

# **Danish Fashion Co A/S**

**c/o Ganni A/S, Bremerholm 4, 1069 Copenhagen**

**Company reg. no. 38 74 79 32**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 30 June 2023.

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**Eduardo, Salvador Velasco**  
Chairman of the meeting

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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**

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Today, the Board of Directors and the Executive Board have approved the annual report of Danish Fashion Co A/S for the financial year 1 January - 31 December 2022.

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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

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, 30 June 2023

### **Executive board**

Andrea Baldo  
CEO

Ditte Reffstrup

### **Board of directors**

Eduardo, Salvador Velasco  
Chairman

Christian Mariager

Ditte Reffstrup

## **Independent auditor's report**

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### **To the Shareholders of Danish Fashion Co A/S**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Danish Fashion Co A/S for the financial year 1 January to 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Parent Company Financial Statements**

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

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

## **Independent auditor's report**

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### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

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 consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

## **Independent auditor's report**

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- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Statement on Management's Review**

Management is responsible for Management's Review.

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

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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, 30 June 2023

### **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

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### The company

Danish Fashion Co A/S  
c/o Ganni A/S  
Bremerholm 4  
1069 Copenhagen

Company reg. no. 38 74 79 32

Financial year: 1 January - 31 December

### Board of directors

Eduardo, Salvador Velasco, Chairman  
Christian Mariager  
Ditte Reffstrup

### Executive board

Andrea Baldo, CEO  
Ditte Reffstrup

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### Parent company

S.L.03 S.a r.l.

### Subsidiaries

Ganni A/S, Copenhagen  
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

## Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
<b>Income statement:</b>					
Revenue	1.202.113	895.535	567.157	562.421	412.203
Gross profit	359.235	322.431	184.980	207.295	149.168
Profit from operating activities	92.969	124.687	35.123	81.535	58.838
Net financials	-23.773	-17.659	-25.845	-21.735	-25.601
Net profit or loss for the year	42.534	75.315	-2.911	39.611	19.458
<b>Statement of financial position:</b>					
Balance Sheet Total	1.036.853	918.760	826.713	773.938	724.779
Investments in property, plant and equipment	49.778	22.031	24.725	25.755	13.483
Equity	556.204	511.731	432.013	439.058	399.533
<b>Cash flows:</b>					
Operating activities	95.190	27.355	87.237	76.841	46.440
Investing activities	-93.979	-44.801	-35.598	-68.843	-23.416
Financing activities	14.934	-2.505	-2.869	-1.055	-4.028
Total cash flows	16.145	-19.951	48.769	6.943	18.995
<b>Employees:</b>					
Average number of full-time employees	334	271	202	164	89
<b>Key figures in %:</b>					
Profit margin (EBIT-margin)	7,7	13,9	6,2	14,5	14,3
Acid test ratio	102,5	298,0	221,3	307,7	306,1
Solvency ratio	53,6	55,7	52,3	56,7	55,1

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

## Management's review

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### Description of key activities of the company

The principal activities and objects of the company are to provide management services, invest in and own shares and other financial instruments, and engage in other activities which, in the discretion of the board of directors, are directly or indirectly related thereto.

### Development in activities and financial matters

The revenue for the parent company for the year totals DKK 7,9m against DKK 12,3m last year. Income or loss from ordinary activities after tax totals DKK 42,5m against DKK 75,3m last year. Management considers the net profit or loss for the year satisfactory.

The revenue for the group for the year totals DKK 1.202,1m against DKK 895,5m last year. Income or loss from ordinary activities after tax totals DKK 42,5m against DKK 75,3m last year. The development must be seen in light of the fact that, according to the annual report 2021, the group expected higher revenue and results. The development in 2022 for revenue are in line the the expectations. The result is lower than expected due to high inflation and investments.

### 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 see our responsibility report for 2022 on: <https://responsibilityreport2022.ganni.com/>

### Expected developments

The result and activity for the coming financial year are expected to be on a higher level than in 2022.

### Branches abroad

The group has a branch in South Korea.

