

Ganni A/S

Bremerholm 4, 1069 Copenhagen

Company reg. no. 21 66 47 31

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 26 August 2020.

Eduardo, Salvador Velasco
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British 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

The board of directors and the managing director have today presented the annual report of Ganni A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 26 August 2020

Managing Director

Andrea Baldo
CEO

Board of directors

Eduardo, Salvador Velasco
Chairman

Pierre-Axel, Emmanuel Botuha

Christian Mariager

Nicolaj Reffstrup

Independent auditor's report

To the shareholders of Ganni A/S

Opinion

We have audited the annual accounts of Ganni A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

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 evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 26 August 2020

Grant Thornton

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

Brian Rasmussen

State Authorised Public Accountant
mne30153

Company data

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
Nicolaj Reffstrup

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.	2019	2018	2017	2016	2015
Profit and loss account:					
Net turnover	448.521	366.363	272.932	172.708	125.007
Gross profit	166.615	131.727	108.999	55.527	34.343
Results from operating activities (EBIT)	91.080	76.892	70.219	24.118	8.877
Net financials	382	-3.003	-10.449	-2.068	-1.828
Results for the year	85.750	66.140	46.544	17.143	5.228
Balance sheet:					
Balance sheet sum	228.167	156.992	88.545	64.886	45.491
Investments in tangible fixed assets represent	14.831	9.806	8.201	4.075	7.827
Equity	182.813	97.150	40.560	32.189	16.345
Employees:					
Average number of full time employees	101	79	70	60	51
Key figures in %:					
Profit margin (EBIT-margin)	20,3	21,0	25,7	14,0	7,1
Acid test ratio	364,4	232,9	171,9	251,3	212,7
Solvency ratio	80,1	61,9	45,8	49,6	35,9
Return on equity	61,3	96,1	128,0	70,6	38,1

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

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 net turnover for the year is DKK 448,5m against DKK 366,4m last year. The results from ordinary activities after tax are DKK 85,7m against DKK 66,1m last year. The management considers the results satisfactory.

This year's activity and results are as announced in the annual report for 2018.

On July 1 2019, the company acquired the company Colina Stores AS which operates six GANNI stores in Norway. The company also opened a flagship store in Stockholm, a flagship store in London and three retail stores in the United States. In 2020, the company have moved to a new headquarter and opened a new flagship store in Copenhagen.

Special risks

Exchange rate risks

The result, cash flow, and equity is influenced by development in currencies due to activities abroad. Currency risks are not covered by the use of financial instruments.

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.

Please also see our responsibility report for 2019 where more information of our initiatives can be found : <https://ganniresponsibilityreport.com/>

The expected development

The result and activity for the coming financial year was expected to be on a higher level than in 2019. However, we have concerns in 2020 regarding the trading uncertainties caused by Covid-19 & are taking as many actions as possible to mitigate the circumstances.

Events subsequent to the financial year

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2020.

Management's review

Statement of corporate social responsibility

Please see our responsibility report for 2019 on: <https://ganniresponsibilityreport.com/>

Target figures and policies for the under-represented gender

The company is part of the group accounts for Danish Fashion Co A/S. We refer to the group management report where there is a paragraph about target figures and policies regarding the underrepresented gender.

Accounting policies used

The annual report for Ganni A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

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

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

In 2018, the annual report was presented in accordance with the Danish Financial Statements Act on middle-size class C-companies. Changes from the Danish Financial Statements Act's provisions did not affect recognizing and measuring.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

Accounting policies used

Derived financial instruments

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the profit and loss account together with any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging future cash flows are recognised under amounts owed or other debt in the equity.

If the future transaction results in the recognition of assets or liabilities, amounts which have been recognised in the equity previously, are transferred to the cost for the asset or the liability, respectively. If the future transaction results in income or costs, amounts which have been recognised in the equity currently, are transferred to the profit and loss account in the period in which the hedged item influenced the profit and loss account.

