

ÅRSRAPPORT TIL
ERHVERVSSTYRELSEN
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godkendt på selskabets ordinære
generalforsamling

den 25.6.2025

dirigent

eCCO®

ANNUAL REPORT 2024



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Statement by the Management

Today, the Managing Board and the Board of Directors have discussed and approved the annual report of ECCO Sko A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and the Parent Company's operations and the consolidated cashflows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair view of the developments in the Group's and the Parent Company's operations and financial state, and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the Annual General Meeting.

Bredebro, 19 March 2025

MANAGING BOARD



Thomas Gøgsig
Chief Executive Officer



Marco Bossen
Chief Financial Officer



Casper Gram Hvejsel
Chief Commercial Officer

BOARD OF DIRECTORS



Hanne Toosbuy
Chairman



Henrik Ottosen
Vice Chairman



Karen Frøsig
Vice Chairman



André Kasprzak
Member, Board of Directors



Anna Toosbuy Rasch
Member, Board of Directors



Tom Behrens-Sørensen
Member, Board of Directors



Lars Hemming
Member, Board of Directors



Vivi Økholm
Employee Representative



Ib Overgaard
Employee Representative



Hanne Zimmermann
Employee Representative

Independent Auditor's Report

TO THE SHAREHOLDERS OF ECCO SKO A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of ECCO Sko A/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cashflow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as the consolidated cashflows for the financial year 1 January – 31 December 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 company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- 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 group financial statements and the parent company 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'S REVIEW

Management is responsible for the Management's review.

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

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 19 March 2025

EY Godkendt
Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Østergaard Koch
 State Authorised
 Public Accountant
 MNE no. mne35420

Company Details

Name	ECCO Sko A/S
Address, postal code, city	Industrivej 5, DK-6261 Bredebro, Denmark
CVR no.	4534 9918
Established	1963
Financial year	1 January – 31 December
Website	www.ecco.com
E-mail	contact@ecco.com
Telephone	+45 74 91 16 25

MANAGING BOARD

Thomas Gøgsig, *Chief Executive Officer*
Marco Bossen, *Chief Financial Officer*
Casper Gram Hvejsel, *Chief Commercial Officer*

BOARD OF DIRECTORS

Hanni Toosbuy, *Chairman*
Henrik Ottosen, *Vice Chairman*
Karen Frøsig, *Vice Chairman*
André Kasprzak
Anna Toosbuy Rasch
Tom Behrens-Sørensen
Lars Hemming
Vivi Okholm, *Employee Representative*
Ib Overgaard, *Employee Representative*
Hanne Zimmermann, *Employee Representative*

AUDITORS

EY Godkendt Revisionspartnerselskab
Bavnehøjvej 5, 6700 Esbjerg, Danmark, CVR no. 30 70 02 28

Five-Year Summary

FINANCIAL HIGHLIGHTS EUR '000	2024	2023	2022	2021	2020
Net revenue	1,486,978	1,570,524	1,585,780	1,218,078	1,092,470
Profit before amortisation and depreciation	105,098	191,520	173,185	155,156	119,192
Amortisation and depreciation	(74,941)	(77,336)	(80,665)	(71,030)	(68,950)
Profit before financials	30,157	114,184	92,520	84,126	50,242
Financial income and expenses	(25,052)	(24,155)	(4,331)	(8,326)	(5,506)
Profit before tax	5,105	90,029	88,189	42,832	44,735
Income tax	(42,695)	(42,994)	(39,492)	(29,356)	(21,588)
Profit for the year	(37,590)	47,035	48,697	13,476	23,147
Non-current assets	439,021	463,693	497,606	542,841	463,798
Current assets	1,052,451	1,016,283	1,077,193	876,243	856,958
Total assets	1,491,472	1,479,976	1,574,799	1,419,084	1,320,756
ECCO Sko A/S shareholders' share of equity	446,452	451,442	491,118	498,436	539,877
Non-controlling interests	194,236	195,946	194,154	179,734	146,910
Non-current liabilities	395,703	489,713	463,892	226,105	249,495
Current liabilities	455,081	342,875	425,635	514,809	384,474
Equity and liabilities	1,491,472	1,479,976	1,574,799	1,419,084	1,320,756
Cashflow from operating activities	55,230	127,541	(43,096)	184,839	31,510
Cashflow from net investing activities	(38,331)	(43,278)	(75,715)	(89,835)	(195,229)
Investments in property, plant and equipment	(30,327)	(29,863)	(57,435)	(44,328)	(55,156)
Cashflow from financing activities	(6,455)	(85,740)	103,320	(36,363)	150,819
Number of employees (as of 31 December)	21,758	22,601	23,753	21,712	21,434
Key Ratios					
Operating margin	2.0%	7.3%	5.8%	6.9%	4.6%
Profit ratio	0.3%	5.7%	5.6%	3.5%	4.1%
Return on assets	0.3%	5.9%	5.9%	3.1%	3.6%
Investment ratio	0.5	0.6	0.9	1.3	2.8
Return on equity	(9.8%)	5.5%	8.0%	(4.6%)	(1.1%)
Solvency ratio	29.9%	30.5%	31.2%	35.1%	40.9%
Liquidity ratio	2.3	3.0	2.5	1.7	2.2

DEFINITIONS OF KEY RATIOS

Operating margin: $\frac{\text{Profit before financials} \times 100}{\text{Net revenue}}$

Profit ratio: $\frac{\text{Profit before tax} \times 100}{\text{Net revenue}}$

Return on assets: $\frac{\text{Profit before tax} \times 100}{\text{Average assets}}$

Investment ratio: $\frac{\text{Investments for the year}}{\text{Amortisation and depreciation}}$

Return on equity: $\frac{\text{Profit for the year excl. non-controlling interests} \times 100}{\text{ECCO Sko A/S shareholders' share of average equity}}$

Solvency ratio: $\frac{\text{ECCO Sko A/S shareholders' share of equity} \times 100}{\text{Total assets}}$

Liquidity ratio: $\frac{\text{Current assets}}{\text{Current liabilities}}$

Management's Report



*ECCO's Managing Board, from the left: **CCO** Casper Gram Hvejsel, **CEO** Thomas Gøgsig, and **CFO** Marco Bossen.*

The results of the ECCO Group in 2024 are far from satisfactory.

In the second half of 2024, Thomas Gøgsig was appointed new CEO. Together with the Group Managing Board, initiatives focusing on strengthening the core business of ECCO have been initiated.

A capital injection from ECCO Sko's shareholders to ECCO Sko A/S was made during 2024, which has supported the solidity ratio despite the unsatisfactory results of the ECCO Group in 2024.

Making high-quality shoes has always been at the heart of everything we do. It is our core mission. By controlling virtually the entire value chain, we gain a competitive advantage towards high quality in both processes and execution.

As we enter 2025, we remain committed to the philosophy that "form follows foot." As an integral part of our DNA as shoemakers, quality and comfort have been the bedrock of happy ECCO consumers for decades. We have our consumers' comfort at heart from the moment a shoe is designed until it is ready to be worn. In this ever-evolving world, we are steadfast in our commitment to this philosophy, rooted in our values. That's how we earn our place in a competitive marketplace, strengthening ECCO towards sustainable growth.

We will hold on to the core of what ECCO is so strong at. We make some of the world's best shoes.

At ECCO, we have been moving people since 1963. We are thankful to the many ECCO employees across the globe who continue to work with dedication and enthusiasm to drive ECCO forward.

March 2025
Group Managing Board

Operating Review

PRINCIPAL ACTIVITIES

The purpose of the company is manufacturing footwear and accessories for sale in the wholesale and retail businesses, other production and trade activities as decided by the Board of Directors, and having ownership of subsidiaries within product design, production, and sales.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL MATTERS

The financial year 2024 did not materialise as planned as both sales and profitability were far from satisfactory. The result of the year is significantly impacted by non-recurring costs from initiatives taken to strengthen the core business of ECCO.

PROFIT AND LOSS

Sales performance in 2024 was heavily influenced by challenges in all regions where ECCO operates and across all sales channels. Sales reached EUR 1,486.9m, down by 5% compared to 2023. At currency neutral rates, sales fell by 3%.

Fixed costs increased by 0.5% compared to 2023. Throughout 2024, ECCO's cost base was reduced, but was offset by significant non-recurring costs related to strengthening the core initiatives. The cost reduction initiatives will positively impact 2025.

Profit before amortisation and depreciation decreased by 38% to EUR 118.7m (compared to EUR 191.5m in 2023).

Depreciations and amortisation decreased to EUR 74.9m (compared to EUR 77.3m in 2023), mainly due to lower investments made throughout the year.

Financial expenses increased to EUR 25.1m (compared to EUR 24.2m in 2023).

ECCO realised a profit before tax of EUR 5.1m, and the profit margin decreased to 0.3% from 5.7% in 2023.

BALANCE SHEET AND CASHFLOW

Net investments for the year 2024 were at EUR 38.4m, a 11% reduction versus prior year, due to tight capital allocation towards high return markets and strategic enabling initiatives.

New store openings were limited to key focus markets offering high return, while store openings in the Americas and Europe were on hold in 2024. Brand building activities including store refits were rolled out to key locations.

Other investments included a SAP S/4HANA implementation and the roll-out of a new composable e-commerce solution.

The Group net working capital increased by 2% compared to 2023, mainly coming from higher footwear inventory. Inventory was increased to ensure flexibility and readiness to better meet commercial opportunities. The share of aged inventory kept historically low and in line with last year.

Due to the unsatisfactory result of the year and the aim to maintain a strong solvency, a capital injection of EUR 48m from shareholders was made in 2024. Interest-bearing debt was unchanged compared to 2023. Year-end cash position ended at 309m compared to 299m in 2023. Solvency ratio ended at 29.9% vs. 30.5% last year.

Cashflow from operating activities decreased to EUR 55.2m from EUR 127.5m prior year.

OUTLOOK

There are no events after the balance sheet date that materially affect the financial statements for 2024.

ECCO's profitability is expected to increase significantly to a profit before tax in the range of EUR 50-75m in 2025, where a moderate sales growth in the range of EUR 1.5-1.55bn combined with a trimmed cost base will lead the way. ECCO's solvency ratio is expected to improve to around 30-31%.

RISK MANAGEMENT

ECCO is exposed to a number of business risks that may adversely impact our ability to reach our financial and strategic objectives. In pursuing business opportunities, ECCO consciously takes on certain risks, but effective risk management enables the ECCO Group to continuously monitor these and implement appropriate countermeasures.

Key risks are examined by the Managing Board and the Board of Directors on a quarterly basis. Significant risks include geopolitical risks, cyber security, tax risks, internal supply chain disruption, illegal use of ECCO's IPR, and financial risks.

CYBER RISK

The digital threat landscape continues to evolve at an unprecedented pace, and cyber-attacks pose significant risks across the entire organisation.

