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Ganni A/S

Bremerholm 4, 1069 Copenhagen

Company reg. no. 21 66 47 31

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 28 June 2024.

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 Executive Board have approved the annual report of Ganni A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 28 June 2024

Executive board

Laura ASSIAI ép. DE L´ESTANG du RUSQUEC CEO	Raphael, Silvio Pierre ASARIA

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 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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, 28 June 2024

Grant Thornton
Certified 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	
Executive board	Laura ASSIAI ép. DE L´ESTANG du RUSQUEC, CEO Raphael, Silvio Pierre ASARIA	
Auditors	Grant Thornton, Godkendt 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 Ltd, Shanghai Ganni Canada Clothing Inc., Toronto	

Financial highlights

DKK in thousands.	2023	2022	2021	2020	2019
Income statement:					
Revenue	851.580	807.893	648.451	448.222	448.521
Gross profit	213.144	220.164	209.118	136.667	149.451
Results from operating activities (EBIT)	77.026	102.194	121.585	64.242	91.080
Net financials	-2.973	2.879	7.384	-2.337	382
Net profit or loss for the year	46.258	94.778	122.348	43.773	85.750
Statement of financial position:					
Balance sheet total	548.627	535.588	413.600	307.439	228.167
Investments in property, plant and equipment	6.042	4.164	5.122	12.763	1.360
Equity	415.395	390.922	314.203	222.452	182.813
Employees:					
Average number of full-time employees	172	171	135	112	101
Key figures in %:					
Profit margin (EBIT-margin)	9,0	12,6	18,8	14,3	20,3
Acid test ratio	303,4	286,1	319,9	284,0	364,4
Solvency ratio	75,7	73,0	76,0	72,4	80,1
Return on equity	11,5	26,9	45,6	21,6	61,3

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

Management´s review

Description of key activities of the company

The company's main activity consists of production of and trading with clothing and related activities under the brand GANNI. The company has subsidiaries in 9 countries.

Development in activities and financial matters

The revenue for the year totals DKK 851,6m against DKK 807,9m last year. Income from ordinary activities after tax totals DKK 46,3m against DKK 94,8m last year. The development must be seen in light of the fact that, according to the annual report 2022, the company expected the result and activity to be on a higher level than in 2022. The development in 2023 are not in line with the expectations due to the inflation crisis and several one-off costs in the year.

The operating performance of 2023 has been significantly impacted by non-recurring items, which are reflected in our costs. These non-recurring expenses have impacted our costs for a total of DKK 43 millions.

The current executive board was elected the 23 April 2024.

Expected developments

The result and activity for the coming financial year is expected to be on a higher level than in 2023.

Branches abroad

The company has a branch in South Korea.

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 2023 on: https://www.ganni.com/da/responsibility/2023-report-2025-vision.html

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2023
Board of Directors	
Total number of members of board of Directors, excluding employee-elected members	3
Underrepresented gender in board of Directors	33 %
Target figure of underrepresented gender in board of Directors	33 %
Year of expected fulfillment	0

Management´s review

Other management levels

Total number of other management levels	6
Underrepresented gender at other management levels	17 %
Target figure of underrepresented gender at other management levels	33 %
Year of expected fulfillment	2030

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 83 % of our other management levels in Ganni A/S is female. GANNI has aligned with the UN Women Empowerment Principles. The target figure for the underrepresented gender in Ganni A/S is set to 33 % (2 out of 6).

The Board of Directors (1 female & 2 male) consists of representatives from the owners. The Board of Directors are considered gender equal.

As the company's board of directors are considered gender equal no target figures and policies have been made for this level.

Policies for the company's other management levels
In relation to organizational changes and nomination of new management members, GANNI is focusing on the best person for the job based on knowledge, competence, and experience.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act
In Ganni we have established policies for data security and data ethics. We are very aware of the responsibility that we have in relation to proper handling of information provided to us in confidence by our customers and employees. No matter whether for external or internal use, all procedures and policies are approved by the group's top management.

On an ongoing basis, the staff receives information related training and a number of technical controls have been implemented comprising both cloud- and physical solutions. We always observe the highest level of security for all our processes.

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.

Change in accounting estimates

The write down model for obsolescence of inventories has been changed based on an updated product life cyclus.

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 in the Consolidated Financial Statement. 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)

Accounting policies

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.

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. Revenue is measured at the fair value of the consideration promised 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.

Accounting policies

Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

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, operating loss and conflict compensation as well as salary reimbursements received. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses

Other external expenses comprise expenses 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.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down 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 group enterprises

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

Accounting policies

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 costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3-5 years.

Patents, licenses, software and distributions rights are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period. Licenses, software and distributions rights are amortised the estimated useful economic life. The amortisation period is 3-5 years.

Profit and loss from the sale of development projects, patents, licenses software and distributions rights are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down 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.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

Accounting policies

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
Leasehold improvements	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.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

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.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Investments in group enterprises

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

Accounting policies

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.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises 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 group enterprises 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.