As regards any derived financial instruments which do not meet the criteria for being treated as hedging instruments, changes in the fair value are recognised currently in the profit and loss account.

Income statement

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Accounting policies used

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of goodwill and addition of negative goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development projects, trademarks and rights are measured at cost less accumulated depreciation and write-downs. Development projects, trademarks and rights are amortized on a straight-line basis over the remaining contract period, but no more than 5 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

Accounting policies used

The cost comprises the acquisition cost and costs directly attached to 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.

Depreciation takes place on a straight line basis and based on an evaluation 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 plants, operating assets, fixtures and furniture	5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Accounting policies used

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 10 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Deposits

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

Accounting policies used

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods comprises the acquisition cost with the addition of the delivery costs.

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

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

According to the rules of joint taxation, Ganni A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Segment information

Information on geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
2 Net turnover	448.520.760	366.362.588
Raw materials and consumables used	-193.896.634	-158.024.577
Other external costs	-88.008.814	-76.610.712
Gross results	166.615.312	131.727.299
4 Staff costs	-66.498.255	-47.993.522
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-9.037.323	-6.841.421
Operating profit	91.079.734	76.892.356
Income from equity investments in group enterprises	14.379.052	8.519.218
Other financial income from group enterprises	891.579	292.687
Other financial income	372.441	131.931
5 Other financial costs	-882.281	-3.428.376
Results before tax	105.840.525	82.407.816
6 Tax on ordinary results	-20.090.810	-16.267.602
7 Results for the year	85.749.715	66.140.214

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Fixed assets			
8	Completed development projects, including patents and similar rights arising from development projects	249.494	1.327.358
9	Acquired concessions, patents, licenses, trademarks and similar rights	110.854	168.363
	Intangible fixed assets in total	<u>360.348</u>	<u>1.495.721</u>
11	Other plants, operating assets, and fixtures and furniture	21.201.892	11.898.040
12	Decoration rented premises	5.708.645	8.083.220
	Tangible fixed assets in total	<u>26.910.537</u>	<u>19.981.260</u>
13	Equity investments in group enterprises	49.976.979	8.838.837
14	Deposits	2.778.576	1.123.581
	Financial fixed assets in total	<u>52.755.555</u>	<u>9.962.418</u>
	Fixed assets in total	<u>80.026.440</u>	<u>31.439.399</u>
Current assets			
	Manufactured goods and trade goods	48.536.081	37.553.254
	Prepayments for goods	1.643.655	2.647.374
	Inventories in total	<u>50.179.736</u>	<u>40.200.628</u>
	Trade debtors	30.126.187	34.340.596
	Amounts owed by group enterprises	45.450.051	19.468.508
	Other debtors	34.930	58.616
15	Accrued income and deferred expenses	3.497.511	2.647.897
	Debtors in total	<u>79.108.679</u>	<u>56.515.617</u>
	Available funds	<u>18.852.271</u>	<u>28.836.170</u>
	Current assets in total	<u>148.140.686</u>	<u>125.552.415</u>
	Assets in total	<u>228.167.126</u>	<u>156.991.814</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
16	Contributed capital	1.572.000	1.572.000
	Reserves for net revaluation as per the equity method	23.088.623	8.796.287
	Reserve for development expenditure	194.605	1.035.340
	Results brought forward	157.957.893	85.746.495
	Equity in total	182.813.121	97.150.122
Provisions			
17	Provisions for deferred tax	4.697.668	3.122.524
	Provisions in total	4.697.668	3.122.524
Liabilities			
	Bank debts	0	2.804.067
18	Long-term liabilities in total	0	2.804.067
18	Short-term part of long-term liabilities	2.869.208	4.200.000
	Bank debts	1.153.874	799.442
	Trade creditors	8.649.467	19.312.001
	Debt to group enterprises	5.465.336	15.075.103
	Corporate tax	5.546.380	4.082.237
	Other debts	16.972.072	10.446.318
	Short-term liabilities in total	40.656.337	53.915.101
	Liabilities in total	40.656.337	56.719.168
	Equity and liabilities in total	228.167.126	156.991.814
1 Subsequent events			
3 Fees, auditor			
19 Mortgage and securities			
20 Contingencies			
21 Related parties			

