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Ganni A/S

Bremerholm 4, 1069 Copenhagen

Company reg. no. 21 66 47 31

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 12 May 2021.

Eduardo, Salvador Velasco
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Ganni A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 12 May 2021

Managing Director

Andrea Baldo
CEO

Board of directors

Eduardo, Salvador Velasco
Chairman

Pierre-Axel, Emmanuel Botuha

Christian Mariager

Ditte Reffstrup

Sean Daegan O'Neill

Independent auditor's report

To the shareholders of Ganni A/S

Opinion

We have audited the financial statements of Ganni A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 12 May 2021

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen
State Authorised Public Accountant
mne30153

Simon Mørner Nielsen
State Authorised Public Accountant
mne46622

Company information

The company	Ganni A/S Bremerholm 4 1069 Copenhagen
	Company reg. no. 21 66 47 31 Financial year: 1 January - 31 December
Board of directors	Eduardo, Salvador Velasco, Chairman Pierre-Axel, Emmanuel Botuha Christian Mariager Ditte Reffstrup Sean Daegan O'Neill
Managing Director	Andrea Baldo, CEO
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Danish Fashion Co A/S
Subsidiaries	Ganni Inc., Delaware Ganni Limited, London Ganni AB, Stockholm Ganni SAS, Paris Ganni Norway AS, Oslo Ganni GmbH, Hamburg

Financial highlights

DKK in thousands.	2020	2019	2018	2017	2016
Income statement:					
Revenue	448.222	448.521	366.363	272.932	172.708
Gross profit	136.667	149.451	131.727	108.999	55.527
Results from operating activities (EBIT)	64.242	91.080	76.892	70.219	24.118
Net financials	-2.337	382	-3.003	-10.449	-2.068
Net profit or loss for the year	43.773	85.750	66.140	46.544	17.143
Statement of financial position:					
Balance sheet total	307.439	228.167	156.992	88.545	64.886
Investments in property, plant and equipment	12.763	1.360	9.806	8.201	4.075
Equity	222.452	182.813	97.150	40.560	32.189
Employees:					
Average number of full-time employees	112	101	79	70	60
Key figures in %:					
Profit margin (EBIT-margin)	14,3	20,3	21,0	25,7	14,0
Acid test ratio	284,0	364,4	232,9	171,9	251,3
Solvency ratio	72,4	80,1	61,9	45,8	49,6
Return on equity	21,6	61,3	96,1	128,0	70,6

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management commentary

The principal activities of the company

The company's main activity consists of production of and trading with clothing and related activities.

Development in activities and financial matters

The revenue for the year totals DKK 448,2m against DKK 448,5m last year. Income or loss from ordinary activities after tax totals DKK 43,8m against DKK 85,7m last year. Management considers the net profit or loss for the year satisfactory.

This year's activity and results are on par with those anticipated in the annual report for 2019 due to the impact of COVID-19.

Due to the lockdown, the company has filed for compensation in the form of the governmental relief packages relating to the Covid-19 crisis, including compensation for fixed costs and wage compensation. The size of the compensation schemes amounts to DKK 6.6 million and has been recognized in the annual report under Other operating income. Specification hereof is in Note 1 under Special items.

Environmental issues

The group has a goal of a more green, circular economy and a protection of the environment. As part of this, a 44 Goal CSR strategy has been developed focussing on People, Planet, Product and Prosperity. The group is a signatory of the UNFCCC Fashion Charter for Climate Action, with a focus on decarbonising the fashion industry, the Ellen MaCarthur New Plastics Economy, looking to eliminate single-use plastic and the Global Fashion Agenda's Circular Economy commitment. In the area of social responsibility the group has committed to the UN Women Empowerment Principles to advance gender equity both with direct employees and further down the supply chain. The group's intention is that a more Responsible mindset will become an integrated part of the group's daily operation.

To help us navigate the ever evolving landscape of sustainability, in October 2020, we appointed an external responsibility board to support us in becoming the most responsible version of ourselves. We wanted to bring in external voices to hold ourselves accountable and to ensure independent perspectives are represented in our decision making - perspectives that are not tied to GANNI’s financial performance.

Please also see our responsibility report for 2020 where more information of our initiatives can be found: https://responsibilityreport2020.ganni.com/

Expected developments

The result and activity for the coming financial year was expected to be on a higher level than in 2020. However, we have concerns in 2021 regarding the trading uncertainties caused by Covid-19 & are taking as many actions as possible to mitigate the circumstances.

Events occurring after the end of the financial year

The result and activity for the coming financial year are expected to be on a higher level than in 2020.

