Grant Thornton

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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 2021

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

Eduardo, Salvador Velasco
Chairman of the meeting

Contents

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

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Danish Fashion Co A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the 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 2021, 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 2021.

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

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

Copenhagen, 23 May 2022

Executive board

Andrea Baldo CEO	Ditte Reffstrup

Board of directors

Eduardo, Salvador Velasco Chairman	Christian Mariager	Ditte Reffstrup

Independent auditor's report

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 2021, 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 2021, 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 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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

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

- 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, 23 May 2022

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

Brian Rasmussen
State Authorised Public Accountant
mne30153

Simon Mørner Nielsen
State Authorised Public Accountant
mne46622

Company information

The company	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, Olso Ganni GmbH, Hamburg Ganni B.V., Amsterdam Ganni (Shanghai) Clothing Co. Ltd, Shanghai

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	895.535	567.157	562.421	412.203	4.600
Gross profit	322.431	184.980	207.295	149.168	398
Profit from operating activities	124.687	35.123	81.535	58.838	-2.125
Net financials	-17.659	-25.845	-21.735	-25.601	-702
Net profit or loss for the year	75.315	-2.911	39.611	19.458	-2.397
Statement of financial position:					
Results for the year	918.760	826.713	773.938	724.779	690.771
Equity	511.731	432.013	439.058	399.533	379.626
Cash flows:					
Operating activities	27.355	87.237	76.841	46.440	13.480
Investing activities	-44.801	-35.598	-68.843	-23.416	-631.589
Financing activities	-3.080	-2.869	-1.055	-4.028	643.247
Total cash flows	-20.526	48.769	6.943	18.995	25.138
Employees:					
Average number of full-time employees	271	202	164	89	70
Key figures in %:					
Profit margin (EBIT-margin)	13,9	6,2	14,5	14,3	-46,2
Acid test ratio	298,0	221,3	307,7	306,1	-
Solvency ratio	55,7	52,3	56,7	55,1	55,0

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

The financial highlights for 2017 solely comprise the period 20 December to 31 December.

Management´s review

The principal activities of the group

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 disrection of the board of directors, are directly or indirectly related thereto.

The principal activities of the group are production of and trading with clothing and related activities.

Development in activities and financial matters

The revenue for the year is DKK 12,3m for the parent company and DKK 895,5m for the group. The results from ordinary activities after tax are DKK 75,3m. Management considers the results for the year satisfactory.

Due to the lockdown, the group has filed for compensation in the form of the governmental relief packages relating to the Covid-19 crisis, including compensation for fixed costs and wage compensation. The size of the compensation schemes amounts to DKK 2,1 million and has been recognized in the annual report under Other operating income. Specification hereof is in Note 2 under Special items.

Environmental issues

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

Please see our responsibility report for 2021 where the 44 goals and progress are outlined: https://responsibilityreport2021.ganni.com/

Expected developments

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

Branches abroad

The group has a branch in South Korea.

Management´s review

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

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

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

GANNI focuses on value creation through several policies targeting gender equality and diversity in our recruiting efforts and leadership development. There is a vast majority of female employees throughout the organization and 56 % 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. In relation to organizational changes and nomination of new board and management members, GANNI is focusing on the best person for the job based on knowledge, competence, and experience.

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

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

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

Accounting policies

The annual report for 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. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

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

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Accounting policies

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' market value of net assets and liabilities at the acquisition date.

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.

Accounting policies

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

Income statement

Revenue

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

Cost of sales

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

Other operating income

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

Other external costs

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Financial income and expenses

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

Accounting policies

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

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

The 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, licenses, trademarks, software, key money and similar rights acquired
Development projects, patents, licenses, trademarks, software, key money and similar rights acquired comprises of develoment costs, software and distribution rights. These are measured at cost less accrued amortisation. Development projects, patents, licenses, trademarks, and similar rights acquired are amortised on an assessment of the expected useful life, for a maximum of 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 strategical acquirees with a strong market position and an expected longterm earnings profile.

