



## Hummel Holding A/S

Balticagade 20  
8000 Aarhus C  
CVR No. 15238712

## Annual report 2024

The Annual General Meeting adopted the  
annual report on 23.05.2025

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**Thor Stadil**

Chairman of the General Meeting

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# Entity details

## Entity

Hummel Holding A/S  
Balticagade 20  
8000 Aarhus C

Business Registration No.: 15238712  
Registered office: Aarhus  
Financial year: 01.01.2024 - 31.12.2024

## Board of Directors

Christian Nicholas Rosenkrantz Stadil, chairman  
Thor Stadil  
Marianne Schelde

## Executive Board

Lars Bugge Stentebjerg

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
P. O. Box 10  
5100 Odense

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Hummel Holding A/S for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 23.05.2025

## Executive Board

**Lars Bugge Stentebjerg**

## Board of Directors

**Christian Nicholas Rosenkrantz Stadil**  
chairman

**Thor Stadil**

**Marianne Schelde**

# Independent auditor's report

## To the shareholders of Hummel Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Hummel Holding A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 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 these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 23.05.2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Gert Rasmussen**

State Authorised Public Accountant  
Identification No (MNE) mne35430

**Abdul Wahab Ashraf**

State Authorised Public Accountant  
Identification No (MNE) mne46664

# Management commentary

## Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	2,433,298	2,224,958	2,200,860	1,858,424	1,340,581
Gross profit/loss	515,791	418,704	282,565	391,396	165,895
Operating profit/loss	88,754	(4,535)	(88,121)	135,697	(48,810)
Net financials	(77,137)	(92,443)	(14,354)	(20,433)	(27,195)
Profit/loss for the year	7,471	(82,328)	(86,678)	99,014	(78,603)
Balance sheet total	1,735,101	1,739,985	2,068,837	1,531,822	1,333,788
Investments in property, plant and equipment	19,690	25,325	149,405	17,203	22,260
Equity	140,046	124,665	286,199	394,977	191,739
Equity excl. minority interests	112,816	103,392	261,171	377,070	174,133
Average number of employees	1,155	1,145	1,057	919	873
<b>Ratios</b>					
Gross margin (%)	21.20	18.82	12.84	21.06	12.37
Net margin (%)	0.31	(3.70)	(3.94)	5.33	(5.86)
Equity ratio (%)	6.50	5.94	12.62	24.62	13.06

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

### Equity ratio (%):

$\frac{\text{Equity excl. minority interests}}{\text{Balance sheet total}} * 100$

Balance sheet total

## Primary activities

The hummel Group (hummel) develops and markets shoes and textiles within the categories Sport, Sport lifestyle, Sport fashion & Kids fashion. Products are being marketed internationally under the trademarks hummel, newline, Halo & Sometime Soon. Sales & distribution is conducted through own entities and through external licensee & distribution partners.

Hummel Holding A/S is the owner of Group trademarks. Furthermore, the Company holds equity investments in group entities and facilitates a series of financial activities within the Group.

## Development in activities and finances

### Market conditions

The global sports industry faced continued volatility in 2024, with challenging economic circumstances impacting consumer spending. Key regions such as Germany, Denmark, Norway, and France saw softer demand due to economic uncertainty, while Türkiye remained among the most affected markets, struggling with soaring inflation and reduced purchasing power.

### Record Revenue and Profitability

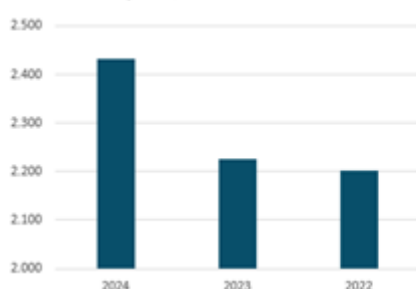
Despite the challenging market conditions, hummel achieved another all-time high revenue of DKK 2,433 million and returned to being profitable.

Spain has emerged as a high-performing market, achieving nearly 50% revenue growth, with hummel now sponsoring 20% of all professional teams across football, handball, volleyball, and basketball. France also contributed positively to overall growth, while the Nordic markets continued to demonstrate strong revenue performance and improved profitability.

