

HUGO BOSS Nordic ApS

CVR-nr. 26 59 64 67

Støberigade 12
2450 København SV

Annual Report

1 January 2020 - 31 December 2020

The annual Report has been presented and approved on the company's general meeting
the 1 of July 2021

5th



Chairman of the general meeting
Volker Herre

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Company information

Name	HUGO BOSS Nordic ApS
Address	Støberigade 12
Postal code, City	DK-2450 København SV
Telephone	+45 33 18 80 00
Registration no.	26 59 64 67
Reporting period:	01/01/2020 - 31/12/2020
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg DK Denmark Registration no: 30700228
Bank	Skandinaviska Enskilda Banken, Danmark/ Nordic Branch of Skandinaviska Enskilda Banken AB, Sverige Landemærket 10 DK-1119 København DK Denmark



Statement by Management

Today, management has considered and approved the annual report of HUGO BOSS Nordic ApS for the financial year 1 January 2020 – 31 December 2020.

The annual report is 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 as at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 – 31 December 2020.

In our opinion, the management's review gives a fair review of the development and performance of the Company, the results for the year and financial position together with a description of the principal risks and uncertainties the company face.

The annual report is submitted for adoption by the annual general meeting.

Copenhagen, 5th of July, 2021

Executive Board

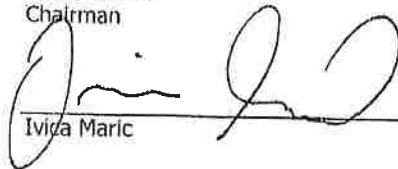


Volker Herre

Board of Directors



Volker Herre
Chairman



Ivica Maric



Yves Müller

Independent auditor's reports

To the shareholders of HUGO BOSS Nordic ApS

Opinion

We have audited the financial statements of HUGO BOSS Nordic ApS for the financial year 1 January – 31 December 2020, which comprise 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 financial position of the Company 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 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.
- ▶ 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.

Report on other legal and regulatory requirements

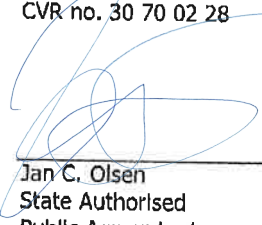
Non-compliance with the Danish Competition Act

In our opinion, the Company has not complied with the Danish Competition Act for the years 2014 to 2018, whereby the Company's former Management may incur liability for non-compliance with the Danish Competition Act.

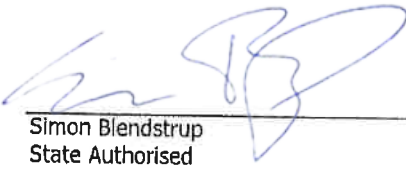
Copenhagen, 5th of July 2021

EY

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jan C. Olsen
State Authorised
Public Accountant
mne33717



Simon Blendstrup
State Authorised
Public Accountant
mne44060

Management's Review

Key figures and ratios

m.DKK

Key figures	2020	2019	2018	2017	2016
Net turnover	281,2	390,1	412,6	341,4	346,3
Gross profit	35,3	78,7	89,7	71,2	81,5
Operating Income	-6,9	25,9	15,8	6,9	25,4
Net financial expenses	-0,7	-0,6	-1,3	-0,5	-1,3
Profit for the year	-9,0	19,8	11,1	2,4	18,7

Balance sheet	115,0	112,5	123,8	130,0	120,383
Investments in tangible assets	3,2	9,3	6,9	19,4	10,7
Equity	39,6	48,6	48,8	37,8	50,3543

Key ratios

Profit ratio	-2,5%	6,6%	3,8%	2,0%	7,3%
Contribution margin	12,6%	20,2%	21,7%	20,9%	23,5%
Liquidity Ratio	142,0%	130,5%	130,6%	101,3%	128,2%
Equity ration (solidity)	34,4%	43,2%	39,5%	29,1%	41,8%
Return on equity	-20,5%	40,5%	25,6%	5,5%	38,6%

Average full-time employees	97	117	116	111	106
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Main activity

The company's main activities has like previous years consisted of marketing and sale of the Group's product through the channels wholesale and retail.

The wholesales consider beside Denmark, Iceland, Faroe Island, Greenland, Estonia and Latvia. Whereas retail sales only are at the Danish market.

Development in activities and finances

The Sales of HUGO BOSS Nordic ApS has reduced compared to 2019. Driven by COVID19, which had a large impact on our footfall and sales in both Retail and Wholesale.