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

Accounting policies

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

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

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

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

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

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

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

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The 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 subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

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

Accounting policies

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

Investments

Investments in subsidiaries

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

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

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 enterpriseswith 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 subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

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

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

Deposits

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

Inventories

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

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

Accounting policies

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

Receivables

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

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

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

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

Prepayments

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

Cash and cash equivalents

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

Equity

Reserve for net revaluation according to the equity method

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

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

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation

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

Accounting policies

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

The reserve is distributable.

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 ”Income tax receivable” or “Income tax payable”.

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.

Accounting policies

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.

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 at bank and in hand with deduction of short-term bank debts.

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 2021	Group 2020	Parent 2021	Parent 2020
3	Revenue	895.534.880	567.157.309	12.297.180	9.152.338
	Other operating income	2.060.063	6.550.000	0	0
	Costs of raw materials and consumables	-411.636.783	-265.323.564	0	0
	Other external expenses	-163.526.882	-123.403.865	-584.029	-730.746
	Gross profit	**322.431.278**	**184.979.880**	**11.713.151**	**8.421.592**
5	Staff costs	-138.035.809	-98.165.062	-11.713.151	-8.421.592
	Depreciation, amortisation, and impairment	-59.707.985	-51.692.108	0	0
	Operating profit	**124.687.484**	**35.122.710**	**0**	**0**
	Income from investments in subsidiaries	0	0	92.873.168	14.298.171
	Other financial income from subsidiaries	0	0	364.727	151.278
	Other financial income	5.669.471	466.124	0	0
6	Other financial expenses	-23.328.776	-26.310.628	-22.875.112	-22.082.429
	Pre-tax net profit or loss	**107.028.179**	**9.278.206**	**70.362.783**	**-7.632.980**
7	Tax on net profit or loss for the year	-31.713.098	-12.189.528	4.952.298	4.721.657
8	**Net profit or loss for the year**	**75.315.081**	**-2.911.322**	**75.315.081**	**-2.911.323**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
9	Completed development projects, including patents and similar rights arising from development projects	1.126.539	0	0	0
10	Acquired concessions, patents, licenses, trademarks, and similar rights	29.382.556	21.518.648	0	0
11	Goodwill	483.680.540	514.081.642	0	0
	Total intangible assets	514.189.635	535.600.290	0	0
12	Other fixtures and fittings, tools and equipment	3.649.606	2.466.163	0	0
13	Leasehold improvements	49.221.581	44.313.435	0	0
	Total property, plant, and equipment	52.871.187	46.779.598	0	0
14	Investments in subsidiaries	0	0	784.923.534	722.647.594
15	Deposits	13.493.095	10.345.186	0	0
	Total investments	13.493.095	10.345.186	784.923.534	722.647.594
	Total non-current assets	**580.553.917**	**592.725.074**	**784.923.534**	**722.647.594**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Current assets				
	Manufactured goods and goods for resale	145.312.108	73.703.124	0	0
	Prepayments for goods	5.559.262	656.245	0	0
	Total inventories	150.871.370	74.359.369	0	0
	Trade receivables	90.326.317	51.620.223	0	0
	Receivables from subsidiaries	0	0	15.125.175	4.652.106
16	Deferred tax assets	0	0	1.060.105	763.042
	Income tax receivables	0	0	4.655.235	4.550.279
	Other receivables	17.099.056	1.940.226	0	0
17	Prepayments	9.106.557	5.817.203	11.310	3.297
	Total receivables	116.531.930	59.377.652	20.851.825	9.968.724
	Cash and cash equivalents	70.803.235	100.251.316	822.094	632.949
	Total current assets	**338.206.535**	**233.988.337**	**21.673.919**	**10.601.673**
	Total assets	**918.760.452**	**826.713.411**	**806.597.453**	**733.249.267**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