## **Management's review**

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

Please see our responsibility report for 2022 on: <https://responsibilityreport2022.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 54 % of our management is female which is considered gender equal. GANNI has aligned with the UN Women Empowerment Principles. At present, the executive board consists of one woman and one man (50/50). The Board of Directors (1 female & 2 male) consists of representatives from the owners. The Board of Directors are considered gender equal. 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.

### **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

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The annual report for Danish Fashion Co 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.

### 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.

### The consolidated financial statements

The consolidated income statements comprise the parent company Danish Fashion Co A/S and those group enterprises of which Danish Fashion Co A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

## Accounting policies

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Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

### Business combinations

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

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

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

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

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

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

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

## Income statement

### Revenue

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

## Accounting policies

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### Cost of sales

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

### 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. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

### Other external costs

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

### Staff costs

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

### 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 equity investment in the individual entities are recognised in the income statement of the parent 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.

## Accounting policies

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The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

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, licences, trademarks, software, key money and similar rights acquired**

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 10 years.

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

### Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 10 and 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategic acquirees with a strong market position and an expected longterm earnings profile.

## Accounting policies

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### 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.

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.

### 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 group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, 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

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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.

### 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.

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 5-20 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.

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.

## Accounting policies

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### Deposits

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

### Inventories

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

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

The net realisable value for inventories is recognised as the 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 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.

## Accounting policies

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### Income tax and deferred tax

As administration company, Danish Fashion Co A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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"

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

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

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

### Liabilities other than provisions

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

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

### Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

## Accounting policies

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### Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

### Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

### Segmental statement

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

## Income statement 1 January - 31 December

All amounts in DKK.