Our own retail excluding online has decreased by 42.9%, this is due to the stores being closed.

Offsetting this our online business has performed well. The profit of the year decreased by 30m DKK compared with last years result.

From the start of 2021, we have seen a continued decrease in sales due that the stores have been closed since January 2021. To offset the reduction in sales, we focus on minimizing our costs with the help of the governments compensation packages.

HUGO BOSS Nordic ApS continuously monitors the development of COVID19, in order to estimate the impacts on the business and its financial position. The company continuously takes measures to limit negative effects.

The expectation for 2020 were changed in the beginning of the year due to COVID19. The decrease is a drop in both Wholesale and Retail (-35.3%) but offset by a positive impact of our online. Due to the above the profit expectation was likewise expected to decrease against 2019.

Furthermore it is important to mention that the result has been effected by Impairment test of fixed assets, the result is therefore impacted by 2.5 mill. DKK from writedown related to the impairment of fixed asset (2019: 0.8 mill. DKK). Furthermore the company has received compensation packages during

The company was part of an investigation of the Danish Competition and Consumer Authority (DCCA) since July 2019. As a precautionary, the company has established an accrual for the potential fine.

Expectations to the future

HUGO BOSS Nordic expects the net sales and the profit to drop in 2021 due to the COVID-19 situation in the fact that the retail stores have closed sence beginning of the year.

The expectations to the decreased result in 2021, is related to a huge drop in net sales in both WHS and Retail. Internet sales is the only channel which expect to growth in 2021, because of the full year impact for HB.com but also for a positive development in online concessions. The net sales and profit decrease is very difficult to predict at the moment and the budget for 2021 is no longer achievable. A new forecast for 2021 and expectation to 2022 will be presented in the autumn this year.

Although great care has been taken in the preparation of estimates and assumptions relating to the economic consequences of COVID-19, actual results may differ, taking into account, in particular, the existing uncertainties associated with COVID-19. The estimates and assumptions made depend on the further course of the pandemic, for example with regard to new waves of infections, mutations of the virus, and renewed or extended lockdowns.

Risk report

Currency risk

Currency risks are extremely low, because all sales (wholesale and retail) are in DKK. Further the parent company bears the currency risk, and invoices merchandise to HUGO BOSS Nordic ApS in DKK.

Credit risk

The Interest-bearing net debt does not pose a significant amount. Changes in interest rates have therefor no significant direct effect on the result.

Other circumstances

External environment

HUGO BOSS is not affected by any external environments and measures to prevent, reduce or remedy,

Research and development

There has been no research and development during the year.

Income statement 1 jan 2020 - 31 dec 2020

	Note	2020 (DKK)	2019 (DKK)
Revenue		281.217.484	390.067.131
Cost of sales		-171.691.519	-233.500.636
Other operating income		12.474.073	552.831
Other external expenses		-86.682.280	-78.453.040
Gross profit		35.317.757	78.666.286
Employee expenses	3	-33.796.405	-45.738.307
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	8	-8.433.491	-7.058.869
Profit from ordinary operating activities		-6.912.139	25.869.109
Other finance income	4	238.905	211.058
Other finance expense	5	-932.212	-807.152
Profit from ordinary activities before tax		-7.605.446	25.273.015
Tax expense	6	-1.418.315	-5.518.863
Profit		-9.023.761	19.754.152

Balance sheet 31 December 2020

	Note	31.12.2020 (DKK)	31.12.2019 (DKK)
ASSETS			
Acquired other similar rights		0	0
Intangible assets	7	0	0
Fixtures, fittings, tools and equipment		3.088.660	4.093.123
Leasehold Improvements		9.338.251	13.783.416
Tangible assets	8	12.426.911	17.876.539
Deferred tax asset	11	2.050.605	2.111.368
Deposits	9	9.273.467	9.126.492
Other non-current assets		11.324.072	11.237.860
Total non-current assets		23.750.984	29.114.399
Inventories		40.043.382	39.891.452
Trade receivables		24.843.298	33.336.614
Receivables from Group enterprises		9.581.781	3.993.623
Tax receivables		527.510	0
Prepaid expenses	11	638.644	1.439.939
Other receivables		147.782	1.764
Receivables		75.782.397	78.663.391
Cash and cash equivalents		15.467.052	4.716.128
Total current assets		91.249.449	83.379.519
Total assets		115.000.432	112.493.918