		Group		Parent	
Note		2021	2020	2021	2020
	Equity				
18	Contributed capital	1.500.000	1.500.000	1.500.000	1.500.000
	Reserve for net revaluation according to the equity method	0	0	153.525.938	56.249.998
	Reserve for foreign currency translation	0	0	459.559	-3.943.213
	Retained earnings	510.230.515	430.512.662	356.245.018	378.205.877
	Total equity	**511.730.515**	**432.012.662**	**511.730.515**	**432.012.662**
	Provisions				
19	Provisions for deferred tax	8.381.460	7.320.214	0	0
	Total provisions	**8.381.460**	**7.320.214**	**0**	**0**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	Group 2021	Group 2020	Parent 2021	Parent 2020
	Liabilities other than provisions				
20	Debts obtained by the issuance of bonds	247.112.929	245.762.641	247.112.929	245.762.641
21	Payables to subsidiaries	6.978.086	6.583.096	6.978.086	6.583.096
22	Other payables	31.076.181	29.294.121	31.076.181	29.294.121
	Total long term liabilities other than provisions	285.167.196	281.639.858	285.167.196	281.639.858
	Bank loans	575.408	9.497.467	0	0
	Trade payables	46.069.167	30.304.946	271.766	65.000
	Income tax payable	8.687.419	6.187.225	0	0
	Other payables	52.021.268	59.751.039	9.427.976	19.531.747
23	Deferred income	6.128.019	0	0	0
	Total short term liabilities other than provisions	113.481.281	105.740.677	9.699.742	19.596.747
	Total liabilities other than provisions	**398.648.477**	**387.380.535**	**294.866.938**	**301.236.605**
	Total equity and liabilities	**918.760.452**	**826.713.411**	**806.597.453**	**733.249.267**

1 Subsequent events
2 Special items
4 Fees, auditor
24 Charges and security
25 Contingencies
26 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 2020	1.500.000	0	437.557.551	439.057.551
Share of results	0	0	-2.911.323	-2.911.323
Exchange rate adjustments	0	0	-4.133.566	-4.133.566
Equity 1 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
	1.500.000	**0**	**510.230.515**	**511.730.515**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2020	1.500.000	81.085.393	0	356.472.158	439.057.551
Share of results	0	-20.701.829	0	17.790.506	-2.911.323
Exchange rate adjustments	0	0	-4.133.566	0	-4.133.566
Transferred between equity reserves	0	-4.133.566	190.353	3.943.213	0
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
	1.500.000	**153.525.938**	**459.559**	**356.245.018**	**511.730.515**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	2020
	Net profit or loss for the year	75.315.081	-2.911.322
27	Adjustments	112.852.694	88.371.009
28	Change in working capital	-102.451.086	18.664.324
	Cash flows from operating activities before net financials	85.716.689	104.124.011
	Interest received, etc.	5.669.470	466.124
	Interest paid, etc.	-33.774.166	-9.032.926
	Cash flows from ordinary activities	57.611.993	95.557.209
	Income tax paid	-30.257.125	-8.320.290
	Cash flows from operating activities	**27.354.868**	**87.236.919**
	Purchase of intangible assets	-20.074.598	-8.328.943
	Purchase of property, plant, and equipment	-22.030.910	-24.724.969
	Purchase of fixed asset investments	-2.695.382	-2.544.339
	Cash flows from investment activities	**-44.800.890**	**-35.598.251**
	Repayments of long-term payables	0	-2.869.208
	Payment of other debt relating to earlier years aquisition	-3.080.000	0
	Cash flows from investment activities	**-3.080.000**	**-2.869.208**
	Change in cash and cash equivalents	**-20.526.022**	**48.769.460**
	Cash and cash equivalents at 1 January 2021	90.753.849	41.984.389
	Cash and cash equivalents at 31 December 2021	**70.227.827**	**90.753.849**
	Cash and cash equivalents		
	Cash and cash equivalents	70.803.235	100.251.316
	Short-term bank loans	-575.408	-9.497.467
	Cash and cash equivalents at 31 December 2021	**70.227.827**	**90.753.849**

Notes

All amounts in DKK.

