Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Ganni A/S

Bremerholm 4, 1069 Copenhagen

Company reg. no. 21 66 47 31

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 23 May 2022.

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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Ganni A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Copenhagen, 23 May 2022

Managing Director

Andrea Baldo
CEO

Board of directors

Eduardo, Salvador Velasco Chairman	Ditte Reffstrup	Christian Mariager

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 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

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

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

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

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

Statement on Management’s Review
Management is responsible for Management’s Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 23 May 2022

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 Ditte Reffstrup Christian Mariager	
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 Ganni B.V., Amsterdam Ganni (Shanghai) Clothing Co. Ltd, Shanghai	

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	648.451	448.222	448.521	366.363	272.932
Gross profit	209.118	136.667	149.451	131.727	108.999
Results from operating activities (EBIT)	123.645	64.242	91.080	76.892	70.219
Net financials	7.384	-2.337	382	-3.003	-10.449
Net profit or loss for the year	122.348	43.773	85.750	66.140	46.544
Statement of financial position:					
Balance sheet total	413.600	307.439	228.167	156.992	88.545
Investments in property, plant and equipment	5.122	12.763	1.360	9.806	8.201
Equity	314.203	222.452	182.813	97.150	40.560
Employees:					
Average number of full-time employees	135	112	101	79	70
Key figures in %:					
Profit margin (EBIT-margin)	19,1	14,3	20,3	21,0	25,7
Acid test ratio	319,9	284,0	364,4	232,9	171,9
Solvency ratio	76,0	72,4	80,1	61,9	45,8
Return on equity	45,6	21,6	61,3	96,1	128,0

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

Management´s review

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 648,5m against DKK 448,2m last year. Income or loss from ordinary activities after tax totals DKK 122,3m against DKK 43,8m last year. Management considers the net profit for the year satisfactory.

This year's activity and results are on par with those anticipated in the annual report for 2020.

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 2,1 million and has been recognized in the annual report under Other operating income. Specification hereof is in Note 1 under Special items.

Expected developments

The result and activity for the coming financial year was expected to be on a higher level than in 2021.

Branches abroad

The company estblished a branch in South Korea in 2021.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have impact on the financial position of the company.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Please see our responsibility report for 2021 on: https://responsibilityreport2021.ganni.com/

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

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 67 % 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 & 2 male) consists of representatives from the owners. Compared to last year, the company is closer to the longterm 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.

Management´s review

Report on the company’s policy on data ethics according to section 99 d of the Danish Financial Statements Act

The group do not have a policy on data ethics. The group expects to form af data ethics policy in 2022.

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.

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.

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.

Accounting policies

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.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is 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.

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

Accounting policies

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 investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' 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).

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.

Accounting policies

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.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries 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.

Accounting policies

Investments in subsidiaries with a negative equity value are 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 subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries 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 subsidiaries.

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.

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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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.

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.

Accounting policies

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand.

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.

Accounting policies

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”.

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.

Accounting policies

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, subsidaries, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

Segmental statement

Information on activity and 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		2021	2020
3	Revenue	648.450.987	448.221.762
	Other operating income	2.060.063	6.550.000
	Costs of raw materials and consumables	-303.690.254	-210.504.851
	Other external expenses	-137.702.475	-107.599.668
	Gross profit	**209.118.321**	**136.667.243**
5	Staff costs	-68.702.142	-59.901.703
	Depreciation, amortisation, and impairment	-16.771.095	-12.523.193
	Operating profit	**123.645.084**	**64.242.347**
	Income from investments in subsidiaries	20.298.705	-4.211.969
	Other financial income from subsidiaries	2.631.860	1.602.167
	Other financial income	5.641.295	189.466
6	Other financial expenses	-889.256	-4.169.848
	Pre-tax net profit or loss	**151.327.688**	**57.652.163**
7	Tax on net profit or loss for the year	-28.980.048	-13.879.520
8	**Net profit or loss for the year**	**122.347.640**	**43.772.643**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2021	2020
	Non-current assets		
9	Completed development projects, including patents and similar rights arising from development projects	1.126.539	0
10	Acquired concessions, patents, licenses, trademarks, and similar rights	25.933.887	21.518.648
	Total intangible assets	27.060.426	21.518.648
11	Other fixtures and fittings, tools and equipment	2.091.032	1.439.922
12	Leasehold improvements	12.535.327	12.881.744
	Total property, plant, and equipment	14.626.359	14.321.666
13	Investments in subsidiaries	70.388.939	41.576.762
14	Deposits	4.096.346	4.089.396
	Total investments	74.485.285	45.666.158
	Total non-current assets	**116.172.070**	**81.506.472**
	Current assets		
	Manufactured goods and goods for resale	76.343.436	44.664.714
	Prepayments for goods	2.741.443	276.191
	Total inventories	79.084.879	44.940.905
	Trade receivables	68.524.985	42.064.625
	Receivables from subsidiaries	94.005.641	63.323.941
	Other receivables	8.979.118	24.930
15	Prepayments	5.464.915	4.862.461
	Total receivables	176.974.659	110.275.957
	Cash and cash equivalents	41.368.016	70.715.992
	Total current assets	**297.427.554**	**225.932.854**
	Total assets	**413.599.624**	**307.439.326**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
16	Contributed capital	1.572.000	1.572.000
	Reserve for net revaluation according to the equity method	39.444.564	14.743.098
	Reserve for development costs	878.700	0
	Reserve for foreign currency translation	459.558	-3.943.213
	Retained earnings	251.847.787	175.080.313
	Proposed dividend for the financial year	20.000.000	35.000.000
	Total equity	**314.202.609**	**222.452.198**
	Provisions		
17	Provisions for deferred tax	6.411.632	5.444.656
	Total provisions	**6.411.632**	**5.444.656**
	Long term labilities other than provisions		
	Bank loans	575.408	8.763.306
	Trade payables	33.217.239	25.722.568
	Payables to group enterprises	15.125.175	4.652.106
	Income tax payable	10.081.310	10.675.441
	Other payables	28.073.367	29.729.051
18	Deferred income	5.912.884	0
	Total short term liabilities other than provisions	92.985.383	79.542.472
	Total liabilities other than provisions	**92.985.383**	**79.542.472**
	Total equity and liabilities	**413.599.624**	**307.439.326**

