3,965	1,710
Equity	21,024	19,302	23,480	25,577	22,370
Financial Ratios					
Return on assets	9.2%	9.2%	9.5%	16.4%	16.7%
Solvency ratio	14.5%	12.3%	29.0%	32.8%	30.5%
Return on equity	58.1%	45.9%	24.1%	50.1%	63.1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts.

Financial highlights are calculated as follows:

Return on assets $(\text{Profit before financial income and expenses} / \text{Total assets}) \times 100$

Solvency ratio $\text{Equity at year end} \times 100 / \text{Total assets}$

Return on equity $\text{Net profit for the year} \times 100 / \text{Average equity}$

Management Review
for the year ended 31 December 2020

Business activities

The company's activity is to sell sports merchandise of the brands adidas and Reebok in Denmark.

Development in activities and financial position

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 11,722 thousand compared to profit of DKK 9,823 thousand in 2019 and compared to an original forecast of the interval DKK 12-12,5 million. The balance sheet at 31 December 2020 shows equity of DKK 21,024 thousand compared with DKK 19,302 thousand in 2019.

Risks

Operating risks

In Management's assessment, the company is not exposed to any special risks apart from those generally occurring in this line of business.

Currency risks

As the company primarily sell in Danish Krone and buy in Danish Krone, foreign exchange risk is considered low.

Environment

In Management's assessment, the company's activities do not impact on the external environment.

Research and development activities

The company does not undertake any research, but the product range is undergoing constant development.

Post balance sheet events and Outlook

For adidas Denmark the first quarter of 2021 has been impacted due to the Corona-pandemic related lock down in Denmark that has affected the retail landscape negatively.

Despite this adidas Denmark see a positive outlook for the rest of 2021 and expects a profit in 2021 but there is of course an uncertainty that leaves a risk of revenue and credit losses depending on how fast Denmark will see a normalized retail landscape.

adidas Denmark continues to closely monitor the developments of the Corona-pandemic and evaluates the extent to which this may affect adidas business both short and long term.

adidas Danmark AS

Income Statement			
for the year ended 31 December 2020			
	Note	2020 DKK '000	2019 DKK '000
Gross profit	2	44,318,128	53,659,918
Gross profit		<u>44,318,128</u>	<u>53,659,918</u>
Staff Costs	3	(20,954,980)	(28,508,962)
Earnings before interest, taxes, depreciation and amortisation		<u>23,363,148</u>	<u>25,150,956</u>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(10,107,767)	(10,785,396)
Profit before financial income and expenses		<u>13,255,381</u>	<u>14,365,560</u>
Financial income	4	90,916	135,362
Financial expenses	5	(816,430)	(1,085,978)
Profit/loss before tax		<u>12,529,867</u>	<u>13,414,945</u>
Tax on profit for the year	6	(807,977)	(3,592,351)
Net profit for the year	7	<u><u>11,721,890</u></u>	<u><u>9,822,594</u></u>

adidas Danmark AS

Balance Sheet
for the year ended 31 December 2020

	Note	2020 DKK	2019 DKK
Non-current assets			
Property, plant and equipment			
Operating equipment	8	166,243	356,975
Leasehold upgrades	8	1,684,863	3,445,035
Assets under construction	8	102,786	-
Land & buildings	8	30,049,223	51,073,920
Vehicles	8	2,658,325	3,806,755
Total non-current assets		34,661,440	58,682,685
Current assets			
Inventories			
Finished goods and goods for resale		5,141,102	8,291,725
Receivables			
Trade Receivables		8,023,417	40,779,355
Amounts owed by group companies		69,011,967	26,494,153
Other receivables		19,894,959	14,262,295
Deferred tax asset	9	6,230,547	5,841,924
Corporation tax		-	648,964
Prepayments	10	1,460,219	1,558,902
Cash at bank and hand			
Cash at bank and hand		189,314	231,580
Total current assets		109,951,525	98,108,898
Total assets		144,612,965	156,791,583

adidas Danmark AS

Balance Sheet			
for the year ended 31 December 2020			
	Note	2020 DKK	2019 DKK
Equity			
Share capital		8,000,000	8,000,000
Retained Earnings		1,024,120	1,302,230
Proposed dividend for the year		12,000,000	10,000,000
Total equity	11	21,024,120	19,302,230
Provisions			
Other provisions	12	31,736,328	22,487,624
Total provisions		31,736,328	22,487,624
Non-current liabilities other than provisions			
Lease liabilities	13	24,609,315	47,315,228
Total non-current liabilities other than provisions		24,609,315	47,315,228
Current liabilities other than provisions			
Trade payables		15,690,229	22,484,976
Payables to group companies		23,325,376	20,149,232
Corporation tax		2,406,603	-
Other payables		17,524,355	17,306,654
Lease liabilities	13	8,296,639	7,745,639
Total current liabilities other than provisions		67,243,202	67,686,501
Total equity and liabilities		144,612,965	156,791,583