1. Subsequent events

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

2. Special items

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

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

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

	Group		Parent	
	2021	2020	2021	2020
Income:				
State support help packages, Covid-19	2.060.063	6.550.000	2.060.063	6.550.000
	2.060.063	6.550.000	2.060.063	6.550.000
Special items are recognised in the following items in the financial statements:				
Other operating income	2.060.063	6.550.000	0	0
Income from equity investments in group enterprises	0	0	2.060.063	6.550.000
Profit of special items, net	**2.060.063**	**6.550.000**	**2.060.063**	**6.550.000**

Notes

All amounts in DKK.

3. Revenue

Segmental statement

DKK in thousands

	Denmark	Norway	United States	United Kingdom	Other countries	Total
Group	105.197	64.916	194.158	86.482	444.782	895.535

	Group 2021	2020
4. Fees, auditor		
Total fee for Grant Thornton, State Authorised Public Accountants	993.814	742.830
Fee concerning statutory audit	385.200	257.750
Tax consultancy	398.338	48.340
Assurance engagements	31.188	46.000
Other services	179.088	390.740
	993.814	**742.830**

	Group 2021	2020	Parent 2021	2020
5. Staff costs				
Salaries and wages	121.207.933	89.272.640	11.224.008	7.944.508
Pension costs	6.592.428	4.063.407	456.000	456.000
Other costs for social security	7.540.693	4.640.133	33.143	21.084
Other staff costs	2.694.755	188.882	0	0
	138.035.809	**98.165.062**	**11.713.151**	**8.421.592**
Executive board	5.823.527	4.679.462	2.203.000	3.721.046
Board of directors	420.000	0	0	0
Executive board and board of directors	**6.243.527**	**4.679.462**	**2.203.000**	**3.721.046**
Average number of employees	271	202	4	4

Notes

All amounts in DKK.

	Group 2021	Group 2020	Parent 2021	Parent 2020
6. Other financial expenses				
Financial costs, group enterprises	394.986	372.624	394.986	372.624
Other financial costs	22.933.790	25.938.004	22.480.126	21.709.805
	23.328.776	**26.310.628**	**22.875.112**	**22.082.429**

	Group 2021	Group 2020	Parent 2021	Parent 2020
7. Tax on net profit or loss for the year				
Tax of the results for the year	31.867.200	10.019.857	-4.655.235	-4.550.279
Adjustment for the year of deferred tax	211.798	541.024	-297.063	-274.595
Adjustment of tax for previous years	-365.900	1.628.647	0	103.217
	31.713.098	**12.189.528**	**-4.952.298**	**-4.721.657**

	Parent 2021	Parent 2020
8. Proposed appropriation of net profit		
Reserves for net revaluation according to the equity method	97.275.940	-20.701.829
Transferred to retained earnings	0	17.790.506
Allocated from retained earnings	-21.960.859	0
Total allocations and transfers	**75.315.081**	**-2.911.323**

Notes

All amounts in DKK.

		Group	
		31/12 2021	31/12 2020
9.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2021	2.197.421	2.197.421
	Additions during the year	1.356.305	0
	Cost 31 December 2021	**3.553.726**	**2.197.421**
	Amortisation and writedown 1 January 2021	-2.197.421	-1.947.926
	Amortisation for the year	-229.766	-249.495
	Amortisation and writedown 31 December 2021	**-2.427.187**	**-2.197.421**
	Carrying amount, 31 December 2021	**1.126.539**	**0**

The Group's development projects concern the development of a new denim-project. 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.

