

**ECCO (Danmark) A/ S**  
**Østergade 55**  
**1100 Copenhagen**

Annual report 2021

CVR no. 25 44 18 77

Annual Report has been presented and  
approved at the Company's general meeting  
on 30 June 2022

**Chairman**

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Anne Mølgaard Jensen

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## **Statement by Management on the annual report**

Today, the Supervisory Board and the Managing Board have discussed and approved the annual report of ECCC (Danmark) A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 June 2022

### **Managing Board:**

Patrick Sønderkov Iversen  
Director

### **Supervisory Board:**

Søren Stier

Anne Mølgaard Jensen

Simon Lajlev Larsen

## **Independent auditor's report**

### **To the shareholders of ECCO (Danmark) A/S**

We have audited the financial statements of KRM (Danmarks) A/S for the financial year 1 January – 31 December 2021, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### **Management's responsibilities 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 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 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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.
- 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.

## **Independent auditor's report**

- 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 note 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.

### **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 Statement Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 30 June 2022

EY Godkendt Revisionspartnerselskab  
CVRno. 30 70 02 28

Morten Østergaard Koch  
State Authorised  
Public Accountant  
mne35420

Claes Jensen  
State Authorised  
Public Accountant  
mne44108

## **Company Information**

ECCO (Danmark) A/S  
Østergade 55  
1100 Copenhagen

CVR-no.: 25 44 18 77  
Established: 20 May 2000  
Headquarter: Copenhagen  
Accounting Period: 1 January – 31 December 2021

### **Supervisory Board:**

Søren Stier  
Anne Mølgaard Jensen  
Simon Lajlev Larsen

### **Management Board:**

Patrick Sønderkov Iversen

### **Auditor:**

EY Godkendt Revisionspartnerselskab  
Bavnehøjvej 5, 6700 Esbjerg

## Management's review

### Financial highlights

tDKK	2021	2020	2019	2018	2017
<b>Key figures</b>					
Gross profit	61,291	57,860	50,452	49,751	50,648
Profit/loss before tax	1,636	(5,154)	1,905	2,404	2,225
Profit/loss for the year	1,188	(4,063)	1,515	1,851	1,673
<b>Financial ratios</b>					
Total assets	45,866	51,950	33,242	41,793	33,639
Investment in property, plant and equipment	409	6,192	9,089	1,169	977
Equity	14,870	13,682	17,745	16,229	14,379
<b>Financial ratios</b>					
Equity ratio	32.4	26.3	53.4	38.8	42.7
Return on equity	8.3	(25.9)	8.9	12.1	12.4
Average number of full-time employees	94	103	74	73	71

For terms and definitions, please see the accounting policies.

## **Management's review**

### **Management commentary**

#### **Main Activity**

The company's main business is sales of shoes and accessories.

#### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a profit for the year of tDKK 1,188 (2020: tDKK -4,063), and the balance sheet at 31 December 2021 shows equity of tDKK 14,870 (2020: tDKK 13,682).

The profit for the year is in accordance with expectations.

#### **Impact on the external environment**

The company is working on reduction of the environment influences from the company's operation

#### **Events after the balance sheet date**

No events have occurred after the financial year-end, which could significantly affect the company's financial position.

#### **Outlook**

The company expect activities and earnings for 2022 to be at the same level as 2021.



# **Financial statements 1 January – 31 December 2021**

## **Accounting policies**

The financial statements for 2021 have been prepared in accordance with the provisions applying to reporting class C medium-sized enterprises under the Danish Financial Statements Act.

Cash flow statements have not been prepared as the same are not required as per section 112 (1) of the Danish Financial Statements Act. The cash flow for ECCO (Danmark) A/S is part of the consolidated cash flow statements for ECCO Holding A/S.

The accounting policies are unchanged compared to last year.

## **Income Statement**

### **Revenue**

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### **Gross profit**

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

### **Cost of sales**

Cost of sales includes the cost of goods used in generating the year's income.

### **Sales and distribution costs**

Sales and distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns, etc., carried out during the year. Also, costs relating to sales staff, advertising, exhibition and depreciation are recognised as sales and distribution costs.

### **Administrative costs**

Administrative costs comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, office premises and office expenses as well as depreciation.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, capital gains and capital loss on payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

### **Tax for the year**

Estimated tax on the profit for the year is recognised in the income statement along with the year's change in deferred tax. ECCO (Danmark) A/S is part of the Danish mandatory joint taxation with group companies.

## **Balance Sheet**

### **Intangible assets**

Key money are measured at cost less accumulated amortisation and impairment losses. Amortisation takes place on a straight-line basis over the expected useful life which has been fixed at five years.