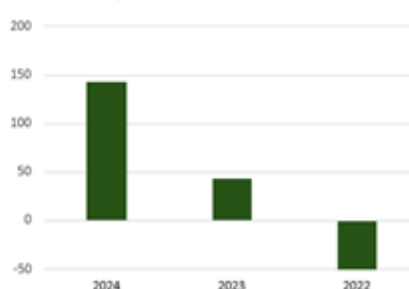
Operating Profit (EBIT) reached DKK 89 million, while EBITDA (operating profit/loss adjusted for depreciation, amortisation and impairment losses) stood at DKK 142 million. Profit Before Tax increased by DKK 108 million, landing at DKK 12 million. This success reflects operational efficiencies, a focus on core business, and disciplined cost management, positioning hummel for sustained momentum in 2025.

Investments in IT, product innovation, and branding were balanced carefully to sustain long-term growth while maintaining lean operations.

Revenue development, mDKK



EBITDA development, mDKK



## Products, Marketing, and Strategic Partnerships

2024 marked another milestone year for hummel's partnerships and product launches, cementing its position in both the sports and lifestyle markets. The brand made history with the launch of the Danish national team jersey for UEFA Euro 2024, which became the best-selling Danish national team jersey ever.

hummel continued its expansion in club sponsorships, signing new partnerships with Sunderland AFC, Celta de Vigo, Sivasspor, and the Greenlandic Football Federation. At the same time, existing collaborations with Werder

Bremen, FC Köln and Brøndby IF experienced record-breaking sales, reflecting the brand's growing influence in team sports. In a continued commitment to inclusivity and diversity in football, hummel introduced special-edition equality jerseys for the third consecutive year, partnering with Brøndby IF, Sunderland AFC, 1. FC Köln, and Coventry City FC.

The brand also strengthened its presence in handball, securing a four-year extension with the European Handball Federation (EHF). Meanwhile, hummel accelerated its North American expansion, securing sponsorship deals with several USL Championship clubs and making history as the first non-Adidas brand to sign a partnership with an MLS system club, Carolina Core.

Beyond the sports sector, hummel made strides in lifestyle collaborations, blending its athletic heritage with cultural icons. The brand launched a limited-edition collection in partnership with Kellogg's Corn Flakes, featuring the beloved mascot Cornelius the Rooster. Furthermore, hummel-owned fashion brand HALO introduced a special edition Danish men's national football team jersey, which was worn by the team during their Nations League match against Spain at Parken Stadium. These initiatives highlight hummel's ability to merge sports, culture, and fashion, further strengthening its brand appeal on a global scale.

#### **Profit/loss for the year in relation to expected developments**

hummel's financial results for 2024 highlight a strong recovery on the back of 2022 and 2023. Comparing to expectations set at the beginning of the financial year the targets were met on revenue. As expected, EBIT and Net Profit were brought back to positive numbers - but fall just short of the original targets. The shortfall primarily reflects slightly lower-than-expected margins in the context of a challenging market environment.

#### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

#### **Unusual circumstances affecting recognition and measurement**

The financial position on 31 December 2024 and the results of the activities the financial year 2024 have not been affected by any unusual events.

#### **Outlook**

Looking ahead, hummel expects to reach around the same revenue as in 2024 at DKK 2,400-2,500 million. EBITDA is forecasted at DKK 150-180 million, with Net Profit expected to range between DKK 20-40 million. Growth will primarily be driven by the core team sport business and a moderate expansion in direct-to-consumer sales.

With a focus on strategic investments in branding, technology, and product development, hummel is well-positioned for continued growth in coming years. The brand remains committed to strengthening its global brand presence, expanding its market share in key regions, and delivering high-quality products to consumers worldwide.