		Group	
		31/12 2021	31/12 2020
10.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2021	37.991.715	33.430.095
	Additions during the year	18.718.293	8.328.943
	Disposals during the year	-6.378.789	-3.767.323
	Transfers	2.581.000	0
	Cost 31 December 2021	**52.912.219**	**37.991.715**
	Amortisation and writedown 1 January 2021	-16.473.067	-13.074.583
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-1.993	0
	Amortisation for the year	-12.380.368	-7.165.807
	Reversal of depreciation, amortisation and writedown, assets disposed of	6.378.788	0
	Transfers	-1.053.023	3.767.323
	Amortisation and writedown 31 December 2021	**-23.529.663**	**-16.473.067**
	Carrying amount, 31 December 2021	**29.382.556**	**21.518.648**

Notes

All amounts in DKK.

	Group 31/12 2021	31/12 2020
11. Goodwill		
Cost 1 January 2021	606.050.889	607.104.682
Translation by use of the exchange rate valid on balance sheet date 31 December 2021	856.908	-1.053.793
Cost 31 December 2021	**606.907.797**	**606.050.889**
Amortisation and writedown 1 January 2021	-91.969.247	-60.711.237
Amortisation for the year	-31.258.010	-31.258.010
Amortisation and writedown 31 December 2021	**-123.227.257**	**-91.969.247**
Carrying amount, 31 December 2021	**483.680.540**	**514.081.642**

	Group 31/12 2021	31/12 2020
12. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	6.715.008	7.246.351
Translation by use of the exchange rate valid on balance sheet date 31 December 2021	170.615	-271.279
Additions during the year	2.790.852	1.086.381
Disposals during the year	-1.914.452	-488.653
Transfers	0	-857.792
Cost 31 December 2021	**7.762.023**	**6.715.008**
Amortisation and writedown 1 January 2021	-4.248.845	-3.560.996
Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-127.117	97.739
Depreciation for the year	-1.633.221	-1.274.241
Reversal of depreciation, amortisation and writedown, assets disposed of	1.896.766	488.653
Amortisation and writedown 31 December 2021	**-4.112.417**	**-4.248.845**
Carrying amount, 31 December 2021	**3.649.606**	**2.466.163**

Notes

All amounts in DKK.

13. Leasehold improvements

Cost 1 January 2021	60.846.566	41.415.664
Translation by use of the exchange rate valid on balance sheet date 31 December 2021	2.491.110	-1.740.798
Additions during the year	19.240.057	23.638.588
Disposals during the year	-47.580	-3.324.681
Transfers	-2.565.445	857.793
Cost 31 December 2021	**79.964.708**	**60.846.566**
Depreciation and writedown 1 January 2021	-16.533.131	-8.351.446
Translation by use of the exchange rate valid on balance sheet date	-1.103.976	238.189
Depreciation for the year	-14.206.623	-11.744.555
Reversal of depreciation, amortisation and writedown, assets disposed of	47.580	3.324.681
Transfers	1.053.023	0
Depreciation and writedown 31 December 2021	**-30.743.127**	**-16.533.131**
Carrying amount, 31 December 2021	**49.221.581**	**44.313.435**

Notes

All amounts in DKK.

14. Investments in subsidiaries

Acquisition sum, opening balance 1 January 2021	631.397.604	631.397.604
Additions during the year	-29.895	0
Cost 31 December 2021	**631.367.709**	**631.397.604**
Revaluations, opening balance 1 January 2021	180.543.930	140.904.853
Results for the year before goodwill amortisation	122.377.536	43.772.643
Dividend	-35.000.000	0
Equity movements in group enterprises	4.402.772	-4.133.566
Revaluation 31 December 2021	**272.324.238**	**180.543.930**
Amortisation of goodwill, opening balance 1 January 2021	-89.293.940	-59.879.468
Amortisation of goodwill for the year	-29.474.473	-29.414.472
Depreciation on goodwill 31 December 2021	**-118.768.413**	**-89.293.940**
Carrying amount, 31 December 2021	**784.923.534**	**722.647.594**
The item includes goodwill with an amount of	470.720.933	500.195.405

Subsidiaries:

	Domicile	**Equity interest**
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 Co. Ltd	Shanghai	100 %

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
15. Deposits				
Cost 1 January 2021	10.345.186	8.195.058	0	93.750
Translation by use of the exchange rate valid on balance sheet date	452.526	-394.211	0	0
Disposals during the year	-115.382	-1.583.309	0	-93.750
Additions during the year	2.810.765	4.127.648	0	0
Cost 31 December 2021	**13.493.095**	**10.345.186**	**0**	**0**
Carrying amount, 31 December 2021	**13.493.095**	**10.345.186**	**0**	**0**

16. Deferred tax assets

Deferred tax assets concerns loan costs. Deferred tax assets are expected to be used within the joint taxation group.