Note	Group		Parent	
	2022	2021	2022	2021
2 Revenue	1.202.112.798	895.534.880	7.912.874	12.297.180
Own work capitalised	5.117.210	0	0	0
Other operating income	1.612.626	2.060.063	0	0
Costs of raw materials and consumables	-594.838.553	-411.636.783	0	0
Other external expenses	-254.768.871	-163.526.882	-4.837.931	-584.029
<b>Gross profit</b>	<b>359.235.210</b>	<b>322.431.278</b>	<b>3.074.943</b>	<b>11.713.151</b>
4 Staff costs	-191.362.234	-138.035.809	-7.617.365	-11.713.151
Depreciation, amortisation, and impairment	-74.904.266	-59.707.985	0	0
<b>Operating profit</b>	<b>92.968.710</b>	<b>124.687.484</b>	<b>-4.542.422</b>	<b>0</b>
Income from investments in group enterprises	0	0	65.303.967	92.873.168
Other financial income from group enterprises	0	0	172.191	364.727
Other financial income	1.068.150	5.669.471	0	0
5 Other financial expenses	-24.841.363	-23.328.776	-23.564.231	-22.875.112
<b>Pre-tax net profit or loss</b>	<b>69.195.497</b>	<b>107.028.179</b>	<b>37.369.505</b>	<b>70.362.783</b>
6 Tax on net profit or loss for the year	-26.661.591	-31.713.098	5.164.401	4.952.298
<b>7 Net profit or loss for the year</b>	<b>42.533.906</b>	<b>75.315.081</b>	<b>42.533.906</b>	<b>75.315.081</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>				
8 Completed development projects, including patents and similar rights arising from development projects	7.519.433	1.126.539	0	0
9 Acquired concessions, patents, licenses, trademarks, and similar rights	42.003.503	29.382.556	0	0
10 Goodwill	451.936.110	483.680.540	0	0
Total intangible assets	<u>501.459.046</u>	<u>514.189.635</u>	<u>0</u>	<u>0</u>
11 Other fixtures, fittings, tools and equipment	2.721.867	3.649.606	0	0
12 Leasehold improvements	<u>77.705.577</u>	<u>49.221.581</u>	<u>0</u>	<u>0</u>
Total property, plant, and equipment	<u>80.427.444</u>	<u>52.871.187</u>	<u>0</u>	<u>0</u>
13 Investments in group enterprises	0	0	832.167.090	784.923.534
14 Deposits	<u>18.196.123</u>	<u>13.493.095</u>	<u>0</u>	<u>0</u>
Total investments	<u>18.196.123</u>	<u>13.493.095</u>	<u>832.167.090</u>	<u>784.923.534</u>
<b>Total non-current assets</b>	<b><u>600.082.613</u></b>	<b><u>580.553.917</u></b>	<b><u>832.167.090</u></b>	<b><u>784.923.534</u></b>
<b>Current assets</b>				
Manufactured goods and goods for resale	185.011.944	145.312.108	0	0
Prepayments for goods	<u>3.275.086</u>	<u>5.559.262</u>	<u>0</u>	<u>0</u>
Total inventories	<u>188.287.030</u>	<u>150.871.370</u>	<u>0</u>	<u>0</u>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade receivables	136.438.299	90.326.317	0	0
Receivables from group enterprises	0	0	9.805.828	15.125.175
15 Deferred tax assets	0	0	1.381.477	1.060.105
Income tax receivables	2.756.576	0	4.843.029	4.655.235
Other receivables	4.031.739	17.099.056	218.987	0
16 Prepayments	18.883.850	9.106.557	4.713	11.310
Total receivables	<u>162.110.464</u>	<u>116.531.930</u>	<u>16.254.034</u>	<u>20.851.825</u>
Cash and cash equivalents	<u>86.372.791</u>	<u>70.803.235</u>	<u>540.346</u>	<u>822.094</u>
<b>Total current assets</b>	<b><u>436.770.285</u></b>	<b><u>338.206.535</u></b>	<b><u>16.794.380</u></b>	<b><u>21.673.919</u></b>
<b>Total assets</b>	<b><u>1.036.852.898</u></b>	<b><u>918.760.452</u></b>	<b><u>848.961.470</u></b>	<b><u>806.597.453</u></b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>				
17	Contributed capital	1.500.000	1.500.000	1.500.000
	Reserve for net revaluation according to the equity method	0	0	200.769.494
	Reserve for foreign currency translation	0	0	2.399.148
	Retained earnings	554.704.010	510.230.515	351.535.368
	<b>Total equity</b>	<b>556.204.010</b>	<b>511.730.515</b>	<b>556.204.010</b>
<b>Provisions</b>				
18	Provisions for deferred tax	14.279.358	8.381.460	0
	<b>Total provisions</b>	<b>14.279.358</b>	<b>8.381.460</b>	<b>0</b>
<b>Liabilities other than provisions</b>				
19	Debt obtained by the issuance of bonds	0	247.112.929	0
20	Payables to group enterprises	7.396.772	6.978.086	7.396.772
21	Other payables	32.966.649	31.076.181	32.966.649
	<b>Total long term liabilities other than provisions</b>	<b>40.363.421</b>	<b>285.167.196</b>	<b>40.363.421</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current portion of long term liabilities	248.573.713	0	248.573.713	0
Bank loans	14.934.040	575.408	181.151	0
Trade payables	101.183.567	46.069.167	125.002	271.766
Income tax payable	10.483.519	8.687.419	0	0
Other payables	50.831.270	52.021.268	3.514.173	9.427.976
22 Deferred income	0	6.128.019	0	0
Total short term liabilities other than provisions	<u>426.006.109</u>	<u>113.481.281</u>	<u>252.394.039</u>	<u>9.699.742</u>
<b>Total liabilities other than provisions</b>	<b><u>466.369.530</u></b>	<b><u>398.648.477</u></b>	<b><u>292.757.460</u></b>	<b><u>294.866.938</u></b>
<b>Total equity and liabilities</b>	<b><u>1.036.852.898</u></b>	<b><u>918.760.452</u></b>	<b><u>848.961.470</u></b>	<b><u>806.597.453</u></b>

**1 Subsequent events****3 Fees for auditor****23 Charges and security****24 Contingencies****25 Related parties**

## Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2021	1.500.000	0	430.512.662	432.012.662
Share of results	0	0	75.315.081	75.315.081
Exchange rate adjustments	0	0	4.402.772	4.402.772
Equity 1 2022	1.500.000	0	510.230.515	511.730.515
Share of results	0	0	42.533.906	42.533.906
Exchange rate adjustments	0	0	1.939.589	1.939.589
	<b>1.500.000</b>	<b>0</b>	<b>554.704.010</b>	<b>556.204.010</b>

## Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2021	1.500.000	56.249.998	-3.943.213	378.205.877	432.012.662
Share of results	0	97.275.940	0	-21.960.859	75.315.081
Exchange rate adjustments	0	0	4.402.772	0	4.402.772
Equity 1 January 2022	1.500.000	153.525.938	459.559	356.245.018	511.730.515
Share of results	0	47.243.556	0	-4.709.650	42.533.906
Exchange rate adjustments	0	0	1.939.589	0	1.939.589
	<b>1.500.000</b>	<b>200.769.494</b>	<b>2.399.148</b>	<b>351.535.368</b>	<b>556.204.010</b>

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note	Group	
	2022	2021
Net profit or loss for the year	42.533.906	75.315.081
26 Adjustments	126.879.993	112.852.694
27 Change in working capital	-32.441.662	-102.451.086
Cash flows from operating activities before net financials	136.972.237	85.716.689
Interest received, etc.	1.068.150	5.669.470
Interest paid, etc.	-21.071.429	-33.774.166
Cash flows from ordinary activities	116.968.958	57.611.993
Income tax paid	-21.779.356	-30.257.125
<b>Cash flows from operating activities</b>	<b>95.189.602</b>	<b>27.354.868</b>
Purchase of intangible assets	-39.529.070	-20.074.598
Purchase of property, plant, and equipment	-49.777.508	-22.030.910
Purchase of fixed asset investments	-4.672.100	-2.695.382
<b>Cash flows from investment activities</b>	<b>-93.978.678</b>	<b>-44.800.890</b>
Changes in short-term bank loans	14.934.040	575.408
Payment of other debt related to earlier years acquisition	0	-3.080.000
<b>Cash flows from financing activities</b>	<b>14.934.040</b>	<b>-2.504.592</b>
<b>Change in cash and cash equivalents</b>	<b>16.144.964</b>	<b>-19.950.614</b>
Cash and cash equivalents at 1 January 2022	70.227.827	90.753.849
<b>Cash and cash equivalents at 31 December 2022</b>	<b>86.372.791</b>	<b>70.803.235</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	86.372.791	70.803.235
<b>Cash and cash equivalents at 31 December 2022</b>	<b>86.372.791</b>	<b>70.803.235</b>

## Notes

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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. Revenue

#### Segmental statement

DKK in thousands

	<u>Scandinavia</u>	<u>Italy</u>	<u>United States</u>	<u>United Kingdom</u>	<u>Other countries</u>	<u>Total</u>
Group	185.422	95.173	253.678	129.649	538.191	1.202.113

### 3. Fees for auditor

Total fee for Grant Thornton, State Authorised Public

Accountants

	Group <u>2022</u>	<u>2021</u>
Accountants	1.079.971	993.814
Fees for auditors performing statutory audit	395.000	385.200
Tax consultancy	248.223	398.338
Assurance engagements	3.500	31.188
Other services	433.248	179.088
	<u>1.079.971</u>	<u>993.814</u>

## Notes

All amounts in DKK.

	Group		Parent	
	2022	2021	2022	2021
<b>4. Staff costs</b>				
Salaries and wages	168.602.721	121.207.933	7.280.561	11.224.008
Pension costs	9.918.089	6.592.428	311.358	456.000
Other costs for social security	12.841.424	7.540.693	25.446	33.143
Other staff costs	0	2.694.755	0	0
	<b>191.362.234</b>	<b>138.035.809</b>	<b>7.617.365</b>	<b>11.713.151</b>
Executive board	4.677.507	5.823.527	4.677.507	2.203.000
Board of directors	420.000	420.000	420.000	0
<b>Executive board and board of directors</b>	<b>5.097.507</b>	<b>6.243.527</b>	<b>5.097.507</b>	<b>2.203.000</b>
Average number of employees	334	271	3	4
	Group		Parent	
	2022	2021	2022	2021
<b>5. Other financial expenses</b>				
Financial costs, group enterprises	418.685	394.986	418.685	394.986
Other financial costs	24.422.678	22.933.790	23.145.546	22.480.126
	<b>24.841.363</b>	<b>23.328.776</b>	<b>23.564.231</b>	<b>22.875.112</b>
<b>6. Tax on net profit or loss for the year</b>				
Tax of the results for the year	20.554.594	31.867.200	-4.843.029	-4.655.235
Adjustment for the year of deferred tax	5.616.663	211.798	-321.372	-297.063
Adjustment of tax for previous years	490.334	-365.900	0	0
	<b>26.661.591</b>	<b>31.713.098</b>	<b>-5.164.401</b>	<b>-4.952.298</b>

## Notes

All amounts in DKK.