In response, we have remained steadfast in our commitment to strengthening our cyber defences throughout 2024, focusing on three critical pillars: people, processes, and technology.

Our Cyber Security Improvement Programme, originally launched in 2022, has achieved all its initial targets, laying a robust foundation for future enhancements. Building upon these accomplishments, we have now updated our cyber security strategy that outlines the roadmap for upcoming years.

The year 2024 also saw the onboarding of a specialised vendor to support ECCO's need for scalability in day-to-day operations, the technology stack, and long-term strategic initiatives. By leveraging this partnership, we are strengthening our capacity to detect, prevent, and respond to emerging threats, ensuring we maintain resilient global operations and protect the trust our employees, customers, and consumers place in us.

Looking ahead, ECCO will continue to prioritise cyber security investments, fostering a culture of vigilance and continuous improvement. Through these efforts, we aim to uphold our commitment to innovation, protect our digital assets, and safeguard the ongoing growth and success of ECCO.

TAX RISKS

The global tax policy landscape continues to change and move towards a more public tax policy domain. This is driven by public demands and supported by both voluntary sustainability standards and mandatory directives. ECCO's Tax Committee follows these developments closely, ensuring that ECCO continues to adhere to new legislation.

ECCO's global presence, and a significant number of inter-company transactions, increase the exposure to challenging tax evolutions and in this increasingly uncertain environment, double taxation continues to be a tangible challenge to mitigate. ECCO follows the OECD transfer pricing guidelines.

ILLEGAL USE OF ECCO IP

ECCO's Intellectual Property Rights (IPR) are core assets due to their essential and considerable value. ECCO's IPR strategy ensures that we are able to carry out our business activities unhindered, achieve competitive advantages, and maintain and further develop our position in global markets.

ECCO is constantly alert to the ongoing threat of individuals or companies that may try to penetrate,

or copy, ECCO's IPR and brand. This could potentially lead to a loss of competitive advantage, or damage the perception of the ECCO brand.

In ECCO, we therefore protect our brand, designs, and new technical developments as rigorously as possible via IPR such as patents, trademarks, copyrights, design rights, and trade secrets. In addition, ECCO constantly monitors our products, both online and offline. When required, we rigorously defend our IPR against copycats and other infringements through administrative and legal actions. In 2024, ECCO successfully enforced our IPR in many jurisdictions, leading to cancellation of third-party registrations, compensation, prevention of sales, and acknowledgement of ECCO's rights.

In 2024, ECCO invested significantly in innovations, and these are, to a large extent, protected as IPR or trade secrets.

INTERNAL SUPPLY CHAIN

ECCO's factories, tanneries, and retail stores are inter-dependent, and a disruption in one area may adversely affect the entire value chain and, most notably, sales to consumers. As an example, a factory fire or natural catastrophe could significantly affect the Group's operations. ECCO's prepared mitigations include measures to prevent fires, various contingency plans, and suitable insurance cover.

Due to geopolitical tensions, new routes have been tested and installed between factories and markets.

IMPACT FROM FINANCIAL MARKETS

The macroeconomic risk picture continues to be characterised by uncertainty. ECCO has most notably been impacted by continued high interest rates. The high cost to service debt had a material impact on the financial results in 2024.

As a global consumer goods company operating in 98 markets, ECCO is exposed to the changes in exchange rates. We continue to take steps to address risks from financial markets and macroeconomic developments by reviewing our risk mitigation instruments and tactics.

ECCO's Corporate Treasury arranges currency hedging and ensures adequate credit facilities. The total of credit facilities must be able to mitigate fluctuations in Net Working Capital caused by sales seasonality, while at the same time maintaining proper financial headroom. The Corporate Treasury also functions as ECCO's internal bank, providing loans and deposits within the Group.

ECCO is globally exposed to fluctuations in currency rates, wherever the Corporate Treasury maximises natural hedging whenever possible,

respecting regulations and practicalities. Our Currency Policy ensures that the material part of transactional exposures from sales and sourcing is hedged.

ECCO's hedge horizon has a range of 12 to 27 months, depending on the nature of the underlying exposure. To reduce the risk of increased financing costs, ECCO manages the interest rate risk by taking up fixed-rate loans or by entering into interest rate swaps.

DATA ETHICS

In ECCO, we care about creating and maintaining strong, positive relationships with our colleagues, our partners, and our consumers, and we therefore always strive to process data in an ethical manner and with respect for the individual. ECCO is collecting and processing data about our employees, consumers, customers, and other partners and since ECCO is continuously using new technologies to improve our value chain and the consumer and customer experiences, ECCO makes a clear commitment to always collect and process data in accordance with high ethical standards.

In order to ensure that ECCO's Data Ethics Policy is abided by, data ethics considerations are embedded in the assessment of all new projects, especially when it concerns the utilisation of new technologies or new innovative ways of processing data. The use of Artificial Intelligence had a strong focus in 2024, and guidelines were adopted to ensure the responsible and ethical use of Artificial Intelligence in ECCO.

KNOWLEDGE RESOURCES

ECCO holds significant knowledge resources that are essential to the continued success of our company.

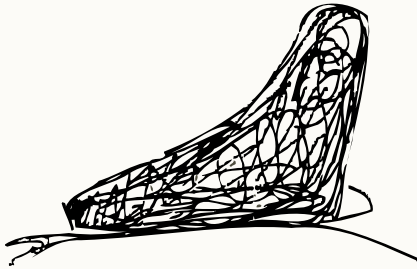
We are dedicated to building a diverse workforce, and we make it a priority to provide lifelong training and offer attractive career possibilities to our employees.

RESEARCH AND INNOVATION ACTIVITIES

The success of ECCO's products across the globe can be attributed to a combination of innovation, advanced technology, and unmatched craftsmanship. We believe in the power of a workplace that stimulates a desire to continuously become better and go new ways to create the best shoes and accessories for our consumers.

Since the foundation of ECCO in 1963, innovative thinking has been a key driver in transforming a Danish shoe production into a global brand.

Across ECCO's organisation, we are combining our knowledge resources with research and innovation efforts to drive end-to-end innovation in technology, processes, and sustainability.



ecco®

CODE OF CONDUCT

THE 10 COMMITMENTS

- 1, ECCO is a guest in each of the countries in which it operates and respects the local culture.
- 2, ECCO supports, respects, and takes a proactive approach to protecting internationally defined human rights.
- 3, ECCO respects equal opportunities and fights discrimination in the workplace.
- 4, ECCO respects the individual's right to religious freedom.
- 5, ECCO respects the right to freedom of association.
- 6, ECCO wishes to provide employees with a workplace free of harassment or abuse and condemns any form of enforced labour.
- 7, ECCO supports the UN Convention on the Rights of the Child.
- 8, ECCO provides training, education, and further development of human resources at all levels.
- 9, ECCO aims to be a leader within the environment, health, and safety and supports sustainable development.
- 10, ECCO wishes to ensure that it complies with all relevant laws and regulations.

The standards for ECCO's corporate sustainability ambitions were set out by our founder K. Toosbuy in the Code of Conduct in 1999.



Corporate Social Responsibility

ECCO builds its business on a foundation of respect for our people, the environment, and society as described in our Code of Conduct.

HUMAN RIGHTS

In ECCO's Code of Conduct, seven out of ten commitments directly relate to internationally defined human rights, which are implemented through our Code of Conduct programme.

ECCO's Group Corporate Responsibility department oversees the implementation of human rights policies. By monitoring standards, best practices, and legal requirements, ECCO's standards continually evolve with the industry.

ECCO has an established ESG Board. The objective of the Board is to govern ECCO's ESG direction, approve key initiatives, assign resources, and monitor progress. Our Code of Conduct Programme also falls under the ESG Board to ensure the continued adherence to the programme and enhancing our end-to-end understanding of related risks and opportunities, to take action accordingly.

The publicly available ECCO Group whistleblower system allows employees, suppliers, consumers, communities, and other stakeholders to report concerns regarding human rights and ethical issues in a safe and secure manner.

SOCIAL AND EMPLOYEE CONDITIONS

It is ECCO's policy to ensure our employees have attractive jobs and continue to offer them lifelong learning, education, and new challenges at both local and global levels.

DEVELOPING OUR PEOPLE

ECCO continues to invest in young talent. In August 2024, 10 ECCO talents completed the graduate programme and are ready for permanent roles. In September 2024, seven new graduates from five nationalities joined the two-year talent programme.

We are committed to remaining a motivating and attractive workplace and as an important part of this, we conduct an annual survey to assess employee satisfaction. In 2024, the ECCO Engagement Driver survey had a response rate of 95%, marking an all-time high.

GENDER BALANCE

Among ECCO's employees, 67% are women and 32% are men (1% undisclosed), excluding European retail staff. By the end of 2024, 15% of senior leadership positions at ECCO were held by women and 85% by men. Senior Leadership includes the Managing Board and the next level of leaders.

With significant strategy and leadership changes in 2024, we made strides to strengthen our leader base, improve succession planning for senior roles, and enhance gender diversity. This is combined with a continued focus on improving the gender balance of senior leaders through the recruitment processes.

ECCO remains committed to achieving at least 35% / 65% gender balance in senior leadership by 2027.

At the Board of Directors level, ECCO targets a gender balance of at least 33% / 67%. The Board consists of seven members, plus three employee-elected representatives. By the end of 2024, the Board of Directors had a 50/50 gender balance.

Number of Board of Directors members:	10
Share of women on the Board:	50%
Targeted minimum gender balance on the Board:	33% / 67%
Number of people in senior leadership positions:	28
Share of women in leadership positions:	15%
2027 target for minimum gender balance in senior leadership positions:	35% / 65%

A HEALTHY AND SAFE WORKPLACE

In 2024, we continued to enhance our health and safety management system, e.g. specifically strengthening the registration and investigation system for work accidents and incidents.

The chemical management system was updated to incorporate new internal and external standards.



Additionally, new features were added to the system to continually refine the scope and depth of the system.

Continuous improvement of skills, expertise, and experience level of our environment, health and safety personnel is a key priority, and this year's global face-to-face training included a week-long environment, health and safety workshop, as well as a dedicated two-day fire safety workshop.

Fire safety is an important risk area for our industry. The event gathered fire safety specialists from all manufacturing units to discuss recent trends and standards, as well as to share knowledge and best practices.

ENVIRONMENT, INCLUDING CLIMATE IMPACT

In 1999, our founder set a visionary goal for ECCO; to lead in environment, health, and safety while championing sustainable development. This commitment still drives us today.

ENERGY

ECCO plans to reduce dependence on energy generated from fossil fuel sources and replace it with renewable energy. The target is to be energy-neutral by 2028.

All our ECCO tanneries and half of our shoe manufacturing facilities have now successfully installed rooftop solar panels, which allowed us to use 54% of renewable energy in our 10 facilities around the world in 2024.