Management commentary

Statement of corporate social responsibility

Please see our responsibility report for 2020 on: https://responsibilityreport2020.ganni.com/

Target figures and policies for the underrepresented gender

GANNI focuses on value creation through several policies targeting gender equality and diversity in our recruiting efforts and leadership development. There is a vast majority of female employees throughout the organization and 62 % of our management is female which is considered gender equal. GANNI has aligned with the UN Women Empowerment Principles. The Board of Directors (1 female & 4 male) consists of representatives from the owners. Compared to last year, the company is closer to the long-term goal of 50% women in the board of directors. In relation to organizational changes and nomination of new board and management members, GANNI is focusing on the best person for the job based on knowledge, competence, and experience.

The long-term goal of gender diversity in the Board of Directors is set to be 50% women.

Accounting policies

The annual report for Ganni A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

In connection with the accounts for 2020, some presentation corrections have been made to the comparative figures. Software investments have previously been presented under other fixtures and fittings, tools and equipment. These are now presented under concessions, patents, licenses, trademarks, and similar rights.

Likewise, management fees has in previous years been classified as both other external costs and staff costs. These are now solely presented under other external costs.

The changes have not affected the profit before and after tax and equity.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Ganni A/S and its group enterprises are included in the consolidated financial statements for Danish Fashion Co A/S, Copenhagen, CVR nr. 38747932.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Danish Fashion Co A/S.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are recognised in the income statement as incurred.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development projects, patents and licenses comprises of develoment costs, software and distribution rights. These are measured at cost less accrued amortisation. Develoment costs, software and distribution rights are amortised on an assessment of the expected useful life, for a maximum of 5 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Furnishing of rented premises	5 years	0 %
Other fixtures and fittings, tools and equipment	5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity investments in group enterprises

Equity in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Equity investments in group enterprises with a negative equity value is measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Accounting policies

According to the rules of joint taxation, Ganni A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Segmental statement

Information on geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
2	Revenue	448.221.762	448.520.760
	Other operating income	6.550.000	0
	Costs of raw materials and consumables	-210.504.851	-193.896.634
	Other external costs	-107.599.668	-105.173.471
	Gross profit	**136.667.243**	**149.450.655**
4	Staff costs	-59.901.703	-49.333.598
	Depreciation, amortisation, and impairment	-12.523.193	-9.037.323
	Operating profit	**64.242.347**	**91.079.734**
	Income from equity investments in group enterprises	-4.211.969	14.379.052
	Other financial income from group enterprises	1.602.167	891.579
	Other financial income	189.466	372.441
5	Other financial costs	-4.169.848	-882.281
	Pre-tax net profit or loss	**57.652.163**	**105.840.525**
6	Tax on net profit or loss for the year	-13.879.520	-20.090.810
7	**Net profit or loss for the year**	**43.772.643**	**85.749.715**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
8	Completed development projects, including patents and similar rights arising from development projects	0	249.494
9	Concessions, patents, licenses, trademarks, and similar rights acquired	21.518.648	20.355.512
	Total intangible assets	21.518.648	20.605.006
10	Other fixtures and fittings, tools and equipment	1.439.922	957.234
11	Leasehold improvements	12.881.744	5.708.645
	Total property, plant, and equipment	14.321.666	6.665.879
12	Equity investments in group enterprises	41.576.762	49.976.979
13	Deposits	4.089.396	2.778.576
	Total investments	45.666.158	52.755.555
	Total non-current assets	**81.506.472**	**80.026.440**
	Current assets		
	Manufactured goods and goods for resale	44.664.714	48.536.081
	Prepayments for goods	276.191	1.643.655
	Total inventories	44.940.905	50.179.736
	Trade receivables	42.064.625	30.126.187
	Receivables from group enterprises	63.323.941	45.450.051
	Other receivables	24.930	34.930
14	Prepayments and accrued income	4.862.461	3.497.511
	Total receivables	110.275.957	79.108.679
	Cash on hand and demand deposits	70.715.992	18.852.271
	Total current assets	**225.932.854**	**148.140.686**
	Total assets	**307.439.326**	**228.167.126**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
15	Contributed capital	1.572.000	1.572.000
	Reserve for net revaluation according to the equity method	14.743.098	23.088.623
	Reserve for development costs	0	194.605
	Reserve for foreign currency translation	-3.943.213	0
	Retained earnings	175.080.313	157.957.893
	Proposed dividend for the financial year	35.000.000	0
	Total equity	**222.452.198**	**182.813.121**
	Provisions		
16	Provisions for deferred tax	5.444.656	4.697.668
	Total provisions	**5.444.656**	**4.697.668**
	Liabilities other than provisions		
	Short-term part of long-term liabilities	0	2.869.208
	Bank loans	8.763.306	1.153.874
	Trade payables	25.722.568	8.649.467
	Payables to group enterprises	4.652.106	5.465.336
	Income tax payable	10.675.441	5.546.380
	Other payables	29.729.051	16.972.072
	Total short term liabilities other than provisions	79.542.472	40.656.337
	Total liabilities other than provisions	**79.542.472**	**40.656.337**
	Total equity and liabilities	**307.439.326**	**228.167.126**