### 7. Proposed distribution of net profit

Reserves for net revaluation according to the equity method	47.243.556	97.275.940
Allocated from retained earnings	-4.709.650	-21.960.859
<b>Total allocations and transfers</b>	<b>42.533.906</b>	<b>75.315.081</b>

	Group	
	31/12 2022	31/12 2021
<b>8. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 January 2022	3.553.726	2.197.421
Adjustment due to change of accounting policies	7.548.954	1.356.305
<b>Cost 31 December 2022</b>	<b>11.102.680</b>	<b>3.553.726</b>
Amortisation and write-down 1 January 2022	-2.427.187	-2.197.421
Amortisation for the year	-1.156.060	-229.766
<b>Amortisation and write-down 31 December 2022</b>	<b>-3.583.247</b>	<b>-2.427.187</b>
<b>Carrying amount, 31 December 2022</b>	<b>7.519.433</b>	<b>1.126.539</b>

The Group'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

All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>9. Acquired concessions, patents, licenses, trademarks, and similar rights</b>		
Cost 1 January 2022	52.912.219	37.991.715
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-211.909	0
Additions during the year	31.980.116	18.718.293
Disposals during the year	0	-6.378.789
Transfers	0	2.581.000
<b>Cost 31 December 2022</b>	<b>84.680.426</b>	<b>52.912.219</b>
Amortisation and write-down 1 January 2022	-23.529.663	-16.473.067
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	166.302	-1.993
Amortisation for the year	-19.313.562	-12.380.368
Reversal of depreciation, amortisation and writedown, assets disposed of	0	6.378.788
Transfers	0	-1.053.023
<b>Amortisation and write-down 31 December 2022</b>	<b>-42.676.923</b>	<b>-23.529.663</b>
<b>Carrying amount, 31 December 2022</b>	<b>42.003.503</b>	<b>29.382.556</b>
<b>10. Goodwill</b>		
Cost 1 January 2022	606.907.797	606.050.889
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-486.420	856.908
<b>Cost 31 December 2022</b>	<b>606.421.377</b>	<b>606.907.797</b>
Amortisation and write-down 1 January 2022	-123.227.257	-91.969.247
Amortisation for the year	-31.258.010	-31.258.010
<b>Amortisation and write-down 31 December 2022</b>	<b>-154.485.267</b>	<b>-123.227.257</b>
<b>Carrying amount, 31 December 2022</b>	<b>451.936.110</b>	<b>483.680.540</b>

## Notes

All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>11. Other fixtures, fittings, tools and equipment</b>		
Cost 1 January 2022	7.762.023	6.715.008
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	112.802	170.615
Additions during the year	1.470.327	2.790.852
Disposals during the year	0	-1.914.452
<b>Cost 31 December 2022</b>	<b>9.345.152</b>	<b>7.762.023</b>
Amortisation and write-down 1 January 2022	-4.112.417	-4.248.845
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-49.169	-127.117
Depreciation for the year	-2.461.699	-1.633.221
Reversal of depreciation, amortisation and writedown, assets disposed of	0	1.896.766
<b>Amortisation and write-down 31 December 2022</b>	<b>-6.623.285</b>	<b>-4.112.417</b>
<b>Carrying amount, 31 December 2022</b>	<b>2.721.867</b>	<b>3.649.606</b>
<b>12. Leasehold improvements</b>		
Cost 1 January 2022	79.964.708	60.846.566
Translation by use of the exchange rate valid on balance sheet date 31 December 2022	820.911	2.491.110
Additions during the year	48.307.181	19.240.057
Disposals during the year	0	-47.580
Transfers	0	-2.565.445
<b>Cost 31 December 2022</b>	<b>129.092.800</b>	<b>79.964.708</b>
Depreciation and write-down 1 January 2022	-30.743.127	-16.533.131
Translation by use of the exchange rate valid on balance sheet date	70.842	-1.103.976
Depreciation for the year	-20.714.938	-14.206.623
Reversal of depreciation, amortisation and writedown, assets disposed of	0	47.580
Transfers	0	1.053.023
<b>Depreciation and write-down 31 December 2022</b>	<b>-51.387.223</b>	<b>-30.743.127</b>
<b>Carrying amount, 31 December 2022</b>	<b>77.705.577</b>	<b>49.221.581</b>