adidas Danmark AS

**Statement of changes in equity
for the year ended 31 December 2020**

	Share capital	Proposed dividend for the year	Retained earnings	Total Equity
Equity at 1 January 2020	8,000,000	10,000,000	1,302,230	19,302,230
Profit for the year	-	-	11,721,890	11,721,890
Ordinary dividend paid	-	(10,000,000)		(10,000,000)
Proposed profit appropriation - dividend	-	12,000,000	(12,000,000)	-
Equity at 31 December 2020	<u><u>8,000,000</u></u>	<u><u>12,000,000</u></u>	<u><u>1,024,120</u></u>	<u><u>21,024,120</u></u>

Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies

The annual report of Adidas Danmark A/S for 2020 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

A few restatements have been made of the comparative figures as a result of reclassifications.

Applied exemption in the Danish Financial Statements Act

In accordance with section 86 (4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement, as such a statement is included in the consolidated cash flow statement of adidas Group.

1.1 Revenue

The Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognizing revenue. In contrast to the previous basis of interpretation contained in IAS 11/18, IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognize revenue so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services.

1.2 Cost of sales

Cost of goods sold comprise direct and indirect costs incurred to generate revenue, including costs for sale and distribution of goods sold.

1.3 Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

1.4 Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

1.5 Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue. The gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

1.6 Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc, to the company's employees.

Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

1.7 Financial income and expenses

Financial income and expenses include interest, financial expenses, realised and unrealised exchange adjustments, amortisation of mortgage.

1.8 Tax on profit for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including charges arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

1.9 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less any projected residual value after the end of the useful life. The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and labour.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Vehicles	3-4 years
Land & buildings	3-7 years
Operating Equipment	2-8 years
Leasehold Improvements	3-5 years

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

Leased assets

The Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognizing and measurement of finance leases to which the Company is the lessee.

Leased assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use assets or the end of the lease term. The estimated useful lives of the assets are determined on the same basis as those of property, plant and equipment.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

1.10 Impairment of non-current assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation and amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write downs are made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

1.11 Inventories

Inventories are measured using FIFO method. Where the net realisable value is lower than the cost, inventories are carried at this lower value. The cost of goods for resale and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

1.12 Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivables is impaired, an impairment loss for that individual asset is recognised.

Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

1.13 Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

1.14 Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

The expected dividend payment for the year is disclosed as a separate item under equity.

1.15 Provisions

Provisions comprise expected expenses relating to guarantee commitments, reconstructions, etc. Provisions are recognised, when as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at value in use.

1.16 Corporation tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income of the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

1.17 Liabilities other than provisions

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between proceeds and the nominal value is recognised in the income statement over the term of the loan.

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

1.18 Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Notes to the financial statements
for the year ended 31 December 2020

2. Other operating Income

Other operating income amounts 864,585 DKK which comprise compensation received in regards to COVID-19 relief packages.

3. Employees

Staff costs were as follows

	2020	2019
	DKK	DKK
Wages and salaries	18,391,562	25,165,807
Social security costs	211,370	472,290
Pensions	1,943,534	2,534,168
Other staff costs	408,514	336,697
	<u>20,954,980</u>	<u>28,508,962</u>

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

	2020	2019
	No.	No.
	<u>70</u>	<u>75</u>

Management is employed by the Sister Company, and adidas Danmark A/S pays a monthly fee in which remuneration is covered.

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.

Management fee includes remuneration of the Company's Executive Board and Board of Directors, DKK 6,362 thousand (2019: DKK 6,938 thousand).

4. Financial Income

	2020	2019
	DKK	DKK
Financial income from group companies	18	1,185
Other financial income	90,898	134,177
	<u>90,916</u>	<u>135,362</u>

5. Financial Expenses

	2020	2019
	DKK	DKK
Financial expenses from group companies	209,065	95,333
Other financial expenses	607,365	990,644
	<u>816,430</u>	<u>1,085,978</u>

**Notes to the financial statements
for the year ended 31 December 2020**

6. Tax on profit for the year

	2020	2019
	DKK	DKK
Current tax for the year	3,160,603	4,391,036
Deferred tax for the year	(388,622)	(1,161,245)
Adjustment of current tax concerning previous years	(1,964,003)	362,560
	<u>807,977</u>	<u>3,592,351</u>