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 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. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

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.

The net realisable value for inventories is recognised as the estimated selling 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.

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.

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.

Accounting policies

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 ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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.

Accounting policies

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.

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

DKK thousand.

Note		2023	2022
2	Revenue	851.580	807.893
	Own work capitalised	9.143	5.117
	Other operating income	1.388	1.613
	Costs of raw materials and consumables	-439.205	-425.744
	Other external expenses	-209.762	-168.715
	Gross profit	**213.144**	**220.164**
4	Staff costs	-96.861	-93.300
	Depreciation, amortisation, and impairment	-39.257	-24.670
	Operating profit	**77.026**	**102.194**
	Income from investments in group enterprises	-8.512	13.184
	Other financial income from group enterprises	3.693	3.271
	Other financial income	102	239
5	Other financial expenses	-6.768	-630
	Pre-tax net profit or loss	**65.541**	**118.258**
6	Tax on net profit or loss for the year	-19.283	-23.480
7	**Net profit or loss for the year**	**46.258**	**94.778**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
8	Completed development projects, including patents and similar rights arising from development projects	12.957	7.520
9	Acquired concessions, patents, licenses, trademarks, and similar rights	41.615	38.840
	Total intangible assets	54.572	46.360
10	Other fixtures, fittings, tools and equipment	1.695	2.028
11	Leasehold improvements	11.332	11.400
	Total property, plant, and equipment	13.027	13.428
12	Investments in group enterprises	108.379	87.600
13	Deposits	4.561	4.180
	Total investments	112.940	91.780
	Total non-current assets	**180.539**	**151.568**
	Current assets		
	Manufactured goods and goods for resale	109.132	99.780
	Prepayments for goods	5.682	2.815
	Assets intended for sale	5.898	0
	Total inventories	120.712	102.595
	Trade receivables	77.531	105.942
	Receivables from group enterprises	109.532	102.919
	Other receivables	741	4.032
14	Prepayments	6.163	12.560
	Total receivables	193.967	225.453
	Cash and cash equivalents	53.409	55.972
	Total current assets	**368.088**	**384.020**
	Total assets	**548.627**	**535.588**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2023	2022
	Equity		
15	Contributed capital	1.572	1.572
	Reserve for net revaluation according to the equity method	44.273	54.570
	Reserve for development costs	10.106	5.865
	Reserve for foreign currency translation	0	2.400
	Retained earnings	309.444	306.515
	Proposed dividend for the financial year	50.000	20.000
	Total equity	**415.395**	**390.922**
	Provisions		
16	Provisions for deferred tax	11.926	10.440
	Total provisions	**11.926**	**10.440**
	Liabilities other than provisions		
	Bank loans	71	7.822
	Trade payables	84.579	75.963
	Payables to group enterprises	0	9.806
	Income tax payable	13.062	13.875
	Other payables	23.594	26.760
	Total short term liabilities other than provisions	121.306	134.226
	Total liabilities other than provisions	**121.306**	**134.226**
	Total equity and liabilities	**548.627**	**535.588**

1 Subsequent events
3 Fees for auditor
17 Charges and security
18 Contingencies
19 Related parties

Statement of changes in equity

DKK thousand.

	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 2022	1.572	39.445	879	460	251.848	20.000	314.204
Distributed dividend	0	0	0	0	0	-20.000	-20.000
Share of results	0	15.125	0	0	54.667	20.000	89.792
Transferred from results brought forward	0	0	4.986	0	0	0	4.986
Exchange rate adjustments	0	0	0	1.940	0	0	1.940
Equity 1 January 2023	1.572	54.570	5.865	2.400	306.515	20.000	390.922
Dissolution of previous revaluations	0	0	0	-2.400	0	0	-2.400
Distributed dividend	0	0	0	0	0	-20.000	-20.000
Share of results	0	-8.512	0	0	529	50.000	42.017
Transferred from results brought forward	0	0	4.241	0	0	0	4.241
Exchange rate adjustments	0	-1.785	0	0	0	0	-1.785
Currency changes	0	0	0	0	2.400	0	2.400
	1.572	**44.273**	**10.106**	**0**	**309.444**	**50.000**	**415.395**

Notes

DKK thousand.

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. Revenue

"Segmental statement"

DKK in thousands

	Denmark	United Kingdom	Other	Total
Geographically	108.210	110.744	632.626	851.580

3. Fees for 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.

	2023	2022
4. Staff costs		
Salaries and wages	87.397	83.889
Pension costs	7.285	7.164
Other costs for social security	2.179	2.247
	96.861	**93.300**
Executive board and board of directors	3.297	3.296
Average number of employees	172	171
5. Other financial expenses		
Financial costs, group enterprises	221	172
Other financial costs	6.547	458
	6.768	**630**

Notes

DKK thousand.