## Notes

All amounts in DKK.

	Parent	
	31/12 2022	31/12 2021
<b>13. Investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2022	631.367.709	631.397.604
Additions during the year	-412.934	-29.895
<b>Cost 31 December 2022</b>	<b>630.954.775</b>	<b>631.367.709</b>
Revaluations, opening balance 1 January 2022	272.324.238	180.543.930
Results for the year before goodwill amortisation	95.191.373	122.377.536
Dividend	-20.000.000	-35.000.000
Equity movements in group enterprises	1.939.589	4.402.772
<b>Revaluation 31 December 2022</b>	<b>349.455.200</b>	<b>272.324.238</b>
Amortisation of goodwill, opening balance 1 January 2022	-118.768.413	-89.293.940
Amortisation of goodwill for the year	-29.474.472	-29.474.473
<b>Depreciation on goodwill 31 December 2022</b>	<b>-148.242.885</b>	<b>-118.768.413</b>
<b>Carrying amount, 31 December 2022</b>	<b>832.167.090</b>	<b>784.923.534</b>
<b>Group enterprises:</b>		
	<b>Domicile</b>	<b>Equity interest</b>
Ganni A/S	Copenhagen	100 %
Ganni Inc.	Delaware	100 %
Ganni Limited	London	100 %
Ganni AB	Stockholm	100 %
Ganni SAS	Paris	100 %
Ganni Norway AS	Olso	100 %
Ganni GmbH	Hamburg	100 %
Ganni B.V.	Amsterdam	100 %
Ganni Shanghai Clothing Ltd	Shanghai	100 %
Ganni Canada Clothing Inc.	Toronto	100 %

## Notes

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All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>14. Deposits</b>		
Cost 1 January 2022	13.493.095	10.345.186
Translation by use of the exchange rate valid on balance sheet date	30.928	452.526
Disposals during the year	0	-115.382
Additions during the year	4.672.100	2.810.765
<b>Cost 31 December 2022</b>	<b>18.196.123</b>	<b>13.493.095</b>
 <b>Carrying amount, 31 December 2022</b>	 <b>18.196.123</b>	 <b>13.493.095</b>

	Parent	
	31/12 2022	31/12 2021
<b>15. Deferred tax assets</b>		
Deferred tax assets 1 January 2022	1.060.105	763.042
Deferred tax of the results for the year	321.372	297.063
	<b>1.381.477</b>	<b>1.060.105</b>

## 16. Prepayments

Prepayments comprises of prepaid rent, insurance and subscriptions etc.

## 17. Contributed capital

The share capital consists of 1.500.000 shares, each with a nominal value of DKK 1. No shares hold particular rights.

After the founding of the company the following changes in the share capital have taken place:

Cash capital increase amounting to DKK 265.000 the 19 December 2017 at rate 73.365,91.

Capital increase the 20 december 2017 by conversion of debt, DKK 735.000, at rate 25.479,69.

## Notes

All amounts in DKK.

The company has issued warrants to a group of employees whereby they can subscribe shares in the company up to a nominal amount of 30.000 warrants. The set subscription price is DKK 100 per warrant, which corresponds to fair value. The Warrants can only be exercised in the period 1 June 2028 to 30 June 2028 ("Late Exercise Event"), or in connection with the earlier occurrence of a Sale or an IPO. The exercise price of each Warrant is DKK 1.

Of the total warrant program, 30.000, the CEO was granted 9.600 warrants in 2018. The CEO has the same terms as described above.