Balance sheet 31 December 2020

	Note	31.12.2020 (DKK)	31.12.2019 (DKK)
EQUITY and LIABILITIES			
Share capital		250.000	250.000
Retained earnings		39.323.397	48.347.158
Total equity		39.573.397	48.597.158
Other provisions	17	11.179.650	0
Non current liabilities		11.179.650	0
Trade payables		17.074.221	9.706.296
Payables to group enterprises		23.441.945	26.865.244
Tax payables		0	4.420.394
Other payables		23.248.500	20.251.856
Deferred income	12	482.719	2.652.969
Current liabilities		64.247.385	63.896.760
Total liabilities		75.427.035	63.896.760
Total equity and liabilities		115.000.432	112.493.918
Accounting policies	1		
Contractual commitments	13		
Contingent liabilities and securities	14		
Related parties	15		
Other contingent liability	17		

Statement of changes in equity 1 jan 2020 - 31 dec 2020

	Share- capital	Retained earnings	Total
Equity as of 1 January 2020	250.000	48.347.158	48.597.158
Profit	0	-9.023.761	-9.023.761
Equity as of 31 December 2020	250.000	39.323.397	39.573.397

The share capital consists of 500 shares of DKK 500 each.

The share capital of TDKK 250 has been unchanged the last 5 years.

Notes

1 Accounting policies

Accounting policy

The annual report has been prepared in accordance with the Danish Financial Statements Act applying to Reporting class C, medium-size enterprise.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement in general

Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Assets are recognised in the balance sheet when it is probable future income benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Upon recognition and measurement, predictable losses and risks which occur before the presentation of the annual report and which confirm or disprove matters existing on the balance sheet date are taken into consideration.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the payment date are recognised in the income statement as financial income or expenses.

Fixed assets purchased in foreign currency are translated at the exchange rate at the transaction date.

Receivable, payable and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the balance sheet date are recognised in the income statement as financial income or expenses.

Notes

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as Interpretation for revenue recognition.

Income from the sale of finished goods and commission is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

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

Other operating income

Other operating income comprises items of secondary nature relative to the Company's core activities, including re-invoicing of some costs to other group companies, gains or losses on the sale of fixed assets, etc.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Employee expenses

Employee expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. Made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses and similar items include interest income and expenses, realised and unrealised exchange gains and losses on payables and transactions in foreign currency, as well as surcharges and allowances under the tax on account scheme etc.

Tax expense

Tax for the year, which consists of current taxes for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and by the portion attributable directly to equity with the portion attributable directly to equity.

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets, such as Key Money are measured at cost less accumulated depreciation and impairment.

Cost comprises the acquisition price.

The assets are depreciated by the straight-line method over the expected economic life based on the following assessment of the assets expected useful lifetime:

Key Money: 10 years (max)

Depreciation period is based on the length of the lease agreement.

Tangible assets

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Basis for depreciation is cost less expected value after the end useful lifetime.

Cost comprises the acquisition price, cost directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The cost of a total asset is divided into separate elements which are depreciated individually when the useful lives of the individual elements differ.

The assets are depreciated by the straight-line method over the expected economic life and the length of the lease contract, based on the following assessment of the assets expected useful lifetime:

Fixtures and fittings, EDB-equipment, tools and equipment: 1-5 years
Leasehold Improvements: 1-10 years

The basis of depreciation is calculated in consideration of the residual value of the asset and is reduced by impairment, if any. The residual value is fixed at the date of acquisition and is subject to annual review. When the residual value exceeds the carrying amount of the asset, depreciation will no longer take place.

In connection with changes in the depreciation period or the residual value, the effect of depreciation is recognised in future as a change in the accounting estimate.

Leases

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease.

Notes

1 Accounting policies (continued)

Impairment of non-current assets

Intangible assets and fixtures, fittings and equipment are reviewed for impairment on an annual basis. Where there is indication of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Deposits

Deposits are measured as the lower of cost or net realisable value.

Inventories

Inventories are measured at the lower of cost calculated according to the FIFO principle and net realisable value. The net realisable value is calculated as the selling price less costs of completion and costs necessary to make the sale.

The cost of goods for resale comprises the acquisition price plus delivery costs.

Receivables

Receivables are recognised at the lower amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepaid expenses

Deferred income asset comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Equity

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporate tax

Current tax liabilities and receivables are recognised in the balance sheet, as estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and prepaid tax.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

Notes

1 Accounting policies (continued)

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Changes in deferred tax caused by changes in regulations or rates are to be recognised in the income statement.