#### **Use of financial instruments**

The Group primarily purchases goods in USD, exposing it to currency exchange risk. To mitigate this, forward exchange contracts have been established to hedge USD purchases for 2025. The total value of these contracts aligns with the Group's expected USD purchases for the year. These contracts expire in stages throughout 2025, matching the seasonal pattern of supplier payments. Since orders are placed well in advance, both the timing and amount of payments are considered highly certain. See further information in note 18.

**Statutory report on corporate social responsibility**

Hummel Holding A/S makes use of the exemption in §99a sect. 7 in the Danish Financial Statements Act.

The statutory report on corporate social responsibility for the Thornico Group is issued by Thornico Holding A/S (Odense, Denmark) and is available on: <http://www.thornico.com/Company-Karma>

**Statutory report on data ethics policy**

Hummel Holding A/S makes use of the exemption in §99d sect. 3 in the Danish Financial Statements Act. The data ethics policy of the Thornico Group is issued by Thornico Holding A/S (Odense, Denmark) and is available on: <https://www.thornico.com/contact/policies/>

**Events after the balance sheet date**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	2	2,433,298	2,224,958
Other operating income		2,305	3,946
Cost of sales		(1,075,241)	(988,582)
Other external expenses	3	(844,571)	(821,618)
<b>Gross profit/loss</b>		<b>515,791</b>	<b>418,704</b>
Staff costs	4	(373,299)	(375,738)
Depreciation, amortisation and impairment losses		(53,738)	(47,501)
<b>Operating profit/loss</b>		<b>88,754</b>	<b>(4,535)</b>
Other financial income	5	4,967	6,692
Other financial expenses	6	(82,104)	(99,135)
<b>Profit/loss before tax</b>		<b>11,617</b>	<b>(96,978)</b>
Tax on profit/loss for the year	7	(4,146)	14,650
<b>Profit/loss for the year</b>	8	<b>7,471</b>	<b>(82,328)</b>

# Consolidated balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	10	8,731	14,869
Acquired trademarks		67,249	73,407
Goodwill		38,455	43,585
Development projects in progress	10	4,870	0
<b>Intangible assets</b>	9	<b>119,305</b>	<b>131,861</b>
Other fixtures and fittings, tools and equipment		119,001	130,448
Leasehold improvements		18,266	23,905
<b>Property, plant and equipment</b>	11	<b>137,267</b>	<b>154,353</b>
<b>Fixed assets</b>		<b>256,572</b>	<b>286,214</b>
Manufactured goods and goods for resale		691,422	674,412
Prepayments for goods		40,920	56,427
<b>Inventories</b>		<b>732,342</b>	<b>730,839</b>
Trade receivables	12	494,162	443,247
Receivables from group enterprises		16,149	0
Deferred tax	13	8,708	14,304
Other receivables		102,042	87,272
Tax receivable		17,103	63,316
Prepayments	14	69,493	49,299
<b>Receivables</b>		<b>707,657</b>	<b>657,438</b>
<b>Cash</b>		<b>38,530</b>	<b>65,494</b>
<b>Current assets</b>		<b>1,478,529</b>	<b>1,453,771</b>
<b>Assets</b>		<b>1,735,101</b>	<b>1,739,985</b>

**Equity and liabilities**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital	15	110,000	110,000
Translation reserve		(175,397)	(167,317)
Reserve for fair value adjustments of hedging instruments		16,908	526
Retained earnings		161,305	160,183
<b>Equity belonging to Parent's shareholders</b>		<b>112,816</b>	<b>103,392</b>
<b>Equity belonging to minority interests</b>		<b>27,230</b>	<b>21,273</b>
<b>Equity</b>		<b>140,046</b>	<b>124,665</b>
Deferred tax	13	22,933	20,707
<b>Provisions</b>		<b>22,933</b>	<b>20,707</b>
Bank loans		75,000	144,359
Lease liabilities		90,257	100,215
Payables to group enterprises		260,381	215,078
Other payables		10,913	16,326
<b>Non-current liabilities other than provisions</b>	16	<b>436,551</b>	<b>475,978</b>
Bank loans		658,062	623,794
Lease liabilities		11,613	9,515
Trade payables		263,752	236,849
Payables to group enterprises		52,052	50,000
Tax payable		9,688	28,098
Other payables		140,404	170,379
<b>Current liabilities other than provisions</b>		<b>1,135,571</b>	<b>1,118,635</b>
<b>Liabilities other than provisions</b>		<b>1,572,122</b>	<b>1,594,613</b>
<b>Equity and liabilities</b>		<b>1,735,101</b>	<b>1,739,985</b>