The company has issued 29.221 warrents as of 31 December 2022 for comparision there was issued 28.439 warrents in 2021. The amount paid DKK 2.922.100 (2021: DKK 2.843.899) are recognized under other debts.

	Group	
	31/12 2022	31/12 2021
<b>18. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2022	8.381.460	7.320.214
Deferred tax of the results for the year	5.616.663	1.061.246
Deferred tax exchange rate adjustment	281.235	0
	<b>14.279.358</b>	<b>8.381.460</b>

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

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>19. Debt obtained by the issuance of bonds</b>				
Total debt obtained by the issuance of bonds	248.573.713	247.112.929	248.573.713	247.112.929
Share of amount due within 1 year	-248.573.713	0	-248.573.713	0
	<b>0</b>	<b>247.112.929</b>	<b>0</b>	<b>247.112.929</b>

## Notes

All amounts in DKK.

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>20. Payables to group enterprises</b>				
Total payables to group enterprises	7.396.772	6.978.086	7.396.772	6.978.086
Share of amount due within 1 year	0	0	0	0
<b>Total payables to group enterprises</b>	<b>7.396.772</b>	<b>6.978.086</b>	<b>7.396.772</b>	<b>6.978.086</b>
Share of liabilities due after 5 years	0	0	0	0
No fixed maturity has been agreed and thus it is not possible to state how much of the loan is due for payment later than 5 years from the balance sheet date.				

## 21. Other payables

Total other payables	32.966.649	31.076.181	32.966.649	31.076.181
Share of amount due within 1 year	0	0	0	0
<b>Total other payables</b>	<b>32.966.649</b>	<b>31.076.181</b>	<b>32.966.649</b>	<b>31.076.181</b>

No fixed maturity has been agreed and thus it is not possible to state how much of the loan is due for payment later than 5 years from the balance sheet date.

## 22. Deferred income

Deferred income relates to received prepayments from costumers.

## 23. Charges and security

As collateral for bond loan, tDKK 244.574, the company and group has pledged all shares in Ganni A/S, booked value tDKK 832.167 at 31 December 2022, and two bank accounts where the deposit at 31 December 2022 amounts to tDKK 540.

## Notes

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All amounts in DKK.

### 23. Charges and security (continued)

For group bank loans, tDKK 7.822, Ganni A/S has provided security in company assets representing a nominal value of DKK 24.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	99.780
Trade receivables	99.991
Intangible fixed assets	46.359
Tangible fixed assets	13.429

### 24. Contingencies

#### Contingent liabilities

##### Lease liabilities

The group has entered into operational leasing contracts with an average annual leasing payment of tDKK 1.217. The leasing contracts have between 2 and 36 months left to run, and the total outstanding leasing payment is tDKK 1.670.

##### Other contingent liabilities:

The group entered into leasing contracts with a total liability of tDKK 206.403. The leasing contracts' notice periods are between 1-85 months.

A third party has initiated legal proceedings against the Group based on trademark infringement. The Management disagrees to this and finds that the alleged trademarks are invalid. The Management assesses that any outcome of the case will not lead to material financial impact on the company which are not already accounted for as of 31 December 2022.

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay 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 taxes, etc., may result in changes in the company's liabilities.

## Notes

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All amounts in DKK.

### 25. 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

#### Transactions

All transactions have been made on market terms.

## Notes

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All amounts in DKK.

	Group 2022	2021
<b>26. Adjustments</b>		
Depreciation, amortisation, and impairment	74.904.265	59.707.985
Other financial income	-1.068.150	-5.669.471
Other financial expenses	24.841.364	23.328.775
Tax on net profit or loss for the year	26.661.592	31.713.101
Other adjustments	1.540.922	3.772.304
	<b><u>126.879.993</u></b>	<b><u>112.852.694</u></b>
<b>27. Change in working capital</b>		
Change in inventories	-37.415.659	-76.512.001
Change in receivables	-38.990.572	-57.154.277
Change in trade payables and other payables	43.964.569	31.215.192
	<b><u>-32.441.662</u></b>	<b><u>-102.451.086</u></b>