7. Proposed profit appropriation

	2020	2019
	DKK	DKK
Proposed dividend for the year	12,000,000	10,000,000
Retained earnings	(278,110)	(177,406)
	<u>11,721,890</u>	<u>9,822,594</u>

8. Tangible fixed assets

	Land & buildings DKK	Vehicles DKK	Leasehold upgrade DKK	Assets under Construction DKK	Operating equipment DKK	Total DKK
Cost or valuation						
At 1 January 2020	57,402,320	5,349,095	10,710,540	-	650,301	74,112,256
Additions	-	533,074	37,411	102,786	-	673,271
Remeasurement of lease terms	(14,586,750)	-	-	-	-	(14,586,750)
At 31 December 2020	<u>42,815,570</u>	<u>5,882,169</u>	<u>10,747,951</u>	<u>102,786</u>	<u>650,301</u>	<u>60,198,777</u>
Depreciation						
At 1 January 2020	6,328,400	1,542,340	7,265,505	-	293,325	15,429,570
Charge for the period on owned assets	6,437,947	1,681,504	1,797,583	-	190,733	10,107,767
At 31 December 2020	<u>12,766,347</u>	<u>3,223,844</u>	<u>9,063,088</u>	<u>-</u>	<u>484,058</u>	<u>25,537,337</u>
Carrying Amount						
At 31 December 2020	<u>30,049,223</u>	<u>2,658,325</u>	<u>1,684,863</u>	<u>102,786</u>	<u>166,243</u>	<u>34,661,440</u>
Assets held under finance lease	<u>30,049,223</u>	<u>2,658,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,707,548</u>

9. Deferred Tax Asset

	2020	2019
	DKK	DKK
Deferred tax as at 1 January	5,841,924	4,680,679
Deferred tax adjustment for the year Income statement	388,622	1,161,245
	<u>6,230,547</u>	<u>5,841,924</u>

10. Prepayments

Prepayments comprise prepaid expenses regarding rent, service charge, insurance premiums and subscriptions.

Notes to the financial statements
for the year ended 31 December 2020

11. Equity

The share capital consists of 4 shares of a nominal value of DKK 2,000 thousand. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.

12. Other Provisions

	2020	2019
	DKK	DKK
Warranty provision	31,195,095	20,057,858
Other	541,233	2,429,766
	<u>31,736,328</u>	<u>22,487,624</u>

13. Lease Liabilities

Non-current liabilities other than the provisions can be specified as follows:

Lease liabilities	2020	2019
	DKK	DKK
0 - 1 years	8,296,639	7,745,639
1 - 5 years	24,433,623	27,667,830
> 5 years	175,692	19,647,398
	<u>32,905,953</u>	<u>55,060,867</u>

Lease liabilities has changed due to remeasurement of lease terms which has changed the liabilities by DKK 14.5 million.

14. Contingent assets, liabilities and other financial obligations**Contingent Liabilities**

The company has entered into multi-years sponsor agreements with several sporting associations and athletes. The total liability at 31 December 2020 totalled DKK 12.8 million, of which DKK 3.8 million falls due for payment in 2020.

The company has issued bank guarantees of DKK 0.4 million.

Notes to the financial statements
for the year ended 31 December 2020

15. Related parties and ownership

Controlling Interest

adidas International B.V., Hoogoorddreef 9A, Amsterdam, Holland.
adidas International B.V. holds the majority of contributed capital in the Company

Ownership

adidas Danmark A/S is part of the consolidated financial statements of the adidas Group. The consolidated financial statements can be requisitioned at <http://www.adidas-group.com/>

adidas Danmark A/S is part of the consolidated financial statements of the adidas Group, adidas AG, which is the largest and smallest group in which the Company is consolidated.

Related party transactions

	2020	2019
	DKK '000	DKK '000
Transactions with related parties		
Sale of goods and services to subsidiaries	7,236	11,090
Purchase of goods and services from subsidiaries	441,590	499,167

Receivables and payables from/to subsidiaries are disclosed in the balance sheet, and interest income and expense are disclosed in note 4 and 5 respectively.

16. Post year-end events

For adidas Denmark the first quarter of 2021 has been impacted due to the Corona-pandemic related lock down in Denmark that has affected the retail landscape negatively.

Despite this adidas Denmark see a positive outlook for the rest of 2021 but there is of course an uncertainty that leaves a risk of revenue and credit losses depending on how fast Denmark will see a normalized retail landscape.

adidas Denmark continues to closely monitor the developments of the Corona-pandemic and evaluates the extent to which this may affect adidas business both short and long term.