In 2024, ECCO Holding started the creation of a solar energy park in Bredebro, Denmark, expected to be operational during 2025. Covering an area of 64 hectares, ECCO will be able to produce enough green energy to the public grid to exceed the electricity consumption of ECCO in Denmark and most of Europe. We scaled down our purchase of third-party renewable energy certificates to focus on driving investments that increase renewable energy use and reduce emissions in our own footprint.

In our commitment to continuously strengthen environmental, health, and safety management across all our facilities, both our tannery and shoe manufacturing facilities in Indonesia successfully achieved ISO 50001 certification in 2024.

This marks the fourth and fifth facility within our network to attain this certification.

We proudly achieved the Leather Working Group's highest gold standard in all our tanneries. ECCO has been an active member of the Leather Working Group since 2010. The Leather Working Group is a not-for-profit initiative that champions environmental best practices in the tanning industry along with more than 2,400+ stakeholders across the globe. Its standard includes material traceability, chemical management, waste handling, social governance, and metrics for energy, water, and emissions.

CLIMATE

We are currently in the process of getting third-party verification for our 2021 baseline, and working to verify 2024 emissions. At the same time, practical emission reduction plans are in the making, building on past and future achievements.

As an example of what we have worked on the past years, our DriTan™ process produces 34% less CO₂e emissions than traditional chrome-tanning and already in 2024, 42% of tanning at our Dutch tannery used the DriTan™ process.

SOLID WASTE

As ECCO transitions towards waste reduction and embraces more circular practices, our goal is to recover 90% of solid manufacturing waste. Currently, the cumulative amount of waste recovered, reused, and recycled from our shoe factories and tanneries has reached 69%. Six of our facilities have already reached their targets to recover more than 90% of their waste.

Building on our circular design initiatives from 2023, where significant strides were made in digitalising our design processes to minimise waste in the development phase, we have advanced towards establishing a sustainable material index.

This index is intended to profile and guide material selections, with an initial emphasis on emissions. Designed to adapt as data, design methodologies, technologies, and sustainable materials progress, the index aims to incorporate additional critical parameters such as durability. Our objective is to facilitate and promote informed decision-making while maintaining environmental integrity, quality, and comfort.

In 2024, we also introduced certified organic tanned, chrome-free leather (ISO 15115:2019(E)).



WASTE WATER

In 2023, process optimisation projects to recycle waste water in-house at our tanneries in Indonesia and the Netherlands were implemented. These initiatives included recycling domestic water from the shoe factory to the tannery. In Indonesia alone, 29,984 m³ of water were recycled in 2024.

Searching for more innovative and sustainable solutions, ECCO invested in a pioneering pilot study of supercritical carbon dioxide (scCO₂) dyeing technology, originally developed in the textile industry.

The lab-scale technology solution was set up in Dongen, the Netherlands in 2023 to pilot its use in dyeing and post-tanning leather. With this technology, we aim to reduce water consumption, waste water effluent, and chemical usage by combining ancient leather craftsmanship with cutting-edge technology. Our focus is on innovative processes to minimise the environmental impact of leather dyeing. This led to the first fully dyed shoes using this method at the 2024 London Fashion Week, allowing for bespoke, on-demand shoes.

ANTI-CORRUPTION AND ANTI-BRIBERY PROGRAMME

In addition to selling products worldwide, ECCO sources globally and as such, operates in markets where the risk of corruption and bribery is present, or even prevalent. Moreover, operating globally with diverse partners exposes ECCO to potential breaches of economic and trade sanctions imposed on individuals, entities, and countries.

The ECCO Code of Conduct along with relevant internal policies and procedures are key in preventing corruption and bribery and, when necessary, detecting such in order for ECCO to take action, as well as ensuring sanctions compliance.

In 2024, ECCO reviewed the Economic and Trade Sanctions Policy in response to increasing sanctions and export control regulations. ECCO also held training and guidance sessions globally, reinforcing its commitment to sanctions compliance as well as corruption and bribery, and allowing for greater awareness and consciousness on these topics. In connection to this, the ECCO Group Whistleblower Policy continues to provide a safe

channel for employees to express concern and send through anonymous information, allowing for potential detection of further issues.

Further to the above, ECCO remains committed to ensuring our business partners comply with relevant laws and regulations. In 2024, ECCO took further steps to enhance screening processes for partners in high-risk regions.

In 2025, ECCO plans to continue enhancing and building awareness around the ECCO Group Whistleblower solution. Additionally, ECCO aims to implement a standardised training solution for corruption and bribery, in line with our Corruption and Fraud Prevention Policy.

RISKS

ECCO's business model provides direct control of a significant part of our value chain, enabling us to protect human rights and limit social and environmental risks.

Due to ECCO's scope of value chain, we are able to mitigate environmental, social, and governance (ESG) risks. In addition, it allows us to harvest opportunities in a circular economy focused on resource use across the value chain.

In 2024, our ESG risk management framework was updated, and risks and opportunities are systematically identified and assessed. The framework is owned by the Group Corporate Responsibility and Sustainability Department, overseen by the ESG Board.

Specific risks and mitigating actions are further addressed with the ECCO Risk Committee, where ESG risks are an integrated part of the enterprise risk management framework.

Human rights related risks remain material to ECCO, particularly in the supply chain. The Code of Conduct programme covers ECCO tanneries, shoe factories, and suppliers. In 2024, four on-site audits were carried out in our tanneries and factories, and 192 supplier on-site audits were completed.

Important to the impact of the Code of Conduct is to continually inform employees of its significance. This is done through presentations as well as training. Furthermore, in 2024, an additional 17 internal colleagues were trained as supplier Code of Conduct auditors, alongside our partner Bureau Veritas, who do



both deep dive audits at ECCO's own production units, as well as supplier audits.

Minimum standards across the Group ensure that we meet quality benchmarks that minimise risks in areas like environment, health and safety, with continuous, structured training to enable global standards to materialise locally.

The primary environmental risks arising from our operations remain energy and water management, material/chemical usage, and air emissions. Standards and a Group Environmental Management System are the foundation to manage our risks and compliance related to these areas. Continued strengthening of our processes means we continually add ISO standards and certifications to our facilities, including ISO 50001 and 14001 on energy management and environmental management respectively.

This proactive approach extends to industry-specific standards, such as the Leather Working Group, where all our tanneries achieved the highest standard this year.



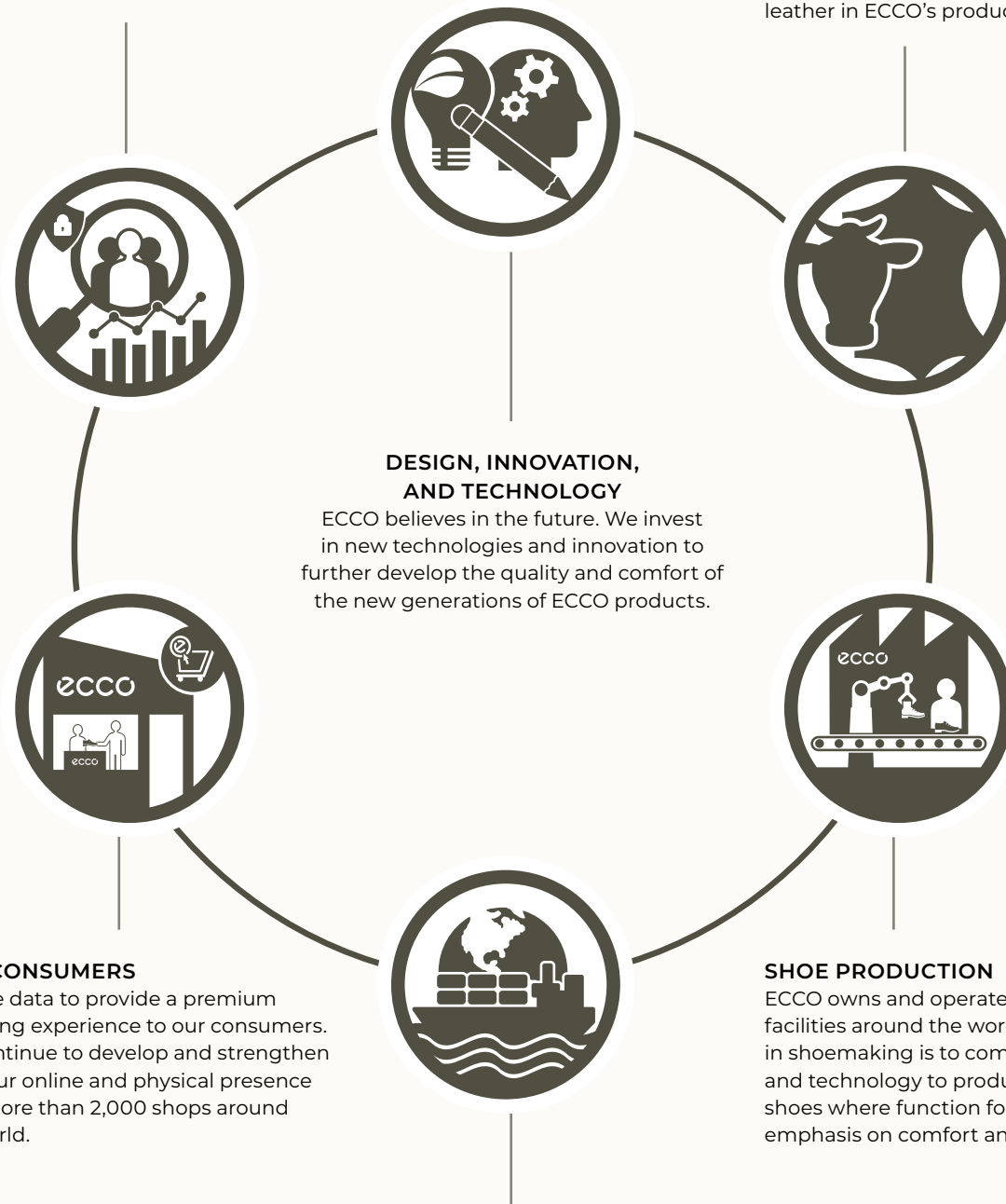
ECCO'S Business Model

DATA COLLECTION

ECCO collects data to get a better understanding of how we can add value to our consumers and identify ways in which we can improve the overall customer experience.

FROM HIDES TO LEATHER

ECCO has four tanneries in Europe and Asia, where we turn hides from the meat and dairy industry into premium-quality leathers. We primarily source hides from Europe and the US, and the most commonly used leather in ECCO's products is bovine.



DESIGN, INNOVATION, AND TECHNOLOGY

ECCO believes in the future. We invest in new technologies and innovation to further develop the quality and comfort of the new generations of ECCO products.