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Reserve for development expenditure	Results brought forward	In total
Equity 1 January 2018	1.572.000	0	559.910	38.428.377	40.560.287
Share of results	0	8.519.218	0	57.145.566	65.664.784
Extraordinary dividend adopted during the financial year	0	0	0	-10.000.000	-10.000.000
Transferred from results brought forward	0	0	475.430	0	475.430
Exchange rate adjustments	0	277.069	0	0	277.069
Fair value adjustment of hedging instruments	0	0	0	221.220	221.220
Tax on adjustment of hedging instruments	0	0	0	-48.668	-48.668
Equity 1 January 2019	1.572.000	8.796.287	1.035.340	85.746.495	97.150.122
Share of results	0	14.379.052	0	72.211.398	86.590.450
Transferred from results brought forward	0	0	-840.735	0	-840.735
Exchange rate adjustments	0	-86.716	0	0	-86.716
	1.572.000	23.088.623	194.605	157.957.893	182.813.121

Notes

All amounts in DKK.

1. Subsequent events

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2020.

2. Net turnover

Segment information

DKK in thousands

	<u>Denmark</u>	<u>Norway</u>	<u>Great Britain</u>	<u>Germany</u>	<u>Other countries</u>	<u>In total</u>
Net turnover	79.084	40.728	45.831	26.747	256.131	448.521

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.

4. Staff costs

	<u>2019</u>	<u>2018</u>
Salaries and wages	62.885.135	42.438.173
Pension costs	2.504.753	1.746.842
Other costs for social security	1.108.367	837.227
Other staff costs	0	2.971.280
	<u>66.498.255</u>	<u>47.993.522</u>
Executive board	<u>3.253.889</u>	<u>3.477.877</u>
Average number of employees	<u>101</u>	<u>79</u>

5. Other financial costs

Financial costs, group enterprises	273.947	384.351
Other financial costs	608.334	3.044.025
	<u>882.281</u>	<u>3.428.376</u>

Notes

All amounts in DKK.

	2019	2018
6. Tax on ordinary results		
Tax of the results for the year, parent company	18.546.380	13.582.237
Adjustment for the year of deferred tax	1.575.144	2.673.255
Adjustment of tax for previous years	-30.714	12.110
	20.090.810	16.267.602
7. Proposed distribution of the results		
Reserves for net revaluation as per the equity method	14.379.052	8.519.218
Allocated to results brought forward	72.211.398	57.145.566
Reserve for development expenditure	-840.735	475.430
Distribution in total	85.749.715	66.140.214
8. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2019	2.197.421	0
Transfers	0	2.197.421
Cost 31 December 2019	2.197.421	2.197.421
Amortisation and writedown 1 January 2019	-870.063	0
Amortisation for the year	-1.077.864	-870.063
Amortisation and writedown 31 December 2019	-1.947.927	-870.063
Book value 31 December 2019	249.494	1.327.358

The completed development projects concern the group's development of new products. Sales of the new products have been made in the current financial year.