1 Special items
3 Fees, auditor
17 Charges and security
18 Contingencies
19 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	1.572.000	8.796.287	1.035.340	0	85.746.495	0	97.150.122
Share of results	0	14.379.052	0	0	72.211.398	0	86.590.450
Transferred from results brought forward	0	0	-840.735	0	0	0	-840.735
Exchange rate adjustments	0	-86.716	0	0	0	0	-86.716
Equity 1 January 2020	1.572.000	23.088.623	194.605	0	157.957.893	0	182.813.121
Share of results	0	-5.244.380	0	0	14.211.628	35.000.000	43.967.248
Transferred from results brought forward	0	0	-194.605	0	0	0	-194.605
Exchange rate adjustments	0	0	0	-4.133.566	0	0	-4.133.566
Transferred between equity reserves	0	-3.101.145	0	190.353	2.910.792	0	0
	1.572.000	**14.743.098**	**0**	**-3.943.213**	**175.080.313**	**35.000.000**	**222.452.198**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Income:	
State support help packages, Covid-19	6.550.000
	6.550.000
Special items are recognised in the following items in the financial statements:	
Other operating income	6.550.000
Profit of special items, net	**6.550.000**

2. Revenue

Segmental statement

DKK in thousands

	Denmark	Great Britain	Germany	Sweden	Other countries	Total
Net turnover	92.345	74.886	43.035	35.972	201.984	448.222

3. Fees, auditor

According to the Danish Financial Statement Act, Section 96(3), the information is left out as the information is included in the group accounts for Danish Fashion Co. A/S.

Notes

All amounts in DKK.

		2020	2019
4.	**Staff costs**		
	Salaries and wages	55.619.575	45.720.478
	Pension costs	3.354.038	2.504.753
	Other costs for social security	928.090	1.108.367
		59.901.703	**49.333.598**
	Executive board	0	3.253.889
	Average number of employees	112	101

According to the Danish Financial Statement Act, Section 98(2), the information is left out as the executive board only includes one member. The board of directors did not receive directors' fees in the year.

5.	**Other financial costs**		
	Financial costs, group enterprises	151.278	273.947
	Other financial costs	4.018.570	608.334
		4.169.848	**882.281**

6.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	12.907.440	18.546.380
	Adjustment for the year of deferred tax	746.988	1.575.144
	Adjustment of tax for previous years	225.092	-30.714
		13.879.520	**20.090.810**

7.	**Proposed appropriation of net profit**		
	Reserves for net revaluation according to the equity method	-5.244.380	14.379.052
	Dividend for the financial year	35.000.000	0
	Transferred to retained earnings	14.211.628	72.211.398
	Transferred to reserve for entrepreneurial companies	-194.605	-840.735
	Total allocations and transfers	**43.772.643**	**85.749.715**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
8.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2020	2.197.421	2.197.421
	Cost 31 December 2020	**2.197.421**	**2.197.421**
	Amortisation and writedown 1 January 2020	-1.947.927	-870.063
	Amortisation for the year	-249.494	-1.077.864
	Amortisation and writedown 31 December 2020	**-2.197.421**	**-1.947.927**
	Carrying amount, 31 December 2020	**0**	**249.494**