OUR CONSUMERS

We use data to provide a premium shopping experience to our consumers. We continue to develop and strengthen both our online and physical presence with more than 2,000 shops around the world.

SHOE PRODUCTION

ECCO owns and operates six production facilities around the world. Our philosophy in shoemaking is to combine craftsmanship and technology to produce high-quality shoes where function follows the foot with emphasis on comfort and quality.

WAREHOUSES AND DISTRIBUTION

ECCO's distribution network is a vital element in ensuring timely delivery of our products to the consumers. Our main focus is to maintain a safe working environment while at the same time meeting our consumers' needs.



Income Statement

- 2024

Note	EUR '000	GROUP		PARENT COMPANY	
		2024	2023	2024	2023
2	Net revenue	1,486,978	1,570,524	725,258	731,731
	Change in inventories of finished products	41,314	(6,004)	734	(14,216)
	Cost of raw materials and consumables	(481,757)	(450,088)	(538,743)	(605,260)
3	Other operating income	9,622	6,203	-	-
	Other external costs	(469,228)	(436,578)	(119,497)	(77,523)
4	Staff costs	(481,831)	(492,537)	(58,252)	(57,347)
7,8	Amortisation and depreciation	(74,941)	(77,336)	(16,928)	(17,851)
	Profit before financials	30,157	114,184	(7,428)	(40,466)
5	Financial income	5,281	17,622	16,523	31,491
5	Financial expenses	(30,333)	(41,777)	(35,784)	(44,072)
9	Profit from subsidiaries	-	-	(16,560)	66,779
	Profit before tax	5,105	90,029	(43,249)	13,732
6	Income tax	(42,695)	(42,994)	(801)	12,105
	Profit for the year	(37,590)	47,035	(44,050)	25,837
	The profit for the year for the Group is specified as follows:				
	Shareholders of ECCO Sko A/S	(44,050)	25,837		
	Non-controlling interests	6,460	21,198		
	Profit for the year	(37,590)	47,035		

Balance Sheet

- as of 31 December 2024

		GROUP		PARENT COMPANY	
		2024	2023	2024	2023
ASSETS					
Note EUR '000					
NON-CURRENT ASSETS					
	Development projects completed	-	-	-	-
	Patents, trademarks, licences	2,574	2,170	2,572	2,168
	Software	17,401	18,255	15,460	15,823
	Goodwill	55,318	66,467	-	8
	Leasehold rights	1,148	1,811	-	-
	Intangible assets in progress	14,933	15,570	14,675	15,383
7	Total intangible assets	91,374	104,273	32,707	33,382
	Land and buildings	169,315	172,671	21,367	23,563
	Plant and machinery	28,152	35,368	3,846	5,053
	Fixtures and fittings, tools and equipment	34,140	37,928	4,502	5,785
	Property, plant and equipment under construction	14,822	19,340	650	1,912
8	Total property, plant and equipment	246,429	265,307	30,365	36,313
9/10	Investments in subsidiaries	-	-	763,114	749,199
9	Receivables from subsidiaries	-	-	213,431	265,586
	Other receivables	11,718	11,808	-	-
11	Deferred tax	89,500	82,305	18,195	14,277
	Total other non-current assets	101,218	94,113	994,740	1,029,062
	TOTAL NON-CURRENT ASSETS	439,021	463,693	1,057,812	1,098,757
CURRENT ASSETS					
	Raw materials and consumables	75,394	75,374	67	89
	Work in progress	7,316	5,686	-	-
	Finished products and commercial products	486,398	445,084	68,023	67,282
	Total inventories	569,108	526,144	68,090	67,371
	Trade receivables	97,091	101,704	3,949	4,748
	Receivables from subsidiaries	-	-	177,302	114,408
19	Receivables from affiliated companies	195	633	195	615
	Other receivables	44,629	53,202	7,179	17,403
	Income tax	8,480	6,396	168	1,101
12	Prepayments	23,698	29,398	9,035	10,501
	Total receivables	174,093	191,333	197,828	148,776
	Securities	66	28	-	-
	Cash	309,184	298,778	1,534	533
	TOTAL CURRENT ASSETS	1,052,451	1,016,283	267,452	216,680
	TOTAL ASSETS	1,491,472	1,479,976	1,325,264	1,315,437

Balance Sheet

- as of 31 December 2024

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EQUITY AND LIABILITIES				
Note EUR '000				
Share capital	741	666	741	666
Net revaluation reserve according to the equity method	-	-	302,130	308,337
Hedge reserve	3,891	4,863	(1,242)	6,910
Translation reserve	(39,712)	(55,710)	-	-
Retained earnings	481,532	476,623	144,823	110,529
Dividend proposed for the year	-	25,000	-	25,000
ECCO Sko A/S shareholders' share of equity	446,452	451,442	446,452	451,442
Non-controlling interests	194,236	195,946		
Total equity	640,688	647,388	446,452	451,442
13 Provision for pensions	25,987	23,368	-	-
11 Deferred tax	1,613	5,461	-	-
Other provisions	6,591	7,981	-	-
Credit institutions	361,512	402,903	359,188	387,096
Debt to related parties	-	50,000	-	50,000
14 Total non-current liabilities	395,703	489,713	359,188	437,096
Short-term part of non-current liabilities	144,696	41,841	144,566	41,841
Credit institutions	27,593	35,547	-	-
Trade payables	74,340	48,747	17,051	14,249
Payables to subsidiaries	-	-	327,061	330,740
19 Payables to affiliated companies	15,353	16,887	15,329	16,861
Income tax	11,853	11,805	-	-
Other payables to subsidiaries	-	-	-	4,957
15 Other payables	181,246	188,048	15,617	18,251
Total current liabilities	455,081	342,875	519,624	426,899
Total liabilities	850,784	832,588	878,812	863,995
TOTAL EQUITY AND LIABILITIES	1,491,472	1,479,976	1,325,264	1,315,437

- 1 Accounting policies
- 16 Financial instruments
- 17 Contingent liabilities and guarantees etc,
- 18 Fees to auditors appointed at the Annual General Meeting
- 19 Related parties
- 20 Profit allocation
- 21 Significant events after the end of the financial year

Statement of Changes in Equity 2024

- Group

GROUP	Share capital	Hedge reserve	Translation reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total Equity
EUR '000								
Equity at 1 January 2023	666	(2,836)	(7,458)	475,746	25,000	491,118	194,154	685,272
Additions	-	-	-	-	-	-	25,000	25,000
Dividend paid	-	-	-	-	(25,000)	(25,000)	(26,473)	(51,473)
Profit allocation	-	-	-	837	25,000	25,837	21,198	47,035
Exchange rate adjustments	-	-	(48,252)	-	-	(48,252)	(17,934)	(66,186)
Other Adjustment	-	-	-	-	-	-	-	-
Adjustment of currency hedges of future sales and financial swaps	-	10,294	-	-	-	10,294	-	10,294
Actuarial gains / (losses)	-	-	-	(489)	-	(489)	-	(489)
Tax on equity transactions	-	(2,595)	-	529	-	(2,066)	-	(2,066)
Equity at 1 January 2024	666	4,863	(55,710)	476,623	25,000	451,442	195,945	647,387
Additions	75	-	-	48,182	-	48,257	20,000	68,257
Dividend paid	-	-	-	-	(25,000)	(25,000)	(34,423)	(59,423)
Profit allocation	-	-	-	(44,050)	-	(44,050)	6,460	(37,590)
Exchange rate adjustments	-	-	15,998	-	-	15,998	6,254	22,252
Adjustment of currency hedges of future sales and financial swaps	-	(205)	-	-	-	(205)	-	(205)
Actuarial gains / (losses)	-	-	-	777	-	777	-	777
Tax on equity transactions	-	(767)	-	-	-	(767)	-	(767)
Equity at 31 December 2024	741	3,891	(39,712)	481,532	-	446,452	194,236	640,688

Statement of Changes in Equity 2024

- Parent Company

PARENT COMPANY	Share capital	Net revaluation according to the equity method	Hedge reserve	Retained earnings	Proposed dividend	Total Equity
EUR '000						
Equity at 1 January 2023	666	321,318	(298)	144,432	25,000	491,118
Dividend paid	-	(54,992)	-	54,992	(25,000)	(25,000)
Profit allocation	-	66,779	-	(65,942)	25,000	25,837
Exchange rate adjustments	-	(42,327)	-	(5,925)	-	(48,252)
Other adjustment	-	17,408	-	(17,408)	-	-
Adjustment of currency hedges of future sales and financial swaps	-	1,050	9,244	-	-	10,294
Actuarial gains / (losses)	-	(489)	-	-	-	(489)
Tax on equity transactions	-	(410)	(2,036)	380	-	(2,066)
Equity at 1 January 2024	666	308,337	6,910	110,529	25,000	451,442
Additions	75	-	-	48,182	-	48,257
Dividend paid	-	(57,493)	-	57,493	(25,000)	(25,000)
Profit allocation	-	(16,560)	-	(27,490)	-	(44,050)
Exchange rate adjustments	-	10,309	-	5,689	-	15,998
Transfer of negative shares	-	49,580	-	(49,580)	-	-
Adjustment of currency hedges of future sales and financial swaps	-	8,803	(9,008)	-	-	(205)
Actuarial gains / (losses)	-	777	-	-	-	777
Tax on equity transactions	-	(1,623)	856	-	-	(767)
Equity at 31 December 2024	741	302,130	(1,242)	144,823	-	446,452

The share capital consist of 5,510,250 shares of 1 DKK pr. share.

Consolidated Cashflow Statement

- 2024

EUR '000	GROUP	
	2024	2023
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,105	90,029
Adjustment for non-cash operating items:		
Amortisation and depreciation	74,941	77,336
Exchange rate adjustments	10,972	(34,872)
Financial income/expenses net	25,052	24,155
Working capital adjustments:		
(Increase)/decrease in inventories	(42,964)	27,151
(Increase)/decrease in receivables	9,686	40,147
Increase/(decrease) in trade payables	24,056	(26,082)
Increase/(decrease) in other payables	2,926	(13,322)
Increase/(decrease) in provisions	1,229	2,872
Income taxes paid	(55,773)	(59,873)
Total cashflow from operating activities	55,230	127,541
CASHFLOW FROM INVESTING ACTIVITIES		
Net payments to invest in non-current assets:		
Net investment in Intangible assets	(11,570)	(13,415)
Net investment in Property, plant and equipment	(26,761)	(29,863)
Total cashflow from investing activities	(38,331)	(43,278)
CASHFLOW FROM FINANCING ACTIVITIES		
Financial income/expenses net	(25,052)	(24,155)
Non-controlling interests	(8,170)	(19,406)
Capital increase	2,145	-
(Repayment of)/proceeds from debt to credit institutions	49,622	(17,179)
Dividend paid	(25,000)	(25,000)
Total cashflow from financing activities	(6,455)	(85,740)
Cashflow from operating, investing and financing activities	10,444	(1,477)
Cash and cash equivalents at beginning of year	298,806	300,283
Cash and cash equivalents at year-end	309,250	298,806
Breakdown of cash and cash equivalents		
Securities	66	28
Cash	309,184	298,778
Cash and cash equivalents at year-end	309,250	298,806

Notes 1

- Accounting Policies

The annual report of ECCO Sko A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C companies.

