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 2020

The annual report was submitted and approved by the general meeting on the 12 May 2021.

Eduardo, Salvador Velasco
Chairman of the meeting

Contents

Notes to users of the English version of this document:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the executive board have presented the annual report of Danish Fashion Co A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2020, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 12 May 2021

Executive board

Andrea Baldo CEO	Ditte Reffstrup

Board of directors

Eduardo, Salvador Velasco Chairman	Pierre-Axel, Emmanuel Botuha	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 financial statements of Danish Fashion Co A/S for the financial year 1 January to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively and consolidated statement af cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2020 and of the results of the company's activities, consolidated and of the company, respectivelyand of consolidated cash flows , for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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 annual accounts and the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements 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 financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 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 financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 12 May 2021

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

Brian Rasmussen	Simon Mørner Nielsen
State Authorised Public Accountant	State Authorised Public Accountant
mne30153	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 Pierre-Axel, Emmanuel Botuha 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

Consolidated financial highlights

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

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 9,1m for the parent company and DKK 567,2m for the group. The results from ordinary activities after tax are DKK -2,9m. The management considers the results unsatisfactory.

This year's activity and results are on par with those anticipated in the annual report for 2019 due to the impact of COVID-19.

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 6,6 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.

To help us navigate the ever evolving landscape of sustainability, in October 2020, we appointed an external responsibility board to support us in becoming the most responsible version of ourselves. We wanted to bring in external voices to hold ourselves accountable and to ensure independent perspectives are represented in our decision making - perspectives that are not tied to GANNI’s financial performance.

Please see our responsibility report for 2020 where the 44 goals and progress are outlined: https://responsibilityreport2020.ganni.com/

Expected developments

The result and activity for the coming financial year was expected to be on a higher level than in 2020. However, we have concerns in 2021 regarding the trading uncertainties caused by Covid-19 & are taking as many actions as possible to mitigate the circumstances.

Management commentary

Events occurring after the end of the financial year
The result and activity for the coming financial year are expected to be on a higher level than in 2020.

Statement of corporate social responsibility
We refer to our responsibility report for 2020 on: https://responsibilityreport2020.ganni.com/

Target figures and policies for the underrepresented gender
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 65 % 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 & 3 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.

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.

In connection with the accounts for 2020, some presentation corrections have been made to the comparative figures. Software investments have previously been presented under other fixtures and fittings, tools and equipment. These are now presented under concessions, patents, licenses, trademarks, and similar rights.

The changes have not affected the profit before and after tax and equity.

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.

Accounting policies

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.

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.

Accounting policies

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. 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.

Accounting policies

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 equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' 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, and similar rights acquired

Development projects, patents, licenses, trademarks, 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.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown 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
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 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. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

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

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

Investments

Equity in group enterprises

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

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

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10-20 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 group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

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

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

Deposits

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

Accounting policies

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 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 and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits 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.

Accounting policies

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.

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.

Accounting policies

Liabilities other than provisions

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

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.

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.