		2023	2022
6.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	17.400	19.139
	Adjustment for the year of deferred tax	1.486	4.028
	Adjustment of tax for previous years	397	313
		19.283	**23.480**

		2023	2022
7.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	-8.512	15.125
	Dividend for the financial year	50.000	20.000
	Transferred to retained earnings	529	54.667
	Transferred to reserve for entrepreneurial companies	4.241	4.986
	Total allocations and transfers	**46.258**	**94.778**

		2023	2022
8.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2023	11.103	3.554
	Additions during the year	9.286	7.549
	Cost 31 December 2023	**20.389**	**11.103**
	Amortisation and write-down 1 January 2023	-3.583	-2.427
	Amortisation for the year	-3.849	-1.156
	Amortisation and write-down 31 December 2023	**-7.432**	**-3.583**
	Carrying amount, 31 December 2023	**12.957**	**7.520**

The company’s development projects concern the development of a new denim-project as well as new internal IT systems. Ganni Denim 3.0 aims to create a platform for the Group 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. The new developed IT-systems helps improve effectivity and improves costumer experience.

Notes

DKK thousand.

		31/12 2023	31/12 2022
9.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2023	75.535	44.477
	Additions during the year	31.739	31.058
	Cost 31 December 2023	**107.274**	**75.535**
	Amortisation and write-down 1 January 2023	-36.695	-18.543
	Amortisation for the year	-28.964	-18.152
	Amortisation and write-down 31 December 2023	**-65.659**	**-36.695**
	Carrying amount, 31 December 2023	**41.615**	**38.840**
10.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	4.959	3.935
	Additions during the year	969	1.024
	Cost 31 December 2023	**5.928**	**4.959**
	Amortisation and write-down 1 January 2023	-2.931	-1.844
	Depreciation for the year	-1.302	-1.087
	Amortisation and write-down 31 December 2023	**-4.233**	**-2.931**
	Carrying amount, 31 December 2023	**1.695**	**2.028**
11.	**Leasehold improvements**		
	Cost 1 January 2023	27.285	24.145
	Additions during the year	5.073	3.140
	Cost 31 December 2023	**32.358**	**27.285**
	Depreciation and write-down 1 January 2023	-15.885	-11.610
	Depreciation for the year	-5.141	-4.275
	Depreciation and write-down 31 December 2023	**-21.026**	**-15.885**
	Carrying amount, 31 December 2023	**11.332**	**11.400**

Notes

DKK thousand.

		31/12 2023	31/12 2022
12.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2023	33.031	30.944
	Additions during the year	2.213	2.087
	Cost 31 December 2023	**35.244**	**33.031**
	Revaluations, opening balance 1 January 2023	60.812	43.903
	Correction of previous revaluations	0	325
	Results for the year before goodwill amortisation	-6.729	14.644
	Translation adjustment at year-end rate	-1.784	1.940
	Revaluations 31 December 2023	**52.299**	**60.812**
	Amortisation of goodwill, opening balance 1 January 2023	-6.243	-4.459
	Amortisation of goodwill for the year	-1.784	-1.784
	Depreciation on goodwill 31 December 2023	**-8.027**	**-6.243**
	Offsetting against debtors	28.863	0
	Set off against debtors and provisions for liabilities	**28.863**	**0**
	Carrying amount, 31 December 2023	**108.379**	**87.600**
	The item includes goodwill with an amount of	9.809	11.593

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 %
Ganni B.V.	Amsterdam	100 %
Ganni Shanghai Clothing Ltd	Shanghai	100 %
Ganni Canada Clothing Inc.	Toronto	100 %

Notes

DKK thousand.

		31/12 2023	31/12 2022
13.	**Deposits**		
	Cost 1 January 2023	4.180	4.096
	Additions during the year	381	84
	Cost 31 December 2023	**4.561**	**4.180**
	Carrying amount, 31 December 2023	**4.561**	**4.180**

14. Prepayments

Prepayments comprises of prepaid rent, insurance and subscriptions etc.

15.	**Contributed capital**		
	Contributed capital 1 January 2023	1.572	1.572
		1.572	**1.572**

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 2023	10.440	6.412
	Deferred tax of the results for the year	1.486	4.028
		11.926	**10.440**

Notes

DKK thousand.

17. Charges and security

For bank loans, TDKK 71, 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	109.132
Trade receivables	77.531
Tangible fixed assets	13.027
Intangible assets	54.572

18. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into 3 operational leases with an average annual lease payment of TDKK 385. The leases have between 9 and 24 months to maturity and total outstanding lease payments total TDKK 597.

Other contingent liabilities:

The company entered into leasing contracts with a total liablity of tDKK 166.682. The average monthly leasing is tDKK 1.050. The leasing contracts' notice periods are between 1- months.

The company is liable for 5 of the subsidiaries' leases with a total liability of tDKK 10.560.

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.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

Notes

DKK thousand.

18. Contingencies (continued)

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.