The financial statements have been presented using the same accounting principles as last year.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise ECCO Sko A/S and subsidiaries in which ECCO Sko A/S has a controlling influence on those companies' operations.

The consolidated financial statements are prepared on the basis of the audited financial statements of ECCO Sko A/S and its subsidiaries, by adding items of a similar nature. The financial statements used for consolidation are adapted to the accounting policies of the Group.

On consolidation, inter-company income and expenses, inter-company accounts and profits on inter-company sales, and purchases between the consolidated companies are eliminated. The income statements of foreign subsidiaries are translated at average exchange rates and the balance sheet is translated at the exchange rates applicable on the balance sheet date. Exchange differences arising from the translation of the opening equity of foreign subsidiaries at the exchange rates applicable on 31 December, the differences between the net profit of subsidiaries at average exchange rates, and the exchange rates applicable at 31 December are recognised in equity. Currency translation of receivables from foreign subsidiaries, where the receivables are part of the total investment in the subsidiary, is recognised directly in equity.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

BUSINESS COMBINATIONS

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity are recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition.

INTRA-GROUP BUSINESS COMBINATIONS

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets, and share conversions etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures.

NON-CONTROLLING INTERESTS

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities, and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis.

FOREIGN CURRENCY TRANSLATION

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively.

If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Fair value adjustments of derivative financial instruments held to hedge net investments in independent foreign subsidiaries or associates are recognised directly in equity.

INCOME STATEMENT

Net revenue: Sales are recognised when the risk has been passed to the customer. Net revenue consists of amounts invoiced, excluding VAT, and after deduction of returned products, discounts, and rebates. The company has chosen IAS11/IAS18 as interpretation for revenue recognition.

Raw materials and consumables: These include raw materials and consumables used for in-house production. The costs shown include consumption of commercial products.

Other operating income: Other operating income includes income from all other operating activities which

are not related to the principal activities of the company, such as gains/losses from disposals, subsidies, etc.

Other external costs: These costs cover equipment and expenses relating to the company's primary ordinary activities, including lasts, cutting dies, maintenance, rent of plant, premises, office and sales promotion expenses, and fees.

Staff costs: These costs comprise remuneration to employees, including pension and social security payments. *Profit from subsidiaries:* This comprises the proportionate share of profit after tax, excluding unrealised inter-company profits.

Profit from subsidiaries: This comprises the proportionate share of profit after tax, excluding unrealised inter-company profits.

Financial income and expenses: These include interest income and expenses, realised and unrealised exchange rate gains and losses on deposits/loans, and other bank charges.

Income tax: Estimated tax on the profit for the year is recognised in the income statement, together with the year's adjustment in deferred tax.

ECCO Sko A/S and its Danish subsidiaries are governed by the Danish regulations regarding mandatory joint taxation. Subsidiaries are part of joint taxation arrangements from the moment they become part of the consolidation in the Annual Accounts, to the moment they are omitted from the consolidation.

Danish corporate tax, at the current rate, is allocated by paying a joint taxation contribution from the companies in the joint taxation arrangement. The contribution is allocated according to their taxable income. Companies in the joint taxation arrangement which have a taxable deficit receive joint taxation contributions from companies which have been able to use this deficit to reduce their taxable income. The income tax for this year is part of the income statement with the share which can be assigned to profit of the year and is part of the equity with the share which can be allocated to entries in equity.

According to Danish regulations regarding mandatory joint taxation, the liabilities of ECCO Sko A/S and its Danish subsidiaries to the tax authorities are settled when the companies have paid the joint taxation contribution to the administrative company.

Deferred tax is measured on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on other items where

temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses. Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

BALANCE SHEET

Intangible assets: These are recognised at cost, excluding interest, less accumulated amortisation and write-downs to a lower recoverable amount. Amortisation is charged on a straight-line basis over the useful life of the assets.

Development projects: Projects that are clearly defined and identifiable, where the technical feasibility, adequate resources, and potential market or development potential can be demonstrated, and where the intention is to produce, market, or use the project, are recognised as intangible assets, if the cost can be measured reliably and there is sufficient assurance that future earnings can cover the costs.

Development projects that are recognised at cost under intangible assets are amortised over the expected useful life of the project, which is equal to the normal planning period (typically up to 5 years).

The development costs that do not meet the criteria for recognition in the balance sheet are recognised as costs in the income statement.

Patents and trademarks: The costs of registering new patents and trademarks are recognised and amortised over the term of the patent/trademark or its economic life (typically up to 5 years). The costs of maintaining existing patents/ trademarks are recognised in the income statement.

Software: The costs of software are amortised over the expected lifetime of typically 3-5 years.

Goodwill on consolidation: This is determined at the date of acquisition as the difference between the cost

and fair value of net assets. Goodwill is capitalised and amortised on a straight-line basis over the expected useful economic life of the assets, determined on the basis of earnings projections for the individual business areas (typically 5-10 years).

If the transaction relates to non-controlling interests in a company where the ECCO Group has control, any difference between the cost and fair value of net assets is adjusted directly in equity. If the cost is lower than the fair value of net assets, impairment is considered, before the amount is adjusted in equity.

Leasehold rights: Payments to take over leases ("key money") are classified as leasehold rights. The costs of leasehold rights are recognised and amortised over the term of the lease or its economic life (typically up to 10 years).

Property, plant, and equipment: This is recognised at cost, excluding interest, less accumulated depreciation and write-downs to a lower recoverable amount. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Where individual components of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets.

The expected useful lives of fixed assets are as follows:

- Buildings: 20-30 years
- Plant and machinery, vehicles, fixtures and fittings: 3-10 years
- Land is not depreciated

The depreciation periods and residual values are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Leases of assets where the ECCO Group has substantially all risks and rewards of ownership are capitalised as finance leases under property, plant, and equipment and depreciated over the estimated useful lives of the assets, according to the periods listed under the section property, plant, and equipment. The corresponding finance lease liabilities are recognised in liabilities.

Operating lease expenses are recognised in the income statement on a straight-line basis over the period of the lease.

The recoverable amount is defined as the highest value of the net sales value, and the value in use. The value in use is determined as the present value of expected

cashflows from the use of the assets, or the asset group, and expected cashflows from disposal of the assets, or the asset group after useful life.

Investment grants are offset against the assets that form the basis for the grants.

Investments: Investments in subsidiaries and participating interests are recognised by applying the equity method at the proportionate share of the equity of the companies. The Parent company has chosen to consider the equity method as measurement method.

This determination is based on the Group's accounting policies, less unrealised intercompany profits.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of ECCO Sko A/S is adopted are not taken to the net revaluation reserve.

Write-downs: The carrying amount of intangible assets, property, plant, and equipment, and investments in subsidiaries is reviewed at the balance sheet date to determine if there are indications of decreases in value. If this is the case, the recoverable amount of the asset is determined to assess the need for recognition of any write-downs.

Inventories: Raw materials are measured at cost and are determined on the basis of the most recent purchases. Work in progress and finished products are measured at cost, consisting of the cost of raw materials and consumables and manufacturing costs, plus a share of production overheads. Commercial products are valued at their acquisition price. Products with a net realisable value lower than the cost or acquisition price are written down to the lower value.

Receivables: These are measured at amortised cost, less provisions for anticipated losses, which are determined based on an individual evaluation. The company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Prepayments: These are costs incurred relating to the following accounting year.

Securities: Securities include shares that can be converted into cash with no restrictions. These are measured at the most recently quoted market price.

Cash: Cash includes cash on hand and bank deposits that can be converted into cash on a short-term basis.

EQUITY

Reserve for net revaluation according to the equity method: Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method. The reserve can be eliminated in case of losses, realisation of investments, or a change in accounting estimates. The reserve cannot be recognised as a negative amount. Hedge reserve: Hedge reserve comprises fair value of derivative financial instruments qualifying as hedge of future assets or liabilities.

Translation reserve: The reserve comprises foreign exchange differences from translating foreign entities and long-term loans to foreign entities.

Reserve for development costs: The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Dividend: Dividend proposed for the year is recognised as a liability in the financial statements at the time of adoption by the shareholders at the Annual General Meeting. The dividend proposed in respect of the financial year is stated as a separate item under equity.

LIABILITIES

The company has chosen IAS39 as interpretation for recognition and measurement of liabilities.

Provision for pensions: There are two types of pension plans: defined contribution plans and defined benefit plans.

Under defined contribution plans, the Group recognises the pension contributions, which can either be a fixed amount or a fixed percentage of the monthly salary, in the income statement as they are paid to independent pension insurance companies. Any unpaid contributions are recognised in the balance sheet as a liability.

Under defined benefit plans, the Group has an obligation to pay a fixed amount or a fixed percentage of the salary at retirement. This means that the Group carries the risk of any changes in the actuarially calculated capital value of the pension plans. Annual actuarial calculations are made of the present value of the future benefits to which the employees are entitled. The present value is calculated based on a number of assumptions relating to the future development in salary levels and interest, inflation, and mortality rates. The present value of the defined benefit obligation is recognised in the balance

sheet as a liability. Actuarial gains or losses are recognised directly in equity.

Other provisions: These comprise the anticipated costs of warranty obligations, restoration, and restructuring. Provisions are recognised when, as a consequence of a past event, the company has a legal or constructive obligation and it is likely that the obligation will materialise.

Non-current debt to credit institutions: This comprises committed loans and credit facilities with a maturity beyond 1 year. All non-current debt is measured at amortised cost.

Current liabilities: This comprises all uncommitted loans, and committed loans and credit facilities, with maturity less than 1 year. Furthermore, suppliers, affiliates, and other payables are included. All short-term debt is measured at amortised cost, which generally corresponds to the nominal value.

CASHFLOW STATEMENT

The presentation of the cashflow statement follows the indirect method, based on earnings for the year.

The cashflow statements show the cashflows for the year, the year's change in cash and cash equivalents, as well as cash and cash equivalents at the beginning and end of the year.

Cashflow from operating activities: Cashflow from operating activities is stated as earnings for the year, adjusted for non-cash income statement items and changes to working capital. The working capital is made up of current assets less current liabilities, excluding items which are recognised as cash or cash equivalents.

Cashflow from investing activities: Cashflow from investing activities comprises the acquisition and disposal of intangible and tangible assets.

Cashflow from financing activities: Cashflow from financing activities comprises borrowings and instalments on non-current liabilities, dividends paid, and the cashflow effect from minority interests.