Accounting policies

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 2020	Group 2019	Parent 2020	Parent 2019
3	Revenue	567.157.309	562.420.842	9.152.338	10.334.578
	Other operating income	6.550.000	0	0	0
	Costs of raw materials and consumables	-265.323.564	-245.560.702	0	0
	Other external costs	-123.403.865	-109.565.579	-730.746	-553.714
	Gross profit	**184.979.880**	**207.294.561**	**8.421.592**	**9.780.864**
5	Staff costs	-98.165.062	-83.829.381	-8.421.592	-9.780.864
	Depreciation, amortisation, and impairment	-51.692.108	-41.929.963	0	0
	Operating profit	**35.122.710**	**81.535.217**	**0**	**0**
	Income from equity investments in group enterprises	0	0	14.298.171	56.275.243
	Other financial income from group enterprises	0	0	151.278	273.947
	Other financial income	466.124	529.588	0	0
6	Other financial costs	-26.310.628	-22.264.389	-22.082.429	-21.638.351
	Pre-tax net profit or loss	**9.278.206**	**59.800.416**	**-7.632.980**	**34.910.839**
7	Tax on net profit or loss for the year	-12.189.528	-20.189.408	4.721.657	4.700.169
8	**Net profit or loss for the year**	**-2.911.322**	**39.611.008**	**-2.911.323**	**39.611.008**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		Group 2020	Group 2019	Parent 2020	Parent 2019
	Non-current assets				
9	Completed development projects, including patents and similar rights arising from development projects	0	249.495	0	0
10	Concessions, patents, licenses, trademarks, and similar rights acquired	21.518.648	20.355.512	0	0
11	Goodwill	514.081.642	546.393.445	0	0
	Total intangible assets	535.600.290	566.998.452	0	0
12	Other fixtures and fittings, tools and equipment	2.466.163	3.685.355	0	0
13	Leasehold improvements	44.313.435	33.064.218	0	0
	Total property, plant, and equipment	46.779.598	36.749.573	0	0
14	Equity investments in group enterprises	0	0	722.647.594	712.482.989
15	Deposits	10.345.186	8.195.058	0	93.750
	Total investments	10.345.186	8.195.058	722.647.594	712.576.739
	Total non-current assets	**592.725.074**	**611.943.083**	**722.647.594**	**712.576.739**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	Group 2020	Group 2019	Parent 2020	Parent 2019
	Current assets				
	Manufactured goods and goods for resale	73.703.124	68.312.548	0	0
	Prepayments for goods	656.245	1.874.416	0	0
	Total inventories	74.359.369	70.186.964	0	0
	Trade receivables	51.620.223	41.442.995	0	0
	Receivables from group enterprises	0	0	4.652.106	5.465.337
16	Deferred tax assets	0	0	763.042	488.447
	Income tax receivables	0	0	4.550.279	4.545.421
	Other receivables	1.940.226	1.665.288	0	0
17	Prepayments and accrued income	5.817.203	5.561.755	3.297	0
	Total receivables	59.377.652	48.670.038	9.968.724	10.499.205
	Cash on hand and demand deposits	100.251.316	43.138.262	632.949	300.781
	Total current assets	**233.988.337**	**161.995.264**	**10.601.673**	**10.799.986**
	Total assets	**826.713.411**	**773.938.347**	**733.249.267**	**723.376.725**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

		Group		Parent	
Note		2020	2019	2020	2019
	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	56.249.998	81.085.393
	Reserve for foreign currency translation	0	0	-3.943.213	0
	Retained earnings	430.512.662	437.557.551	378.205.877	356.472.158
	Total equity	**432.012.662**	**439.057.551**	**432.012.662**	**439.057.551**
	Provisions				
19	Provisions for deferred tax	7.320.214	3.891.597	0	0
	Total provisions	**7.320.214**	**3.891.597**	**0**	**0**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

		Group		Parent	
Note		2020	2019	2020	2019
	Liabilities other than provisions				
20	Debts obtained by the issuance of bonds	245.762.641	244.514.485	245.762.641	244.514.485
21	Payables to group enterprises	6.583.096	6.210.472	6.583.096	6.210.472
22	Other payables	29.294.121	27.609.921	29.294.121	27.609.921
	Total long term liabilities other than provisions	281.639.858	278.334.878	281.639.858	278.334.878
	Current portion of long term payables	0	2.869.208	0	0
	Bank loans	9.497.467	1.153.873	0	0
	Trade payables	30.304.946	12.124.765	65.000	264.220
	Income tax payable	6.187.225	6.092.323	0	0
	Other payables	59.751.039	30.414.152	19.531.747	5.720.076
	Total short term liabilities other than provisions	105.740.677	52.654.321	19.596.747	5.984.296
	Total liabilities other than provisions	**387.380.535**	**330.989.199**	**301.236.605**	**284.319.174**
	Total equity and liabilities	**826.713.411**	**773.938.347**	**733.249.267**	**723.376.725**