Events after the balance sheet date	1
Financial instruments	18
Unrecognised rental and lease commitments	19
Contingent liabilities	20
Non-arm's length related party transactions	21
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## Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	110,000	(167,317)	526	160,183	103,392	21,273	124,665
Ordinary dividend paid	0	0	0	0	0	(392)	(392)
Exchange rate adjustments	0	(9,432)	0	0	(9,432)	0	(9,432)
Value adjustments	0	0	21,003	0	21,003	0	21,003
Tax of entries on equity	0	1,352	(4,621)	0	(3,269)	0	(3,269)
Profit/loss for the year	0	0	0	1,122	1,122	6,349	7,471
<b>Equity end of year</b>	<b>110,000</b>	<b>(175,397)</b>	<b>16,908</b>	<b>161,305</b>	<b>112,816</b>	<b>27,230</b>	<b>140,046</b>

# Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		88,754	(4,535)
Amortisation, depreciation and impairment losses		53,934	47,501
Working capital changes	17	(79,486)	251,280
Other adjustments		(8,311)	(111,366)
<b>Cash flow from ordinary operating activities</b>		<b>54,891</b>	<b>182,880</b>
Financial income received		4,966	6,693
Financial expenses paid		(82,104)	(70,247)
Taxes refunded/(paid)		32,833	15,902
<b>Cash flows from operating activities</b>		<b>10,586</b>	<b>135,228</b>
Acquisition etc. of intangible assets		(6,116)	(5,977)
Acquisition etc. of property, plant and equipment		(19,690)	(25,325)
Acquisition of minority shares		0	(2,605)
<b>Cash flows from investing activities</b>		<b>(25,806)</b>	<b>(33,907)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(15,220)</b>	<b>101,321</b>
Loans raised		122,000	188,740
Repayments of loans etc.		(125,884)	(298,762)
Finance lease payments		(8,855)	(7,568)
Finance lease raised		995	5,199
<b>Cash flows from financing activities</b>		<b>(11,744)</b>	<b>(112,391)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(26,964)</b>	<b>(11,070)</b>
Cash and cash equivalents beginning of year		65,494	76,564
<b>Cash and cash equivalents end of year</b>		<b>38,530</b>	<b>65,494</b>

Cash and cash equivalents at year-end are composed of:

Cash	38,530	65,494
<b>Cash and cash equivalents end of year</b>	<b>38,530</b>	<b>65,494</b>

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# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## 2 Revenue

	2024 DKK'000	2023 DKK'000
Eurasia	2,365,278	2,163,670
Rest of the world	68,020	61,288
<b>Total revenue by geographical market</b>	<b>2,433,298</b>	<b>2,224,958</b>
Sport and Fashion	2,433,298	2,224,958
<b>Total revenue by activity</b>	<b>2,433,298</b>	<b>2,224,958</b>

## 3 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK'000	2023 DKK'000
Statutory audit services	1,342	1,237
Other assurance engagements	259	266
Tax services	28	55
	<b>1,629</b>	<b>1,558</b>

#### 4 Staff costs

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	336,176	328,482
Pension costs	26,165	23,754
Other social security costs	10,958	23,502
	<b>373,299</b>	<b>375,738</b>
Average number of full-time employees	1,155	1,145

	<b>Remuneration of management 2024 DKK'000</b>
Total amount for management categories	16,970
	<b>16,970</b>

Total remuneration of management includes base salary, performance-based incentive schemes and severance payments.