SEGMENT INFORMATION

Information is disclosed by activity and geographical market. Segment information follows the Group's accounting policies, risks, and internal financial management.

Notes 2

- Segment Information

EUR '000	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
SEGMENT INFORMATION				
Shoes	1,320,219	1,409,226	710,745	713,735
Accessories	61,990	56,929	14,513	15,790
Leather	86,633	70,924	-	-
Others	18,136	33,445	-	2,206
Total net revenue	1,486,978	1,570,524	725,258	731,731
NET REVENUE SHOES & ACCESSORIES				
ECCO Europe, Middle East & Africa	630,891	654,661	353,545	379,407
ECCO North Americas	201,004	250,984	110,656	118,630
ECCO Greater China	418,431	414,523	186,712	162,427
ECCO Asia Pacific	131,883	145,987	74,345	69,061
Total Shoes & Accessories	1,382,209	1,466,155	725,258	729,525
Sales channels				
Wholesale	589,051	615,303	725,258	731,731
Retail, E-Commerce	811,294	884,297	-	-
Leather	86,633	70,924	-	-
Total net revenue	1,486,978	1,570,524	725,258	731,731

Reference is made to the ECCO Group structure on pages 43 and 44 regarding the definition of the geographic regions.

Notes 3

- Other Operating Income

Other operating income includes gain on sales of fixed assets and wages subsidy, rent subsidy, and other support in connection with Covid-19.

Notes 4

- Staff Costs and Management and Staff Information

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR '000				
Salaries	415,863	428,398	54,354	53,653
Pensions and defined benefit plans	18,515	15,570	3,898	3,694
Other social security costs	47,453	48,569	-	-
Staff costs	481,831	492,537	58,252	57,347
Average number of employees	21,815	23,188	538	557
Number of employees at year-end	21,758	22,601	514	563
Fees to Managing Board and Board of Directors:				
Managing Board	5,818	5,262	5,818	5,262
Board of Directors	490	476	490	476

Notes 5

- Financial Income and Financial Expenses

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR '000				
Interest income from subsidiaries	-	-	16,523	18,075
Other financial income	5,281	17,622	-	13,416
Total financial income	5,281	17,622	16,523	31,491
Interest expenses to subsidiaries	-	-	(10,311)	(8,526)
Interest expenses to related parties	(2,891)	(3,160)	(2,891)	(3,160)
Other financial expenses	(27,442)	(38,617)	(22,582)	(32,386)
Total financial expenses	(30,333)	(41,777)	(35,784)	(44,072)
Total net financial income and expenses	(25,052)	(24,155)	(19,261)	(12,581)

Notes 6

- Income Taxes

EUR '000	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Income tax for the year	49,973	75,361	1,233	-
Prior-year adjustment	5,723	1,893	5,923	(1,057)
Adjustment of deferred tax	(13,001)	(34,260)	(6,355)	(11,048)
Total income tax	42,695	42,994	(801)	(12,105)

The Group has performed a preliminary calculation of the Transitional Safe Harbours (TSH) and have conducted impact assessments in jurisdiction where TSH will not be met. Based on this analysis, no significant impact in terms of potential top up tax for 2024 is expected. During 2024 no Pillar Two taxes were paid.

Notes 8

- Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings, tools, and equipment	Property, plant, and equipment under construction	Total
EUR '000					
GROUP					
Cost at 1 January	391,396	235,310	176,798	19,340	822,844
Currency translation	8,350	5,837	2,885	437	17,509
Additions	9,618	4,401	9,802	6,506	30,327
Transferred	2,982	2,613	5,160	(10,755)	-
Disposals	(11,546)	(7,220)	(12,089)	(706)	(31,561)
Cost at 31 December	400,800	240,941	182,556	14,822	839,119
Accumulated depreciation at 1 January	218,725	199,942	138,870	-	557,537
Currency translation	3,725	5,621	3,309	-	12,655
Depreciation	19,111	13,056	18,326	-	50,493
Depreciation on disposals	(10,076)	(5,830)	(12,089)	-	(27,995)
Accumulated depreciation at 31 December	231,485	212,789	148,416	-	592,690
Carrying amount at 31 December	169,315	28,152	34,140	14,822	246,429
PARENT COMPANY					
Cost at 1 January	69,556	13,391	30,144	1,912	115,003
Currency translation	(52)	(10)	(23)	29	(56)
Additions	11	57	523	650	1,241
Transferred	330	453	1,158	(1,941)	-
Disposals	(861)	(51)	(1,524)	-	(2,436)
Cost at 31 December	68,984	13,840	30,278	650	113,752
Accumulated depreciation at 1 January	45,993	8,338	24,359	-	78,690
Currency translation	(34)	(5)	(19)	-	(58)
Depreciation	2,362	1,712	2,306	-	6,380
Depreciation on disposals	(704)	(51)	(870)	-	(1,625)
Accumulated depreciation at 31 December	47,617	9,994	25,776	-	83,387
Carrying amount at 31 December	21,367	3,846	4,502	650	30,365
Depreciation period	20-30 years	5-10 years	3-5 years		

Notes 9

- Other Non-Current Assets, Subsidiaries

EUR '000	INVESTMENTS IN SUBSIDIARIES		RECEIVABLES FROM SUBSIDIARIES	
	2024	2023	2024	2023
Cost at 1 January	440,862	397,163	265,586	190,220
Additions	20,122	43,699	134,269	130,381
Disposals	-	-	(136,844)	(55,015)
Cost at 31 December	460,984	440,862	263,011	265,586
Accumulated revaluation at 1 January	308,337	321,318		
Profit after tax of subsidiaries	(6,341)	76,963		
Currency adjustment of foreign subsidiaries	10,309	(42,327)		
Adjustment of currency hedging of future sales in subsidiaries	7,180	640		
Captail adjustment of shares	-	17,408		
Actuarial gains/(losses)	777	(489)		
Amortisation and depreciation on goodwill	(10,219)	(10,184)		
Dividend	(57,493)	(54,992)		
Transfer of negative shares	49,580	-	(49,580)	-
Net revaluation	(6,207)	(12,981)		
Accumulated revaluation at 31 December	302,130	308,337		
Carrying amount at 31 December	763,114	749,199	213,431	265,586

Notes 10

- Investments in Subsidiaries

	Country	Ownership interest	Share capital	
SHOE PRODUCTION				
Ecco'let (Portugal) - Fábrica de Sapatos, Lda.	Portugal	100%	8,270	t.EUR
ECCO Shoe Production Pte. Ltd.	Singapore	100%	16,000	t.USD
ECCO Slovakia, a.s.	Slovakia	100%	7,634	t.EUR
ECCO (Thailand) Co., Ltd.	Thailand	100%	1,100,000	t.THB
ECCO (Vietnam) Co. Ltd.	Vietnam	100%	226,095,000	t.VND
ECCO (Xiamen) Co. Ltd.	China	100%	15,600	t.USD
P.T. ECCO Indonesia	Indonesia	100%	23,000	t.USD
Xiamen ECCO Logistics Co. Ltd.	China	100%	150	t.CNY
LEATHER				
Danna Leather (Xiamen) Co. Ltd.	China	100%	3,175	t.USD
ECCO Leather B.V.	The Netherlands	100%	13,400	t.EUR
ECCO Tannery (Holland) B.V.	The Netherlands	100%	5,000	t.EUR
ECCO Tannery Holding (Singapore) Pte. Ltd.	Singapore	100%	16,965	t.EUR
ECCO Tannery (Thailand) Co., Ltd.	Thailand	100%	385,645	t.THB
ECCO Tannery (Xiamen) Co. Ltd.	China	100%	21,000	t.USD
PT. ECCO Tannery Indonesia	Indonesia	100%	37,403,550	t.IDR
Water Treatment Dongen B.V.	The Netherlands	100%	18	t.EUR
SALES				
ECCO Adriatic d.o.o. (Croatia)	Croatia	50%	20	t.HRK
ECCO Asia Pacific (Singapore) Pte. Ltd.	Singapore	100%	2,510	t.SGD
ECCO (Austria) GmbH	Austria	50%	35	t.EUR
ECCO Baltic SIA (Latvia)	Latvia	50%	3	t.EUR
ECCO (Belgium) BV	Belgium	50%	19	t.EUR
ECCO-BELROS LLC	Belarus	100%	20	t.USD
ECCO Business Management (Shanghai) Co. Ltd.	China	55%	2,000	t.USD
ECCO CACC Inc.	Panama	100%		
ECCO CACC Trading Inc.	Panama	100%	400	t.USD
ECCO China Wholesale Holding (Singapore) Pte. Ltd.	Singapore	55%	1,000	t.SGD
ECCO (Cyprus) Limited	Cyprus	50%	1	t.EUR
ECCO (Czech Republic) s.r.o.	Czech Republic	50%	200	t.CZK
ECCO (Denmark) A/S	Denmark	50%	1,000	t.DKK
ECCO (Deutschland) GmbH	Germany	50%	250	t.EUR
ECCO Distributors DAC	Ireland	25%	1	t.EUR
ECCO EMEA B.V.	The Netherlands	100%	23	t.EUR
ECCO EMEA Sales SE	The Netherlands	50%	121	t.EUR
ECCO Europe AG	Switzerland	50%	51,500	t.CHF
ECCO Service Center (Poland) sp. z.o.o.	Poland	50%	5	t.PLN
ECCO Footwear d.o.o. Beograd (Serbia)	Serbia	50%	1	t.RSD
ECCO Footwear Romania s.r.l.	Romania	50%	0,25	t.RON
ECCO Footwear, S.L.	Spain	50%	3	t.EUR
ECCO France S.A.S.	France	80%	1,250	t.EUR
ECCO Global Business Development B.V.	The Netherlands	100%	10	t.EUR
ECCO Greece S.A.	Greece	100%	425	t.EUR
ECCO (Hungary) kft.	Hungary	50%	11,000	t.HUF
ECCO India Trading Private Limited	India	100%	66,830	t.INR
ECCO (ITALY) S.R.L.	Italy	50%	10	t.EUR
ECCO Japan Co. Ltd.	Japan	100%	100,000	t.JPY
ECCO Kenkä Oy (Finland)	Finland	50%	4,2	t.EUR
ECCO Korea Limited	Korea	100%	1,058,500	t.KRW
ECCO Kuwait Company for the sale of clothing, shoes and leather goods in retail WLL	Kuwait	100%	10	t.KWD
ECCO Latin America Holding Ltd. Inc.	Panama	100%	250	t.USD
ECCO Macao Limited	Macao	100%	25	t.MOP