1 Subsequent events
2 Special items
4 Fees, auditor
19 Charges and security
20 Contingencies
21 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Total
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
Equity 1 January 2021	1.572.000	14.743.098	0	-3.943.213	175.080.313	35.000.000	222.452.198
Distributed dividend	0	0	0	0	0	-35.000.000	-35.000.000
Share of results	0	24.701.466	878.700	0	76.767.474	20.000.000	122.347.640
Exchange rate adjustments	0	0	0	4.402.771	0	0	4.402.771
	1.572.000	**39.444.564**	**878.700**	**459.558**	**251.847.787**	**20.000.000**	**314.202.609**

Notes

All amounts in DKK.

1. Subsequent events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

2. 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.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

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

	2021	2020
Income:		
State support help packages, Covid-19	2.060.063	6.550.000
	2.060.063	6.550.000
Special items are recognised in the following items in the financial statements:		
Other operating income	2.060.063	6.550.000
Profit of special items, net	**2.060.063**	**6.550.000**

3. Revenue

"Segmental statement"

DKK in thousands

	Denmark	**Norway**	**United Kingdom**	**United States**	**Other**	**Total**
Net turnover	105.197	49.657	76.382	26.307	390.908	648.451

Notes

All amounts in DKK.

		2021	2020
4.	**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.

5. Staff costs

	2021	2020
Salaries and wages	62.543.006	55.619.575
Pension costs	4.548.046	3.354.038
Other costs for social security	1.611.090	928.090
	68.702.142	**59.901.703**
Executive board and board of directors	4.040.527	0
Average number of employees	135	112

According to the Danish Financial Statement Act, Section 98(2), the information is left out in 2020 as the executive board only included one member. The board of directors did not receive directors' fees in 2020.

6. Other financial expenses

	2021	2020
Financial costs, group enterprises	364.727	151.278
Other financial costs	524.529	4.018.570
	889.256	**4.169.848**

7. Tax on net profit or loss for the year

	2021	2020
Tax of the results for the year, parent company	27.698.915	12.907.440
Adjustment for the year of deferred tax	1.185.475	746.988
Adjustment of tax for previous years	95.658	225.092
	28.980.048	**13.879.520**

Notes

All amounts in DKK.

		2021	2020
8.	**Proposed appropriation of net profit**		
	Reserves for net revaluation according to the equity method	24.701.466	-5.244.380
	Dividend for the financial year	20.000.000	35.000.000
	Transferred to retained earnings	76.767.474	14.211.628
	Transferred to reserve for development costs	878.700	-194.605
	Total allocations and transfers	**122.347.640**	**43.772.643**

9.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2021	2.197.421	2.197.421
	Additions during the year	1.356.305	0
	Cost 31 December 2021	**3.553.726**	**2.197.421**
	Amortisation and writedown 1 January 2021	-2.197.421	-1.947.927
	Amortisation for the year	-229.766	-249.494
	Amortisation and writedown 31 December 2021	**-2.427.187**	**-2.197.421**
	Carrying amount, 31 December 2021	**1.126.539**	**0**

The enterprise’s development projects concern the development of a new denim-project. Ganni Denim 3.0 aims to create a platform for Ganni to manifest itself as an authority within the design of Denim. In effect the periodically updated Denim washes and Denim RTW products will continuously both compliment and elevate a permanent jeans offering, with a full focus on sustainable development and production.