17. Prepayments

Accrued income and deferred expenses comprises of prepaid rent, insurance and subscriptions etc.

18. 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 warrents. 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 9.000 warrants in 2018. The CEO has the same terms as described above.

The company has issueed 28.439 warrents as of 31 December 2021 for comparision there was issued 22.126 warrents in 2020. The amount paid DKK 2.843.899 (2020: DKK 2,212,600) are recognized under other debts.

		Group	
		31/12 2021	31/12 2020
19.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2021	7.320.214	3.891.597
	Deferred tax of the results for the year	1.061.246	541.024
	Change in provisions for deferred tax, last year	0	32.927
	Transfer from income tax payable	0	2.854.666
		8.381.460	**7.320.214**

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

Notes

All amounts in DKK.

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
20.	**Debts obtained by the issuance of bonds**				
	Debts obtained by the issuance of bonds in total	247.112.929	245.762.641	247.112.929	245.762.641
	Share of amount due within 1 year	0	0	0	0
	Debts obtained by the issuance of bonds in total	**247.112.929**	**245.762.641**	**247.112.929**	**245.762.641**
	Share of liabilities due after 5 years	0	0	0	0
21.	**Payables to subsidiaries**				
	Total payables to subsidiaries	6.978.086	6.583.096	6.978.086	6.583.096
	Share of amount due within 1 year	0	0	0	0
	Total payables to subsidiaries	**6.978.086**	**6.583.096**	**6.978.086**	**6.583.096**

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.

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
22.	**Other payables**				
	Total other payables	31.076.181	29.294.121	31.076.181	29.294.121
	Share of amount due within 1 year	0	0	0	0
	Total other payables	**31.076.181**	**29.294.121**	**31.076.181**	**29.294.121**

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.

Notes

All amounts in DKK.

23. Deferred income

Deferred income relates to received prepayments from costumers.

24. Charges and security

As collateral for bond loan, tDKK 247.113, the company and group has pledged all shares in Ganni A/S, booked value tDKK 784.953 at 31 December 2021, and two bank accounts where the deposit at 31 December 2021 amounts to tDKK 727.

For group bank loans, tDKK 575, 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	79.085
Trade receivables	68.525
Intagible fixed assets	25.934
Tangible fixed assets	14.626

25. Contingencies

Contingent liabilities

Lease liabilities

The group has entered into operational leasing contracts with an average annual leasing payment of tDKK 1.054. The leasing contracts have between 29 and 48 months left to run, and the total outstanding leasing payment is tDKK 2.658.

Other contingent liabilities:

The group entered into leasing contracts with a total liablity of tDKK 147.107. The leasing contracts' notice periods are between 1-99 months.

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.

Notes

All amounts in DKK.

25. Contingencies (continued)

Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

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

26. 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

All amounts in DKK.

		Group 2021	2020
27.	**Adjustments**		
	Depreciation, amortisation, and impairment	59.707.985	51.692.108
	Other financial income	-5.669.471	-466.124
	Other financial expenses	23.328.775	26.310.628
	Tax on net profit or loss for the year	31.713.101	12.189.528
	Other adjustments	3.772.304	-1.355.131
		112.852.694	**88.371.009**

		Group 2021	2020
28.	**Change in working capital**		
	Change in inventories	-76.512.001	-4.172.406
	Change in receivables	-57.154.277	-10.707.614
	Change in trade payables and other payables	31.215.192	33.544.344
		-102.451.086	**18.664.324**