	Country	Ownership interest	Share capital	
SALES				
ECCO Malaysia Sdn. Bhd.	Malaysia	100%	23,500	t.MYR
ECCO Middle East A/S	Denmark	100%	2,250	t.DKK
ECCO (Netherlands) B.V.	The Netherlands	50%	50	t.EUR
ECCO (Norway) AS	Norway	50%	30	t.NOK
ECCO Obutev SL d.o.o. (Slovenia)	Slovenia	50%	7,5	t.EUR
ECCO Philippines, Inc.	Philippines	50%	75,000	t.PHP
ECCO (Poland) sp. z.o.o.	Poland	50%	5,050	t.PLN
ECCO Real Estate LLC (dormant)	USA	100%	-	t.USD
ECCO Retail (Shanghai) Co. Ltd.	China	55%	3,000	t.USD
ECCO Retail (Slovakia) s.r.o.	Slovakia	50%	30	t.EUR
ECCO Retail, LLC	USA	100%	2,300	t.USD
ECCO-ROS Kazakhstan LLP	Kazakhstan	100%	160	t.KZT
ECCO-ROS LLC	Russia	100%	3,000	t.RUB
ECCO SALES Limited	UK	50%	10	t.GBP
ECCO Schuhe GmbH	Germany	100%	1,790	t.EUR
ECCO (Shanghai) Co. Ltd.	China	55%	2,100	t.USD
ECCO Shoe Trading LLC	Qatar	49%	200	t.QAT
ECCO Shoes (NZ) Limited	New Zealand	100%	100	t.NZD
ECCO Shoes Canada, Inc.	Canada	100%	31,102	t.CAD
ECCO Shoes Hellas S.A. (dormant)	Greece	51%	60	t.EUR
ECCO Shoes Hong Kong Limited	Hong Kong	100%	3,000	t.HKD
ECCO Shoes India Private Limited	India	100%	400,000	t.INR
ECCO Shoes L.L.C	United Arab Emirates	100%	18,500	t.AED
ECCO Shoes Pacific Pty. Limited	Australia	100%	3,250	t.AUD
ECCO Shoes Trade Ltd.	Turkey	100%	30,466	t.TRY
ECCO (Sweden) AB	Sweden	50%	50	t.SEK
ECCO Switzerland AG	Switzerland	50%	100	t.CHF
ECCO Trading Co. Ltd.	Saudi Arabia	100%	30,000	t.SAR
ECCO USA, Inc.	USA	100%	7,500	t.USD
ECCO ˆLet Sales (Portugal) LDA	Portugal	50%	5	t.EUR
TwoStepsTechnology LLP	Russia	100%	10,000	t.RUB
Xi'an ECCO Limited	China	44%	20,000	t.CNY
ACCESSORIES				
ECCO Accessories Ltd.	Switzerland	100%	2,250	t.CHF
OTHER				
ECCO Design Studio (Shanghai) Co. Ltd.	China	100%	2,000	t.USD
Eccolet Portugal ApS	Denmark	100%	200	t.DKK
High Street Properties Investment Ltd.	UK	55%	32,100	t.GBP

Companies with 50% ownership interest have been consolidated as ECCO has controlling influence according to shareholders' agreements.

Notes 11

- Deferred Tax

	Property, plant, and equipment	Inventories	Provisions	Other liabilities	Tax losses	Other	Total
EUR '000							
GROUP							
Recognised at 1 January	12,212	25,835	9,368	10,761	13,104	5,564	76,844
Recognised Income statement	3,519	2,387	(523)	3,226	1,189	2,012	11,810
Recognised directly to equity	-	-	-	(767)	-	-	(767)
Total adjustment for the year	3,519	2,387	(523)	2,459	1,189	2,012	11,043
Recognised at 31 December	15,731	28,222	8,845	13,220	14,293	7,576	87,887
Deferred tax asset	-	-	-	-	-	-	89,500
Deferred tax liability	-	-	-	-	-	-	(1,613)
Recognised at 31 December	-	-	-	-	-	-	87,887
PARENT COMPANY							
Recognised at 1 January	7,560	-	137	(955)	7,654	(119)	14,277
Recognised Income statement	3,426	-	(277)	2,065	(299)	(230)	4,685
Recognised directly to equity	-	-	-	(767)	-	-	(767)
Total adjustment for the year	3,426	-	(277)	1,298	(299)	(230)	3,918
Recognised at 31 December	10,986	-	(140)	343	7,355	(349)	18,195
Deferred tax asset							18,195
Deferred tax liability							-
Recognised at 31 December							18,195

At the reporting date, the group has not recognized tax assets regarding total tax losses of 426.5 MEUR available for offset against future profits.

The Group has applied the mandatory temporary exception under Danish Financial Statements Act and does thus not recognise nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes 12

- Prepayments

These relate to indirect taxes, rent, insurance, IT fees etc.

Notes 13

- Provision for Pensions

	GROUP	
	2024	2023
EUR '000		
The provision for pensions is due as follows:		
< 1 year	296	290
1-5 years	4,713	4,750
> 5 years	20,978	18,328
Total	25,987	23,368

The provision relates to future payments to employees under defined benefit plans.

Notes 14

- Non-Current Liabilities

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR '000				
Non-current liabilities due more than five years after the end of the financial year	2,806	5,175	456	2,078

Notes 15

- Other Payables

These include liabilities related to indirect taxes, personnel, financial instruments, marketing, insurance, bonuses etc.

Notes 16

- Financial Instruments

EUR '000

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments as part of an overall risk management strategy.

CURRENCY FORWARD CONTRACTS

Fair value hedges:

The Group has covered part of the currency risk on existing receivables, payables, bank deposits, and loans.

At year end, the Group had entered into the following contracts (net sale of currency):

	Principal value of unrealised forward contracts end 2024 in EUR '000	Principal value of unrealised forward contracts end 2023 in EUR '000
Currency		
EUR	3,804	(1,964)
CNY	(12,626)	(18,427)
CAD	(24,014)	(16,520)
USD	(94,519)	(76,933)
AUD	(1,587)	(1,481)
KRW	(1,664)	(1,698)
NOK	5,909	12,431
HKD	(667)	(47)
IDR	5,012	6,624
SGD	23,788	22,536
THB	4,210	3,554
SEK	9,141	18,572
Others	12,534	15,065
Total	(70,679)	(38,288)

CASHFLOW HEDGES & INTEREST RATE SWAPS:

The Group has covered part of the currency risk on future sales and purchases.

The Group has entered into interest rate swaps to cover part of the risk of interest fluctuations.

At year end, the Group had entered into the following contracts (net sale of currency):

	Principal value of unrealised forward contracts & Interest rate swaps		Fair value adjustment on Equity begin/end of	
	2024 in EUR '000	2023 in EUR '000	2024 in EUR '000	2023 in EUR '000
Cash flow hedges	(99,540)	(343,482)	1,938	13,312
Interest rate swaps fixing the interest rate	(31)	2,112	(2,143)	(3,018)

In 2024, the following fair value adjustments of financial instruments were made:

	Fair value of financial instruments		Fair value adjustments through the equity		Fair value adjustments through the Income statement	
	Group in EUR '000	Parent Company in EUR '000	Group in EUR '000	Parent Company in EUR '000	Group in EUR '000	Parent Company in EUR '000
Financial instruments	4,909	(1,486)	(205)	(9,008)	(3,046)	(2,975)

Notes 17

- Contingent Liabilities and Guarantees, etc,

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR '000				
CONTINGENT LIABILITIES				
Rent and lease liabilities	259,343	252,205	1,890	1,609
Guarantees and letters to suppliers	11,529	6,847	210	718
COLLATERAL SECURITY				
The following assets have been pledged in security of the Group's loans from credit institutions and other non-current liabilities:				
Bearer mortgages on property, plant and equipment	21,367	21,370	21,367	21,370
Guarantee for import duty	10,080	7,971	4,851	2,760
Personnel obligations	-	65	-	-
PLEDGED ASSETS				
Book value of assets pledged in security of the Group's loans from credit institutions and other non-current liabilities	20,877	22,622	19,549	21,191

The Parent Company is part of a Danish joint tax Group, with Anpartsselskabet af 1. Oktober 2011 as administration company. The administration company and subsidiaries in the Danish joint tax group are jointly liable for withholding taxes, corporate income taxes, tax instalments, surcharges, and interests, related to the taxable income allocated to the company. Any subsequent corrections of joint taxation income and withholding taxes etc. may result in a change of the company's liability.

Group and Parent Company are involved in various disputes, which are not expected to have any material impact on the income statement in future years.

Notes 18

- Fees to Auditors appointed at the Annual General Meeting

	GROUP	
	2024	2023
EUR '000		
Auditor's fee	1,819	1,778
Other assurance services and statements	110	56
Tax advisory services	87	232
Other assistance	39	42
Total	2,055	2,108

Notes 19

- Related Parties

ECCO Sko A/S is included in the consolidated financial statements of ECCO Holding A/S and Anpartsselskabet af 1. oktober 2011, Bredebro, Denmark.

The parent company of the ECCO Group with controlling influence is ECCO Holding A/S.

ECCO Sko A/S' related parties with controlling influence comprise the company's shareholders, the Board of Directors, the Managing Board, as well as relatives of these persons. Related parties also comprise companies in which the individuals have significant influence.

TRANSACTIONS WITH RELATED PARTIES

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR '000				
Sale of goods to subsidiaries	-	-	377,931	380,950
Sale of goods to related parties	97	87	96	87
Purchase of goods from subsidiaries	-	-	(8,877)	(14,095)
Purchase of legal assistance etc, from parent company	(1,572)	(1,972)	(1,572)	(1,972)
Interest income from subsidiaries	-	-	440	5,398
Interest expense to subsidiaries	-	-	(6,661)	(6,350)
Interest income from related parties	-	-	-	-
Interest expenses to related parties	(2,891)	(3,160)	(2,891)	(3,160)
Receivables from subsidiaries	-	-	146,732	172,740
Receivables from affiliated companies	195	633	195	615
Payables to subsidiaries	-	-	147,321	190,943
Payables to affiliated companies	15,353	16,887	15,329	16,861
Debt to related parties	-	50,000	-	50,000

Besides distribution of dividend and legal assistance, no other transactions were carried out with shareholders in the year. Remuneration/fees to members of the Managing Board and Board of Directors of the Parent Company are reflected in note 4.