1 Subsequent events

2 Special items

4 Fees, auditor

23 Charges and security

24 Contingencies

25 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2019	1.500.000	0	398.033.259	399.533.259
Share of results	0	0	39.611.008	39.611.008
Currency changes	0	0	-86.716	-86.716
Equity 1 2020	1.500.000	0	437.557.551	439.057.551
Share of results	0	0	-2.911.323	-2.911.323
Currency changes	0	0	-4.133.566	-4.133.566
	1.500.000	**0**	**430.512.662**	**432.012.662**

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 2019	1.500.000	24.896.858	0	373.136.401	399.533.259
Share of results	0	56.188.535	0	-16.577.527	39.611.008
Equity movements in group enterprises	0	0	0	-86.716	-86.716
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
	1.500.000	**56.249.998**	**-3.943.213**	**378.205.877**	**432.012.662**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2020	2019
	Net profit or loss for the year	-2.911.322	39.611.008
26	Adjustments	88.371.009	84.409.554
27	Change in working capital	18.664.324	-13.150.776
	Cash flows from operating activities before net financials	104.124.011	110.869.786
	Interest received, etc.	466.124	529.588
	Interest paid, etc.	-9.032.926	-19.174.886
	Cash flows from ordinary activities	95.557.209	92.224.488
	Income tax paid	-8.320.290	-15.383.543
	Cash flows from operating activities	**87.236.919**	**76.840.945**
	Purchase of intangible assets	-8.328.943	-13.471.478
	Purchase of property, plant, and equipment	-24.724.969	-28.860.387
	Purchase of fixed asset investments	-2.544.339	-3.180.086
	Acquisition of enterprises and activities	0	-23.331.000
	Cash flows from investment activities	**-35.598.251**	**-68.842.951**
	Repayments of long-term payables	-2.869.208	-4.134.859
	Residual purchase sum	0	3.080.000
	Cash flows from investment activities	**-2.869.208**	**-1.054.859**
	Change in cash and cash equivalents	**48.769.460**	**6.943.135**
	Cash and cash equivalents at 1 January 2020	41.984.389	33.753.957
	Available funds from purchase of enterprises and activities	0	1.287.297
	Cash and cash equivalents at 31 December 2020	**90.753.849**	**41.984.389**

	2020	2019
Cash and cash equivalents		
Cash on hand and demand deposits	100.251.316	43.138.262
Short-term bank loans	-9.497.467	-1.153.873
Cash and cash equivalents at 31 December 2020	**90.753.849**	**41.984.389**

Notes

All amounts in DKK.

1. Subsequent events

Based on the present situation with Covid-19, the group’s management cannot at present state anything about the financial consequences and expected results for the financial year 2021.

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	
	2020	2019	2020	2019
Income:				
State support help packages, Covid-19	6.550.000	0	6.550.000	0
	6.550.000	0	6.550.000	0
Special items are recognised in the following items in the financial statements:				
Other operating income	6.550.000	0	0	0
Income from equity investments in group enterprises	0	0	6.550.000	0
Profit of special items, net	**6.550.000**	**0**	**6.550.000**	**0**

Notes

All amounts in DKK.

3. Revenue

Segmental statement

DKK in thousands

	Denmark	Norway	North America	Great Britain	Other countries	Total
Group	88.126	51.734	129.300	79.023	218.974	567.157

	Group 2020	Group 2019
4. Fees, auditor		
Total fee for Grant Thornton, State Authorised Public Accountants	742.830	606.689
Fee concerning compulsory audit	257.750	285.000
Tax consultancy	48.340	87.088
Assurance engagements	46.000	0
Other services	390.740	234.601
	742.830	**606.689**

	Group 2020	Group 2019	Parent 2020	Parent 2019
5. Staff costs				
Salaries and wages	89.272.640	76.944.123	7.944.508	9.375.356
Pension costs	4.063.407	3.087.468	456.000	384.000
Other costs for social security	4.640.133	3.405.808	21.084	21.508
Other staff costs	188.882	391.982	0	0
	98.165.062	**83.829.381**	**8.421.592**	**9.780.864**
Executive board	4.679.462	5.460.097	3.721.046	5.460.097
Average number of employees	202	164	4	4

Notes

All amounts in DKK.