#### 5 Other financial income

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest income	4,539	6,078
Exchange rate adjustments	428	614
	<b>4,967</b>	<b>6,692</b>

#### 6 Other financial expenses

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	13,690	13,629
Other interest expenses	57,898	57,046
Exchange rate adjustments	10,516	28,460
	<b>82,104</b>	<b>99,135</b>

#### 7 Tax on profit/loss for the year

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	5,392	(18,066)
Change in deferred tax	2,670	(2,376)
Adjustment concerning previous years	(3,916)	5,792
	<b>4,146</b>	<b>(14,650)</b>

## 8 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Retained earnings	1,122	(87,500)
Minority interests' share of profit/loss	6,349	5,172
	<b>7,471</b>	<b>(82,328)</b>

## 9 Intangible assets

	Completed development projects DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	50,235	122,707	79,056	0
Exchange rate adjustments	(349)	3	(22)	0
Transfers	1,179	0	0	0
Additions	1,246	0	0	4,870
Disposals	(736)	0	(153)	0
<b>Cost end of year</b>	<b>51,575</b>	<b>122,710</b>	<b>78,881</b>	<b>4,870</b>
Amortisation and impairment losses beginning of year	(35,366)	(49,300)	(35,471)	0
Exchange rate adjustments	186	0	(77)	0
Transfers	(605)	0	0	0
Amortisation for the year	(7,516)	(6,161)	(4,878)	0
Reversal regarding disposals	457	0	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(42,844)</b>	<b>(55,461)</b>	<b>(40,426)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>8,731</b>	<b>67,249</b>	<b>38,455</b>	<b>4,870</b>

Goodwill is recognised in the balance sheet at DKK 38 million, of which DKK 28 million relates to operations in Turkey. An impairment test has been performed using the discounting cash flow model. As the model is based on projections of future conditions, it inherently includes a degree of uncertainty - particularly with regard to expected inflation and the macroeconomic outlook in Turkey, anticipated growth in the Turkish hummel business, and the corresponding working capital requirements.

## 10 Development projects

Development projects primarily relate to the acquisition of new IT systems. The systems has been completed and supports the Company's operations in the years ahead. The IT systems has been recognised at cost and is amortised on a current basis in accordance with the Company's accounting policies. Based on the nature of the items, recognition and measurement of the expenses are not assessed to be subject to any special conditions. The additions consist of a new team sports platform, a new website for B2C sales. Both is expecto go go live in 2025.

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	178,195	46,042
Exchange rate adjustments	(924)	(1,531)
Transfers	(1,168)	0
Additions	12,003	7,687
Disposals	(2,021)	(10,295)
<b>Cost end of year</b>	<b>186,085</b>	<b>41,903</b>
Depreciation and impairment losses beginning of year	(47,747)	(22,137)
Exchange rate adjustments	449	675
Transfers	671	0
Depreciation for the year	(21,931)	(8,523)
Reversal regarding disposals	1,474	6,348
<b>Depreciation and impairment losses end of year</b>	<b>(67,084)</b>	<b>(23,637)</b>
<b>Carrying amount end of year</b>	<b>119,001</b>	<b>18,266</b>
Recognised assets not owned by Entity	98,310	0

## 12 Trade receivables

Receivables fall due for payment more than 1 year after year end: DKK 39,681k (2023: 48,975k)

## 13 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	(9,060)	(6,710)
Property, plant and equipment	803	231
Inventories	2,061	3,708
Receivables	(14,831)	(8,238)
Provisions	3,093	4,244
Liabilities other than provisions	3,276	446
Other taxable temporary differences	433	(84)
<b>Deferred tax</b>	<b>(14,225)</b>	<b>(6,403)</b>

	2024	2023
<b>Changes during the year</b>	<b>DKK'000</b>	<b>DKK'000</b>
Beginning of year	(6,403)	(973)
Recognised in the income statement	(2,670)	2,376
Recognised directly in equity	(4,621)	(2,849)
Exchange rate adjustments	(531)	(4,957)
<b>End of year</b>	<b>(14,225)</b>	<b>(6,403)</b>

	2024	2023
<b>Deferred tax has been recognised in the balance sheet as follows</b>	<b>DKK'000</b>	<b>DKK'000</b>
Deferred tax assets	8,708	14,304
Deferred tax liabilities	(22,933)	(20,707)
	<b>(14,225)</b>	<b>(6,403)</b>

#### Deferred tax assets

Recognised tax assets relate to the timing differences between dates of deduction for accounting and tax purposes. Based on the nature of the item, the use of the asset and, thus, recognition and measurement are not subject to any special conditions. Tax loss carry-forwards is expected to be utilised in the upcoming year.