Gains or losses in connection with the disposal of software are stated as the difference between the selling price less selling costs and the carrying amount at the time of the sale. Gains or losses are recognised in the income statement under other operating income or other operating expenses, respectively. Intangible assets are recognised at cost less accumulated amortisation.

### **Property, plant and equipment**

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Depreciation is provided on a straight-line basis over the expected useful lives and estimated residual values of the assets. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Impairment of assets**

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

### **Inventory**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

### **Receivables**

Receivables are measured at amortised cost less provisions for anticipated losses determined based on an individual evaluation.

### **Prepayments**

Prepayments comprise costs incurred in relation to subsequent financial years.

### **Cash and cash equivalents**

Cash comprises cash and short-term securities that are readily convertible into cash and subject only to minor risks of changes in value.

**Current and deferred tax**

Current tax is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for 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.

**Liabilities**

Other liabilities are measured at net realisable value.

**Financial ratios**

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Equity ratio 
$$\frac{\text{Equity, year-end} \times 100}{\text{Total Equity and liabilities, year end}}$$

Return on equity 
$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average Equity}}$$

## Financial statements 1 January - 31 December 2021

### Income Statement

Note	<u>2021</u>	<u>2020</u>
	<u>tDKK</u>	<u>tDKK</u>
<b><u>Gross Profit</u></b>	<b>61,290</b>	<b>57,860</b>
Sales and Distribution	(52,514)	(56,844)
Administration	<u>(6,164)</u>	<u>(5,323)</u>
<b>Profit before interest and taxes</b>	<b>2,612</b>	<b>(4,307)</b>
2 Financial income	13	27
2 Financial expenses	<u>(990)</u>	<u>(874)</u>
<b><u>Profit before tax</u></b>	<b>1,635</b>	<b>(5,154)</b>
3 Tax	(447)	1,091
<b><u>Profit for the year</u></b>	<b><u>1,188</u></b>	<b><u>(4,063)</u></b>

## Financial statements 1 January - 31 December 2021

### Balance Sheet

	<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Note		tDKK	tDKK
	<b>Fixed Assets</b>		
4	<b>Intangible fixed assets</b>		
	Key Money	648	858
4	<b>Tangible fixed assets</b>		
	Property, plant and equipment	2,347	3,814
	<b>Fixed assets total</b>	<b>2,995</b>	<b>4,672</b>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	25,412	28,842
	<b>Receivables</b>		
	Receivables Group	8,936	7,086
	Other receivables	5,706	7,197
	Prepayments	1,215	2,755
	Cash	1,601	1,398
	<b>Current assets total</b>	<b>42,871</b>	<b>47,278</b>
	<b>Assets total</b>	<b>45,866</b>	<b>51,950</b>

## Financial statements 1 January - 31 December 2021

### Balance Sheet

	<u>EQUITY AND LIABILITIES</u>	<u>2021</u>	<u>2020</u>
Note			
	<b>Equity</b>		
	Share capital	1,000	1,000
7	Retained earnings	<u>13,870</u>	<u>12,682</u>
	<b>Equity total</b>	<b><u>14,870</u></b>	<b><u>13,682</u></b>
	<b>Current Liabilities</b>		
	Accounts payables third party	567	2,068
	Accounts payables Group	24,239	25,706
	Other debt	6,190	10,495
	<b>Current Liabilities Total</b>	<b><u>30,996</u></b>	<b><u>38,269</u></b>
	<b>Equity and Liabilities total</b>	<b><u>45,866</u></b>	<b><u>51,950</u></b>
1	<b>Staff costs</b>		
5	<b>Contractual obligations and contingencies</b>		
6	<b>Related parties</b>		

## Financial statements 1 January - 31 December 2021

### Statement of changes in equity

Note	tDKK	Share capital	Retained earnings	Total
	Equity at 1 January 2021	1,000	12,682	13,682
7	Transfer, see "Appropriation of profit/loss"	<u>0</u>	<u>1,188</u>	<u>1,188</u>
	<b>Equity at 31 December 2021</b>	<b><u>1,000</u></b>	<b><u>13,870</u></b>	<b><u>14,870</u></b>

The Company's share capital has remained tDKK 1,000 over the past 5 years.