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
10.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2021	34.699.115	30.137.495
	Additions during the year	16.156.963	8.328.943
	Disposals during the year	-6.378.789	-3.767.323
	Cost 31 December 2021	**44.477.289**	**34.699.115**
	Amortisation and writedown 1 January 2021	-13.180.467	-9.781.983
	Amortisation for the year	-11.741.723	-7.165.807
	Reversal of depreciation, amortisation and writedown, assets disposed of	6.378.788	3.767.323
	Amortisation and writedown 31 December 2021	**-18.543.402**	**-13.180.467**
	Carrying amount, 31 December 2021	**25.933.887**	**21.518.648**

		31/12 2021	31/12 2020
11.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	4.465.904	3.970.071
	Additions during the year	1.383.995	984.486
	Disposals during the year	-1.914.452	-488.653
	Cost 31 December 2021	**3.935.447**	**4.465.904**
	Amortisation and writedown 1 January 2021	-3.025.982	-3.012.837
	Depreciation for the year	-715.199	-501.798
	Reversal of depreciation, amortisation and writedown, assets disposed of	1.896.766	488.653
	Amortisation and writedown 31 December 2021	**-1.844.415**	**-3.025.982**
	Carrying amount, 31 December 2021	**2.091.032**	**1.439.922**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
12.	**Leasehold improvements**		
	Cost 1 January 2021	20.454.760	15.488.418
	Additions during the year	3.737.991	11.778.776
	Disposals during the year	-47.580	-6.812.434
	Cost 31 December 2021	**24.145.171**	**20.454.760**
	Depreciation and writedown 1 January 2021	-7.573.016	-9.779.773
	Depreciation for the year	-4.084.408	-4.605.677
	Reversal of depreciation, amortisation and writedown, assets disposed of	47.580	6.812.434
	Depreciation and writedown 31 December 2021	**-11.609.844**	**-7.573.016**
	Carrying amount, 31 December 2021	**12.535.327**	**12.881.744**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
13.	**Investments in subsidiaries**		
	Acquisition sum, opening balance 1 January 2021	26.833.664	23.656.650
	Additions during the year	4.110.700	3.177.014
	Cost 31 December 2021	**30.944.364**	**26.833.664**
	Revaluations, opening balance 1 January 2021	17.418.397	23.980.392
	Results for the year before goodwill amortisation	22.082.242	-2.428.429
	Translation adjustment at year-end rate	4.402.773	-4.133.566
	Revaluation 31 December 2021	**43.903.412**	**17.418.397**
	Amortisation of goodwill, opening balance 1 January 2021	-2.675.299	-891.769
	Amortisation of goodwill for the year	-1.783.538	-1.783.530
	Depreciation on goodwill 31 December 2021	**-4.458.837**	**-2.675.299**
	Carrying amount, 31 December 2021	**70.388.939**	**41.576.762**
	The item includes goodwill with an amount of	13.376.538	15.160.076
	Goodwill is recognised under the item "Additions during the year" with an amount of	0	0

Subsidiaries:

	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 %
Ganni B.V.	Amsterdam	100 %
Ganni (Shanghai) Clothing Co. Ltd	Shanghai	100 %

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
14.	**Deposits**		
	Cost 1 January 2021	4.089.397	2.778.576
	Additions during the year	27.782	1.989.540
	Disposals during the year	-20.833	-678.720
	Cost 31 December 2021	**4.096.346**	**4.089.396**
	Carrying amount, 31 December 2021	**4.096.346**	**4.089.396**

15. Prepayments

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

16. 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.

17. Provisions for deferred tax

	31/12 2021	31/12 2020
Provisions for deferred tax 1 January 2021	5.444.656	4.697.668
Deferred tax of the results for the year	966.976	746.988
	6.411.632	**5.444.656**

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

18. Deferred income

Deferred income relates to received prepayments from costumers.

Notes

All amounts in DKK.

19. Charges and security

For bank loans, TDKK 575, the company has provided security in company assets representing a nominal value of TDKK 24.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	79.085
Trade receivables	68.525
Tangible fixed assets	14.626
Intangible assets	25.934

20. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of TDKK 497. The leases have between 92 and 48 months to maturity and total outstanding lease payments total TDKK 1.637.

Other contingent liabilities:

The company entered into leasing contracts with a total liablity of tDKK 30.595. The leasing contracts' notice periods are between 3-51 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.

Notes

All amounts in DKK.

21. 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.