#### 14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### 15 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A class	10	110.00	1,100
B class	990	110.00	108,900
	<b>1,000</b>		<b>110,000</b>

#### 16 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Bank loans	75,000	0
Lease liabilities	90,257	48,090
Payables to group enterprises	260,381	0
Other payables	10,913	0
	<b>436,551</b>	<b>48,090</b>

## 17 Changes in working capital

	2024	2023
	DKK'000	DKK'000
Increase/decrease in inventories	5,598	222,259
Increase/decrease in receivables	(73,454)	104,652
Increase/decrease in trade payables etc.	(11,630)	(75,631)
	<b>(79,486)</b>	<b>251,280</b>

## 18 Derivative financial instruments

The Group primarily purchases goods in USD, exposing it to currency exchange risk. To mitigate this, forward exchange contracts have been established to hedge USD purchases for 2025. The contracts have a fixed currency rate between 6,76 and 6,65 and the total nominal value amounts to app. USD 70m which aligns with the Group's expected USD purchases for the year. The contracts expire in 12 stages throughout 2025, matching the seasonal pattern of supplier payments, with the final contract maturing in December. Since orders are placed well in advance, both the timing and amount of payments are considered highly certain.

As of December 31, 2024, the fair value of these contracts amounts to DKK 21,676k (asset) which is recognized in Other Receivables

## 19 Unrecognised rental and lease commitments

	2024	2023
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	<b>128,217</b>	<b>151,234</b>

Rental and lease obligations, period of non-terminability 32 months.

## 20 Contingent liabilities

	2024	2023
	DKK'000	DKK'000
Recourse and non-recourse guarantee commitments	10,746	6,403
<b>Contingent liabilities</b>	<b>10,746</b>	<b>6,403</b>

The Group is party to a limited number of disputes. In management's opinion these disputes will not significantly affect the financial position of the Group.

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Thornico Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Thornico Holding A/S, 5000 Odense, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Thornico A/S, 5000 Odense, Denmark

"hummel" sport & leisure Warenhandelsgesellschaft mbH, Hamburg, which is fully consolidated in the consolidated financial statements, make use of the exemption pursuant to Section 264b of the German Commercial Code (HGB)

## 23 Subsidiaries

	Registered in	Corporate form	Ownership %
hummel A/S	Denmark	A/S	100.00
hummel International A/S	Denmark	A/S	100.00
Bee Sport A/S	Denmark	A/S	100.00
hummel Bodh Gaya A/S	Denmark	A/S	100.00
hummel North America ApS	Denmark	ApS	100.00
"hummel" sport & leisure Warenhandelsgesellschaft mbH, Hamburg	Germany	GmbH	100.00
hummel UK Ltd.	United Kingdom	Ltd.	100.00
hummel Sweden AB	Sweden	AB	100.00
Bumblebee ApS	Denmark	ApS	100.00
hummel France	France	Sarl	100.00
hummel Spor Malzemeleri San. Ve Ticaret A.S.	Turkey	A.S.	100.00
Hummel Ibérica Sport & Fashion S.L.	Spain	S.L.	51.00
Performance Group Scandinavia A/S	Denmark	A/S	100.00
Markon A/S	Denmark	A/S	51.00
hummel sport and leisure CH GmbH	Switzerland	GmbH	100.00
hummel India Private Ltd	India	Ltd	100.00
hummel North America Inc.	USA	Inc.	100.00
Cella Logistik GmbH	Germany	GmbH	100.00
hummel Cenozoic ApS	Denmark	ApS	100.00
hummel Distribution Center A/S	Denmark	A/S	100.00

# Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	2	4,096	3,548
Other external expenses		(5,098)	(4,870)
<b>Gross profit/loss</b>		<b>(1,002)</b>	<b>(1,322)</b>
Depreciation, amortisation and impairment losses		(6,596)	(6,282)
<b>Operating profit/loss</b>		<b>(7,598)</b>	<b>(7,604)</b>
Income from investments in group enterprises		(3,828)	(69,418)
Other financial income	3	41,610	19,431
Other financial expenses	4	(27,600)	(35,687)
<b>Profit/loss before tax</b>		<b>2,584</b>	<b>(93,278)</b>
Tax on profit/loss for the year	5	(1,462)	5,778
<b>Profit/loss for the year</b>	6	<b>1,122</b>	<b>(87,500)</b>

# Parent balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired trademarks		71,116	77,712
<b>Intangible assets</b>	7	<b>71,116</b>	<b>77,712</b>
Investments in group enterprises		306,488	154,262
Receivables from group enterprises		59,184	63,105
<b>Financial assets</b>	8	<b>365,672</b>	<b>217,367</b>
<b>Fixed assets</b>		<b>436,788</b>	<b>295,079</b>
Trade receivables	9	50,408	55,726
Receivables from group enterprises		68,818	123,592
Other receivables		445	0
Tax receivable		2,577	12,503
<b>Receivables</b>		<b>122,248</b>	<b>191,821</b>
<b>Cash</b>		<b>0</b>	<b>25</b>
<b>Current assets</b>		<b>122,248</b>	<b>191,846</b>
<b>Assets</b>		<b>559,036</b>	<b>486,925</b>

**Equity and liabilities**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital		110,000	110,000
Translation reserve		(139,986)	(131,906)
Retained earnings		142,802	125,298
<b>Equity</b>		<b>112,816</b>	<b>103,392</b>
Deferred tax	10	17,923	17,803
Provisions for investments in group enterprises	11	32,769	0
<b>Provisions</b>		<b>50,692</b>	<b>17,803</b>
Bank loans		15,000	50,000
<b>Non-current liabilities other than provisions</b>	12	<b>15,000</b>	<b>50,000</b>
Bank loans		35,000	37,795
Trade payables		936	506
Payables to group enterprises		344,337	276,802
Other payables		255	627
<b>Current liabilities other than provisions</b>		<b>380,528</b>	<b>315,730</b>
<b>Liabilities other than provisions</b>		<b>395,528</b>	<b>365,730</b>
<b>Equity and liabilities</b>		<b>559,036</b>	<b>486,925</b>
Events after the balance sheet date	1		
Employees	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		

## Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	110,000	(131,906)	125,298	103,392
Exchange rate adjustments	0	(9,433)	0	(9,433)
Other entries on equity	0	0	16,382	16,382
Tax of entries on equity	0	1,353	0	1,353
Profit/loss for the year	0	0	1,122	1,122
<b>Equity end of year</b>	<b>110,000</b>	<b>(139,986)</b>	<b>142,802</b>	<b>112,816</b>

# Notes to parent financial statements

## 1 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## 2 Revenue

	2024 DKK'000	2023 DKK'000
Royalty	4,096	3,548
<b>Total revenue by activity</b>	<b>4,096</b>	<b>3,548</b>

## 3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	30,673	0
Other interest income	26	68
Exchange rate adjustments	8,891	6,580
Other financial income	2,020	12,783
	<b>41,610</b>	<b>19,431</b>

## 4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	14,856	5,647
Other interest expenses	3,944	6,023
Exchange rate adjustments	8,800	24,017
	<b>27,600</b>	<b>35,687</b>

## 5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	1,290	(4,314)
Change in deferred tax	121	(987)
Adjustment concerning previous years	51	(477)
	<b>1,462</b>	<b>(5,778)</b>