9.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2020	30.137.495	520.962
	Additions during the year	8.328.943	13.471.478
	Disposals during the year	-3.767.323	-153.218
	Transfers	0	16.298.273
	Cost 31 December 2020	**34.699.115**	**30.137.495**
	Amortisation and writedown 1 January 2020	-9.781.983	-352.599
	Amortisation for the year	-7.165.807	-3.839.294
	Reversal of depreciation, amortisation and writedown, assets disposed of	3.767.323	153.218
	Transfers	0	-5.743.308
	Amortisation and writedown 31 December 2020	**-13.180.467**	**-9.781.983**
	Carrying amount, 31 December 2020	**21.518.648**	**20.355.512**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
10.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	3.970.071	20.060.221
	Additions during the year	984.486	208.123
	Disposals during the year	-488.653	0
	Transfers	0	-16.298.273
	Cost 31 December 2020	**4.465.904**	**3.970.071**
	Amortisation and writedown 1 January 2020	-3.012.837	-8.162.181
	Depreciation for the year	-501.798	-593.964
	Reversal of depreciation, amortisation and writedown, assets disposed of	488.653	0
	Transfers	0	5.743.308
	Amortisation and writedown 31 December 2020	**-3.025.982**	**-3.012.837**
	Carrying amount, 31 December 2020	**1.439.922**	**957.234**
11.	**Leasehold improvements**		
	Cost 1 January 2020	15.488.418	14.336.792
	Additions during the year	11.778.776	1.151.626
	Disposals during the year	-6.812.434	0
	Cost 31 December 2020	**20.454.760**	**15.488.418**
	Depreciation and writedown 1 January 2020	-9.779.773	-6.253.572
	Depreciation for the year	-4.605.677	-3.526.201
	Reversal of depreciation, amortisation and writedown, assets disposed of	6.812.434	0
	Depreciation and writedown 31 December 2020	**-7.573.016**	**-9.779.773**
	Carrying amount, 31 December 2020	**12.881.744**	**5.708.645**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
12.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2020	23.656.650	42.550
	Additions during the year	3.177.014	23.614.100
	Cost 31 December 2020	**26.833.664**	**23.656.650**
	Revaluations, opening balance 1 January 2020	23.980.392	8.796.287
	Results for the year before goodwill amortisation	-2.428.429	15.270.821
	Translation adjustment at year-end rate	-4.133.566	-86.716
	Revaluation 31 December 2020	**17.418.397**	**23.980.392**
	Amortisation of goodwill, opening balance 1 January 2020	-891.769	0
	Amortisation of goodwill for the year	-1.783.530	-891.769
	Depreciation on goodwill 31 December 2020	**-2.675.299**	**-891.769**
	Offsetting against debtors	0	3.231.706
	Set off against debtors and provisions for liabilities	**0**	**3.231.706**
	Carrying amount, 31 December 2020	**41.576.762**	**49.976.979**
	The item includes goodwill with an amount of	15.160.076	16.943.615
	Goodwill is recognised under the item "Additions during the year" with an amount of	0	17.835.384

Group enterprises:

	Domicile	**Equity interest**
Ganni Inc.	Delaware	100 %
Ganni Limited	London	100 %
Ganni AB	Stockholm	100 %
Ganni SAS	Paris	100 %
Ganni Norway AS	Oslo	100 %
Ganni GmbH	Hamburg	100 %

Notes

All amounts in DKK.

	31/12 2020	31/12 2019
13. Deposits		
Cost 1 January 2020	2.778.576	1.123.581
Additions during the year	1.989.540	1.654.995
Disposals during the year	-678.720	0
Cost 31 December 2020	**4.089.396**	**2.778.576**
Carrying amount, 31 December 2020	**4.089.396**	**2.778.576**

14. Prepayments and accrued income

Prepayments and accrued income comprises of prepaid rent, insurance and subscriptions etc.

15. Contributed capital

The share capital consists of 15,720 shares, each with a nominal value of DKK 100. No shares hold particular rights.

Within the latest five years, no changes in the share capital have taken place.

16. Provisions for deferred tax

Provisions for deferred tax 1 January 2020	4.697.668	3.122.524
Deferred tax of the results for the year	746.988	1.575.144
	5.444.656	**4.697.668**

Provisions for deferred tax concerns intagible and tangible fixed assets, prepaid costs and tax loss to carry forward.

17. Charges and security

For bank loans, tDKK 8.763, the company has provided security in company assets representing a nominal value of DKK 24.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	44.941
Trade receivables	42.065
Tangible fixed assets	14.322

Notes

All amounts in DKK.

17. Charges and security (continued)

18. Contingencies

Contingent liabilities

Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of DKK 68.000. The leases have 9 months to maturity and total outstanding lease payments total DKK 51.000.

Other contingent liabilities

The company entered into leasing contracts with a total liablity of tDKK 32.353. The leasing contracts' notice periods are between 1-56 months.

Joint taxation

With Danish Fashion Co A/S, company reg. no 38747932 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

19. Related parties

Controlling interest

L Catterton Europe, 1, rue Euler, 75008 Paris	Majority shareholder
S.L.03 S.a.r.l, Rue Antoine Jans 10, 1810 Luxembourg	Majority shareholder
Danish Fashion Co A/S, Bremerholm 4, 1069 Copenhagen	Majority shareholder

Transactions

All transactions are made on market terms.

Consolidated financial statements

The company is included in the consolidated annual accounts of Danish Fashion Co A/S, Bremerholm 4, 1069 Copenhagen C, Denmark.