Cash equivalents

Cash equivalents comprises cash balances and bank balances.

Other provisions

Provisions comprise anticipated costs related to return of goods and claims etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Liabilities are measured at net realisable value and is related to provision for holiday allowance, employee earnings, VAT e.g.

Cash flow statement

The Company has decided not to include a cash flow statement, as it is included in a cash flow statement for HUGO BOSS AG Group in accordance with the Danish Financial Statement Act. §86, 4.

Key figures

The key ratios are calculated as below:

Profit ratio:	$\frac{\text{Operating income} \times 100}{\text{Net turnover}}$
Contribution margin:	$\frac{\text{Gross profit} \times 100}{\text{Net turnover}}$
Liquidity Ratio:	$\frac{\text{Current asset} \times 100}{\text{Current liabilities}}$
Equity ratio (solidity):	$\frac{\text{Equity, end} \times 100}{\text{Total liabilities}}$
Return on equity:	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$

Notes

2 Special Items

Special Items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. Expenses incurred to extensive structuring of processes and basis structural adjustments, as well as any relating disposal gains and losses, and which over time have a material impact. Special Items also comprise significant one-off items, which in the opinion of Management do not form part of the Company's operating activities.

As disclosed in the Management's review, the profit for the year is affected by matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the Items under which they are recognised in the income statement.

	2020	2019
	(DKK)	(DKK)
Writedown on assets (impairment of assets)	-2.454.922	-816.926
Provision regarding legal cases	-11.179.650	
Compensation packages	9.284.107	0
Special Items are recognised in the below financial statement items:		
Depreciation, amortisation expense and Impairment losses of property, plant and equipment and Intangible assets	-2.454.922	-816.926
Other external expenses	-11.179.650	0
Other operating income	9.284.107	0
Net profit/loss from special items	-4.350.466	-816.926
3 Employee expenses		
Salary and wages	30.206.492	39.847.166
Pensions	1.426.646	1.719.170
Other social security costs	383.904	629.052
Other employee expenses	1.779.363	3.542.919
Total	33.796.405	45.738.307
Average number of full-time employees	97	117

The total remuneration to Management for 2020 of TDKK 1,041 (2019: TDKK 1,537), recognized under other external expenses as it relates to manage fee, is disclosed as one, with reference to section 98b(3)(i) of the Danish Financial Statements Act.

4 Financial income

Interest income, other	5.985	29.415
Foreign exchange gains, group companies	23.334	65.076
Foreign exchange gains, other	209.587	116.567
Total	238.905	211.058

Notes

	2020	2019
	(DKK)	(DKK)
5 Financial expenses		
Interest expenses, group companies	429.592	271.846
Interest expenses, other	257.623	62.273
Foreign exchange loss, group companies	27.963	39.907
Foreign exchange loss, other	217.034	433.126
Total	932.212	807.152
6 Tax on profit for the year		
Corporate income tax	1.150.490	6.356.394
Corporate income tax regarding previous years	207.062	0
Changes in deferred tax	60.763	-837.531
Total	1.418.315	5.518.863
7 Intangible assets		Intangible assets <i>Key Money</i>
Acquisition price, beginning of year		5.359.320
Additions during the year		
Disposals during the year		
Acquisition price, at year-end		5.359.320
Depreciation and impairment losses, beginning of year		-5.359.320
Depreciation for the year		
Disposals for the year		
Depreciation and impairment losses, at year-end		-5.359.320
Net book value as of December 31, 2020		0
Depreciation years		10 years
8 Tangible assets		
	Fixtures, fittings, tools and Equipment	IT-equipment
Acquisition price, beginning of year	28.771.988	4.181.318
Additions during the year	510.408	669.083
Disposals during the year	-6.931.969	-679.485
Acquisition price, at year-end	22.350.427	4.170.915
Depreciation and impairment losses, beginning of year	-25.727.245	-3.132.938
Depreciation for the year	-1.256.945	-589.992
Impairment losses for the year	-37.436	-94.044
Disposals during the year	6.726.433	679.485
Depreciation and impairment losses, at year-end	-20.295.192	-3.137.489
Net book value as of December 31, 2020	2.055.235	1.033.426
Depreciation period	1-5 years	3 years