## 6 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	1,122	(87,500)
	<b>1,122</b>	<b>(87,500)</b>

## 7 Intangible assets

	<b>Acquired trademarks DKK'000</b>
Cost beginning of year	125,239
<b>Cost end of year</b>	<b>125,239</b>
Amortisation and impairment losses beginning of year	(47,527)
Amortisation for the year	(6,596)
<b>Amortisation and impairment losses end of year</b>	<b>(54,123)</b>
<b>Carrying amount end of year</b>	<b>71,116</b>

## 8 Financial assets

	<b>Investments in group enterprises DKK'000</b>	<b>Receivables from group enterprises DKK'000</b>
Cost beginning of year	197,026	63,105
Exchange rate adjustments	0	(5,302)
Additions	0	42,520
Disposals	0	(41,139)
<b>Cost end of year</b>	<b>197,026</b>	<b>59,184</b>
Revaluations beginning of year	(42,764)	0
Exchange rate adjustments	(7,762)	0
Adjustments on equity	16,382	0
Share of profit/loss for the year	(3,828)	0
Investments with negative equity value depreciated over receivables	114,665	0
Investments with negative equity value transferred to provisions	32,769	0
<b>Revaluations end of year</b>	<b>109,462</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>306,488</b>	<b>59,184</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 9 Trade receivables

Receivables fall due for payment more than 1 year after year end: DKK 39,681k (2023: 48,975k)

**10 Deferred tax**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Intangible assets	6,836	5,543
Receivables	11,087	12,260
<b>Deferred tax</b>	<b>17,923</b>	<b>17,803</b>

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	17,803	18,790
Recognised in the income statement	120	(987)
<b>End of year</b>	<b>17,923</b>	<b>17,803</b>

**11 Provisions for investments in group enterprises**

Provisions for investments in group enterprises consists of equity investments with negative net asset value transferred to provisions.

**12 Non-current liabilities other than provisions**

	<b>Due after more than 12 months 2024 DKK'000</b>
Bank loans	15,000
	<b>15,000</b>

**13 Employees**

	<b>Remuneration of Manage- ment 2024 DKK'000</b>
Total amount for management categories	11,568
	<b>11,568</b>

#### **14 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement in which Thornico Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### **15 Assets charged and collateral**

The Entity has issued an unlimited guarantee for Hummel A/S and Hummel International A/S towards the Group's bank.

The Entity has submitted a statement of support and resignation to the subsidiaries Hummel International A/S and Hummel Bodh Gaya A/S.

Together with Hummel A/S, The Entity has submitted a joint statement of support to "hummel" sport & leisure Warenhandelsgesellschaft mbH, Hamburg.

#### **16 Related parties with controlling interest**

Thornico A/S, Denmark, Parent Company

Thornico Holding A/S, Denmark, Parent Company

Christian Nicholas Rosenkrantz Stadil, non-public adress, Ultimate Owner

#### **17 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date,

with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables 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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

The company has operations in Turkey. The Turkish Lira is a hyperinflationary currency. The Danish Financial Statement Act includes no requirements or guidance for inflation adjustments to the financial statements. Consequently, the Turkish operations are included in the consolidated financial statements following the same principles as prior years. It has been assessed that the lack of inflation adjustment does not result in a misleading representation of the financial statements.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Income statement

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax 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 recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

For goodwill regarding the business in Turkey, the goodwill is amortised over 20 years, which is the useful life assessed by Management based on the large potential in Turkey and the Company's prime locations in Turkey expected to be utilised for 20 years. For other amounts of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. The amortisation periods used are 10-20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### **Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed, acquired intellectual property rights and trademarks.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Trademarks are measured at the lower of cost less accumulated amortiation and recoverable amount. The amortisation period equals the registration period.

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

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed

the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill regarding the business in Turkey, the goodwill is amortised over 20 years, which is the useful life assessed by Management based on the large potential in Turkey and the Company's prime locations in Turkey expected to be utilised for 20 years. For other amounts of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. The amortisation periods used are 10-20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at

their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Other provisions**

Other provisions comprise anticipated costs of returns etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt.

Cash and cash equivalents comprise cash.