## Financial statements 1 January - 31 December 2021

### Notes

	tDKK	tDKK
<b><u>1 Staff Costs</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Salary/Wages	31,757	31,639
Pensions	2,373	2,659
Other social expenses	20	953
	<u>34,150</u>	<u>35,251</u>
Average number of full time employees	<u>94</u>	<u>103</u>
<p>According to section 98(3) in the Danish Financial Statements Act remuneration to Management has not been disclosed as only one member of management receives remuneration.</p>		
<b><u>2 Financial Items</u></b>		
Financial income, external	13	0
Financial income, internal	<u>0</u>	<u>27</u>
Financial expenses,total	<u>13</u>	<u>27</u>
Financial expenses,external	(876)	(874)
Financial expenses,internal	<u>(114)</u>	<u>0</u>
Financial expenses,total	<u>(990)</u>	<u>(874)</u>
<b><u>3 Tax for the year</u></b>		
Current tax for the year	(361)	1,091
Prior year adjustment	<u>(86)</u>	<u>0</u>
	<u>(447)</u>	<u>1,091</u>



## Financial statements 1 January - 31 December 2021

### Notes

<u>4 Fixed assets</u>	<u>2021</u>	<u>2020</u>
<b>Intangible fixed assets</b>		
Gross booked value beginning of the year	3,400	2,350
Purchase in the year	0	1,050
Sold assets to gross booked value during the year	<u>0</u>	<u>0</u>
Gross booked value end of the year	<u>3,400</u>	<u>3,400</u>
Depreciations beginning of the year	(2,542)	(2,200)
Depreciations for the year	(210)	(342)
Depreciation on disposals	<u>0</u>	<u>0</u>
Gross depreciations	<u>(2,752)</u>	<u>(2,542)</u>
Booked value end of the year	648	858
<b>Tangible fixed assets</b>		
Gross booked value beginning of the year	15,692	10,880
Exchange Rate Adjustment	(9)	(5)
Purchase in the year	409	6,192
Sold assets to gross booked value during the year	<u>(359)</u>	<u>(1,375)</u>
Gross booked value end of the year	<u>15,733</u>	<u>15,692</u>
Depreciations beginning of the year	(11,878)	(9,927)
Depreciations for the year	(1,536)	(1,951)
Depreciation on disposals	<u>28</u>	<u>0</u>
Gross depreciations	<u>(13,386)</u>	<u>(11,878)</u>
Booked value end of the year	2,347	3,814

# Financial statements 1 January - 31 December 2021

## Notes

### 5. Contractual obligations and Contingencies

Contingent liabilities (rent) 9,050

The Company is taxed jointly with other Danish group companies. As a wholly owned group company, the company is jointly and unlimited liable together with the other Danish group companies as regard joint taxation at source of dividends, interests and royalties within the joint taxation group.

<u>6. Related Parties</u>	<u>2021</u>	<u>2020</u>
Sale of goods to Related parties	664	438
Sales of services to Related parties	7,906	1,510
Sales of services to Parent company	902	1,568
Purchase of goods from Parent Company	(50,459)	(69,487)
Purchase of services from Parent Company	(859)	(1,209)
Interest expense from parent company	114	27
Ture up expense to Parent company	626	(50)
Receivables from Related parties	4,305	648
Receivables from Parent company	4,631	6,438
Payables to Related parties	(6)	(67)
Payables to Parent company	(24,233)	(25,639)

ECCO (Danmark) A/S is included in the consolidated financial statement of ECCO Holding A/S and Anpartsselskabet af 1. oktober 2011, Denmark

### 7. Proposed Profit Appropriation

	<u>2021</u>	<u>2020</u>
Retained Earnings	1,188	(4,063)
	<u>1,188</u>	<u>(4,063)</u>

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Anne Mølgaard Jensen

### Client Signer

On behalf of: ECCO (Danmark) A/S

Serial number: PID:9208-2002-2-935114160437

IP: 185.170.xxx.xxx

2022-06-30 05:21:19 UTC

NEM ID 

## PATRICK IVERSEN

### Client Signer

On behalf of: ECCO (Danmark) A/S

Serial number: 19870805xxxx

IP: 37.205.xxx.xxx

2022-06-30 06:09:12 UTC



## Søren Stier

### Client Signer

On behalf of: ECCO (Danmark) A/S

Serial number: PID:9208-2002-2-605758101278

IP: 185.170.xxx.xxx

2022-06-30 09:01:14 UTC

NEM ID 

## Simon Lajlev Larsen

### Client Signer

On behalf of: ECCO (Danmark) A/S

Serial number: 2546c1bc-714c-490a-bfb4-5f4b04367bc9

IP: 91.133.xxx.xxx

2022-06-30 09:20:52 UTC



## Morten Oestergaard Koch

### EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:32977604

IP: 145.62.xxx.xxx

2022-06-30 09:33:27 UTC

NEM ID 

## Claes Jensen

### EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:45178981

IP: 145.62.xxx.xxx

2022-06-30 09:34:05 UTC

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