Notes

		Leasehold improvements
Acquisition price, beginning of year		71.692.551
Additions during the year		2.009.909
Disposals during the year		-537.867
Acquisition price, at year-end		73.164.593
Depreciation and impairment losses, beginning of year		-57.909.135
Depreciation for the year		-4.137.932
Impairment losses for the year		-2.317.142
Disposals during the year		537.867
Depreciation and impairment losses, at year-end		-63.826.342
Net book value as of December 31, 2020		9.338.251
Depreciation period		1-10 years
9 Financial assets		Deposits
Original cost as of January 1, 2020		9.126.492
Additions		146.975
Disposals		0
Net book value as of December 31, 2020		9.273.467
	2020	2019
	(DKK)	(DKK)
10 Prepaid expenses		
Prepaid Insurance	0	0
Other prepaid expenses	638.644	1.439.939
Total	638.644	1.439.939
11 Deferred tax		
Deferred tax comprises Inventories, intangible and tangible assets. Deferred Income tax is determined using the tax rate at the balance sheet date that apply when the deferred tax is expected to be released as current tax.		
Deferred tax, beginning of year	2.111.368	1.273.836
Deferred tax for the year	-60.763	837.532
Deferred tax at year-end	2.050.605	2.111.368

Notes

	<u>2020</u> (DKK)	<u>2019</u> (DKK)
12 Deferred Income		
Contribution to be recognised in Income statement, in the following years	482.719	2.652.969
Total	<u>482.719</u>	<u>2.652.969</u>

13 Contractual commitments

The Company has entered into tenancy agreements of renting premises. The total rent commitment amounts to 70.399 TDKK at December 31, 2020 (2019: TDKK 68.434), of which 23.908 TDKK mature in 2020 (2019: TDKK 23.785). The tenancy agreements have different termination possibilities and can be terminated in the period January 1, 2020 to October 31, 2025.

The Company has entered into leases of office equipment and cars. The total lease commitments amount to TDKK 854 at December 31, 2020 (2019: TDKK 543), of which TDKK 482 (2019: 252 TDKK) mature in 2020. The remaining lease commitments mature within 3 years.

14 Contingent liabilities and securities

	<u>2020</u> (DKK)	<u>2019</u> (DKK)
Bank guarantee	1.831.250	1.792.500
Total	<u>1.831.250</u>	<u>1.792.500</u>

15 Related parties

HUGO BOSS Nordic ApS' related parties comprises of the following:

Controlling interest

Related parties with controlling interests is the Company's parent company:

HUGO BOSS International B.V.
Danzlgerkade 9, NL-1013AP Amsterdam
Holland

The company is a wholly owned subsidiary of HUGO BOSS International B.V., a company incorporated in the Netherlands. HUGO BOSS International B.V. is the holding and finance company of the HUGO BOSS Group owned by HUGO BOSS AG. The directors regard HUGO BOSS AG, a company incorporated in Germany, as the ultimate parent undertaking an controlling party. Copies of the ultimate parent undertaking's group financial statements can be obtained from Dieselstrasse 12, 72555 Metzingen, Germany.

HUGO BOSS Nordic ApS is included in the consolidated financial statements for:

HUGO BOSS AG
Dieselstrasse 12, 72555 Metzingen
Germany

Notes

Transactions with related parties

	2020	2019
	(t. DKK)	(t. DKK)
Net sales to group companies	33.196	50.286
Net sales to parent company	0	558
Cost of goods from group companies	50.817	60.128
Cost of goods from parent company	107.731	150.699
Income from other services from group companies	-12.219	-8.081
Cost of services from parent company	21.480	21.978
Interest expenses from parent company	430	272
Receivables from group companies	9.582	3.994
Payables to parent company	23.442	26.865

Information on the remuneration to Management appears from note 3, "Employee expenses".

16 Proposed distribution of results

	2020	2019
	(DKK)	(DKK)
Retained earnings	-9.023.761	19.754.152
	-9.023.761	19.754.152

17 Other contingent liability

The company was part of an investigation of the Danish Competition and Consumer Authority (DCCA) since July 2019. The main focus of the investigation was on the relationship with partners and the exchange of information (eg. sales periods) between them in the years 2014 until 2018. On the 24th of June 2020 the DCCA published the decision on violations of the Danish competition law. The company has made an appeal against this decision. The appeal was dismissed. Currently it is being considered whether to accept such decision or to challenge it before the Commercial Court. Precautionary, the company has established an accrual for the potential fine. The financial liability related to case do not expect to impact the 2020 result more than what is already included in the liabilities, which is expected to be settled within 1-5 years.