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
9. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2019	520.962	2.216.531
Additions during the year	0	89.069
Disposals during the year	<u>-146.376</u>	<u>-1.784.638</u>
Cost 31 December 2019	<u>374.586</u>	<u>520.962</u>
Amortisation and writedown 1 January 2019	-352.599	-1.769.231
Amortisation for the year	-57.509	-368.006
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>146.376</u>	<u>1.784.638</u>
Amortisation and writedown 31 December 2019	<u>-263.732</u>	<u>-352.599</u>
Book value 31 December 2019	<u>110.854</u>	<u>168.363</u>
10. Development projects in progress and prepayments for intangible fixed assets		
Cost 1 January 2019	0	717.834
Additions during the year	0	1.479.587
Transfers	<u>0</u>	<u>-2.197.421</u>
Cost 31 December 2019	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
11. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2019	20.060.221	13.311.844
Additions during the year	13.679.601	8.032.187
Disposals during the year	<u>-6.842</u>	<u>-1.283.810</u>
Cost 31 December 2019	<u>33.732.980</u>	<u>20.060.221</u>
Amortisation and writedown 1 January 2019	-8.162.181	-6.531.361
Depreciation for the year	-4.375.749	-2.914.633
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>6.842</u>	<u>1.283.813</u>
Amortisation and writedown 31 December 2019	<u>-12.531.088</u>	<u>-8.162.181</u>
Book value 31 December 2019	<u>21.201.892</u>	<u>11.898.040</u>
12. Decoration rented premises		
Cost 1 January 2019	14.336.792	17.104.007
Additions during the year	1.151.626	1.773.685
Disposals during the year	<u>0</u>	<u>-4.540.900</u>
Cost 31 December 2019	<u>15.488.418</u>	<u>14.336.792</u>
Depreciation and writedown 1 January 2019	-6.253.572	-8.105.740
Depreciation for the year	-3.526.201	-2.688.738
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>4.540.906</u>
Depreciation and writedown 31 December 2019	<u>-9.779.773</u>	<u>-6.253.572</u>
Book value 31 December 2019	<u>5.708.645</u>	<u>8.083.220</u>

Notes

All amounts in DKK.

	31/12 2019	31/12 2018
13. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	42.550	7.050
Additions during the year	23.614.100	35.500
Cost 31 December 2019	23.656.650	42.550
Revaluations, opening balance 1 January 2019	8.796.287	0
Results for the year before goodwill amortisation	15.270.821	8.519.218
Translation adjustment at year-end rate	-86.716	277.069
Revaluation 31 December 2019	23.980.392	8.796.287
Amortisation of goodwill for the year	-891.769	0
Depreciation on goodwill 31 December 2019	-891.769	0
Offsetting against debtors	3.231.706	0
Set off against debtors and provisions for liabilities	3.231.706	0
Book value 31 December 2019	49.976.979	8.838.837
The items include goodwill with an amount of	16.943.615	0
Goodwill is recognised under the item "Additions during the year" with an amount of	17.835.384	0
Group enterprises:		
	Domicile	Share of ownership
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 2019	31/12 2018
14. Deposits		
Cost 1 January 2019	1.123.581	1.083.976
Additions during the year	1.654.995	39.605
Cost 31 December 2019	2.778.576	1.123.581
Book value 31 December 2019	2.778.576	1.123.581

15. Accrued income and deferred expenses

Accrued income and deferred expenses 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

Provisions for deferred tax 1 January 2019	3.122.524	400.601
Deferred tax of the results for the year	1.575.144	2.673.255
Deferred tax recognised directly in equity	0	48.668
	4.697.668	3.122.524

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

18. Liabilities

	Debt in total 31 Dec 2019	Short-term part of long- term liabilities	Long-term debt 31 Dec 2019	Outstanding debt after 5 years
Bank debts	2.869.208	2.869.208	0	0
	2.869.208	2.869.208	0	0

Notes

All amounts in DKK.

19. Mortgage and securities

For bank debts, tDKK 2.869, the company has provided security in company assets representing a nominal value of tDKK 24.000. This security comprises the below assets, stating the book values:

Inventories	tDKK 48.536
Receivable from sales and services	tDKK 33.880
Intangible fixed assets	tDKK 360
Other plants, operating assets, and fixtures and furniture	tDKK 21.202

20. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of tDKK 68. The leasing contracts have 21 months left to run, and the total outstanding leasing payment is tDKK 118.

Other contingent liabilities

The company entered into leasing contracts with a total liability of tDKK 35.682. The leasing contracts' notice periods are between 1-63 months.

Joint taxation

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

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

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause 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 annual accounts

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