Notes 20

- Proposed Profit Allocation

	PARENT COMPANY	
	2024	2023
EUR '000		
Revaluation reserve for undistributed profit in subsidiaries	(16,560)	66,779
Retained earnings	(27,490)	(65,942)
Proposed dividend	-	25,000
Profit for the year	(44,050)	25,837

Notes 21

- Significant Events after the end of the Financial Year

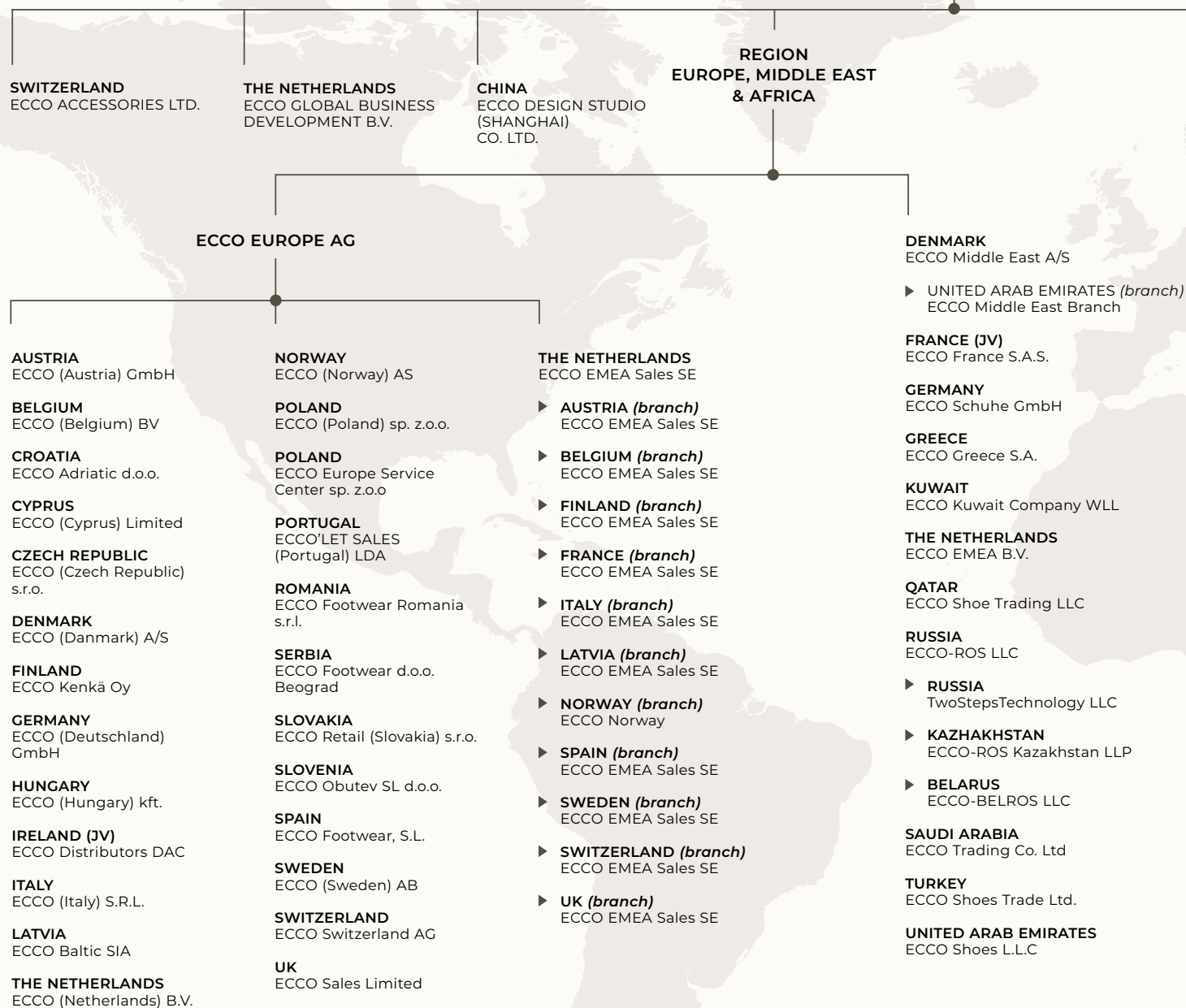
There have been no significant events since the end of the financial year that will materially change the Group's financial status.

Group Structure

as of 31 December 2024

ECCO SKO A/S

SUBSIDIARIES, SALES



Dormant companies/branches and investment companies have been left out.

SUBSIDIARIES, PRODUCTION

REGION
AMERICAS

USA
ECCO USA, Inc.

- ▶ **USA**
ECCO Retail LLC

CANADA
ECCO Shoes Canada, Inc.

PANAMA
ECCO Latin America Holding Ltd.
Inc.

- ▶ **PANAMA**
ECCO CACC Trading Inc.

- ▶ **PANAMA**
ECCO CACC Inc.

REGION
GREATER CHINA

SINGAPORE
ECCO Asia Pacific (Singapore) Pte. Ltd.

- ▶ **SINGAPORE (JV)**
ECCO China Wholesale Holding
(Singapore) Pte. Ltd.

- ▶ **CHINA**
ECCO Business Management
(Shanghai) Co. Ltd.

- ▶ **CHINA**
ECCO (Shanghai) Co. Ltd.

- ▶ **CHINA (JV)**
Xi'an ECCO Limited

- ▶ **CHINA**
ECCO Retail (Shanghai) Co. Ltd.

- ▶ **HONG KONG**
ECCO Shoes Hong Kong Limited

- ▶ **MACAO**
ECCO Macao Limited

- ▶ **TAIWAN (branch)**
ESHK Ltd, Taiwan Branch

REGION
ASIA PACIFIC

- ▶ **AUSTRALIA**
ECCO Shoes Pacific Pty. Limited

- ▶ **NEW ZEALAND**
ECCO Shoes (NZ) Limited

- ▶ **INDIA**
ECCO Shoes India Private Limited

- ▶ **INDIA**
ECCO India Trading Private Limited

- ▶ **JAPAN**
ECCO Japan Co. Ltd.

- ▶ **KOREA**
ECCO Korea Limited

- ▶ **MALAYSIA**
ECCO Malaysia Sdn. Bhd.

- ▶ **PHILIPPINES (JV)**
ECCO Philippines, Inc.

ECCO SHOE FACTORIES

INDONESIA
PT. ECCO Indonesia

PORTUGAL
Ecco'let (Portugal)
– Fábrica de Sapatos, Lda.

SINGAPORE
ECCO Shoe Production Pte. Ltd.

- ▶ **CHINA**
ECCO (Xiamen) Co. Ltd.

- ▶ **CHINA**
Xiamen ECCO Logistics Co. Ltd.

SLOVAKIA
ECCO Slovakia, a.s.

THAILAND
ECCO (Thailand) Co., Ltd.

VIETNAM
ECCO (Vietnam) Co. Ltd.

ECCO LEATHER

THE NETHERLANDS
ECCO Leather B.V.

- ▶ **THE NETHERLANDS**
ECCO Tannery (Holland) B.V.

- ▶ **THE NETHERLANDS**
Water Treatment Dongen B.V.

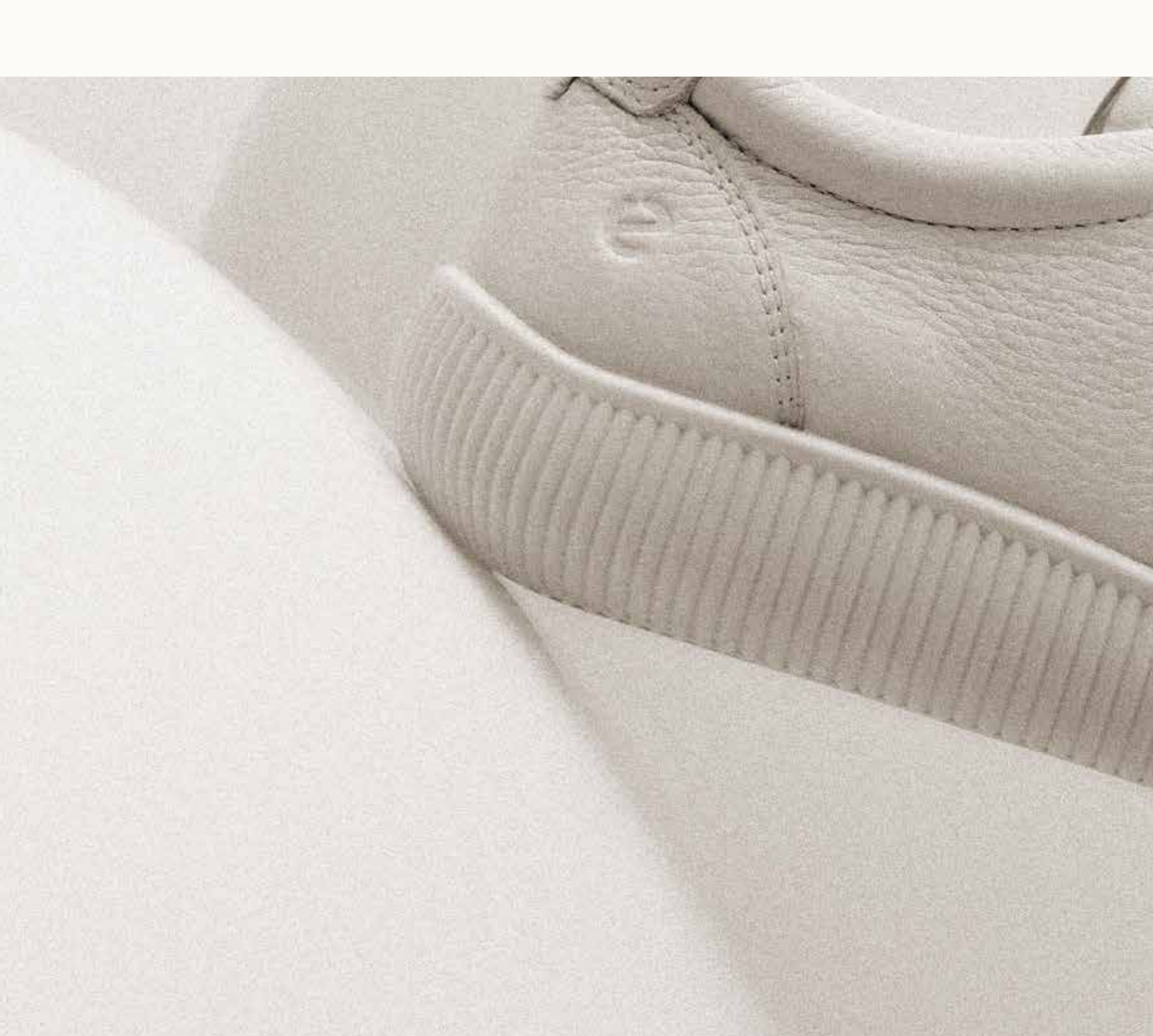
- ▶ **INDONESIA**
PT. ECCO Tannery Indonesia

- ▶ **SINGAPORE**
ECCO Tannery Holding (Singapore)
Pte. Ltd.

- ▶ **CHINA**
ECCO Tannery
(Xiamen) Co. Ltd.

- ▶ **CHINA**
Danna Leather
(Xiamen) Co. Ltd.

- ▶ **THAILAND**
ECCO Tannery (Thailand) Co., Ltd.



ecco®

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CVR no. 45 34 99 18