		Group 2020	Group 2019	Parent 2020	Parent 2019
6.	**Other financial costs**				
	Financial costs, group enterprises	372.624	352.473	372.624	352.473
	Other financial costs	25.938.004	21.911.916	21.709.805	21.285.878
		26.310.628	**22.264.389**	**22.082.429**	**21.638.351**

		Group 2020	Group 2019	Parent 2020	Parent 2019
7.	**Tax on net profit or loss for the year**				
	Tax of the results for the year	10.019.857	18.780.538	-4.550.279	-4.545.421
	Adjustment for the year of deferred tax	541.024	1.003.697	-274.595	-253.823
	Adjustment of tax for previous years	1.628.647	405.173	103.217	99.075
		12.189.528	**20.189.408**	**-4.721.657**	**-4.700.169**

		Parent 2020	Parent 2019
8.	**Proposed appropriation of net profit**		
	Reserves for net revaluation according to the equity method	-20.701.829	56.188.535
	Transferred to retained earnings	17.790.506	0
	Allocated from retained earnings	0	-16.577.527
	Total allocations and transfers	**-2.911.323**	**39.611.008**

Notes

All amounts in DKK.

		Group	
		31/12 2020	31/12 2019
9.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2020	2.197.421	2.197.421
	Cost 31 December 2020	**2.197.421**	**2.197.421**
	Amortisation and writedown 1 January 2020	-1.947.926	-870.063
	Amortisation for the year	-249.495	-1.077.863
	Amortisation and writedown 31 December 2020	**-2.197.421**	**-1.947.926**
	Carrying amount, 31 December 2020	**0**	**249.495**
10.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2020	33.430.095	3.813.562
	Additions during the year	8.328.943	13.471.478
	Disposals during the year	-3.767.323	-153.218
	Transfers	0	16.298.273
	Cost 31 December 2020	**37.991.715**	**33.430.095**
	Amortisation and writedown 1 January 2020	-13.074.583	-3.645.199
	Amortisation for the year	-7.165.807	-3.839.294
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	153.218
	Transfers	3.767.323	-5.743.308
	Amortisation and writedown 31 December 2020	**-16.473.067**	**-13.074.583**
	Carrying amount, 31 December 2020	**21.518.648**	**20.355.512**

Notes

All amounts in DKK.

		Group	
		31/12 2020	31/12 2019
11.	**Goodwill**		
	Cost 1 January 2020	607.104.682	589.489.345
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-1.053.793	-220.047
	Additions during the year	0	17.835.384
	Cost 31 December 2020	**606.050.889**	**607.104.682**
	Amortisation and writedown 1 January 2020	-60.711.237	-30.344.996
	Amortisation for the year	-31.258.010	-30.366.241
	Amortisation and writedown 31 December 2020	**-91.969.247**	**-60.711.237**
	Carrying amount, 31 December 2020	**514.081.642**	**546.393.445**
12.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	7.246.351	20.707.253
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-271.279	-5.737
	Additions concerning company transfer	0	1.560.429
	Additions during the year	1.086.381	1.282.679
	Disposals during the year	-488.653	0
	Transfers	-857.792	-16.298.273
	Cost 31 December 2020	**6.715.008**	**7.246.351**
	Amortisation and writedown 1 January 2020	-3.560.996	-8.216.988
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	97.739	0
	Depreciation for the year	-1.274.241	-1.087.316
	Reversal of depreciation, amortisation and writedown, assets disposed of	488.653	0
	Transfers	0	5.743.308
	Amortisation and writedown 31 December 2020	**-4.248.845**	**-3.560.996**
	Carrying amount, 31 December 2020	**2.466.163**	**3.685.355**

Notes

All amounts in DKK.

		Group	
		31/12 2020	31/12 2019
13.	**Leasehold improvements**		
	Cost 1 January 2020	41.415.664	13.879.469
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-1.740.798	-41.513
	Additions during the year	23.638.588	27.577.708
	Disposals during the year	-3.324.681	0
	Transfers	857.793	0
	Cost 31 December 2020	**60.846.566**	**41.415.664**
	Depreciation and writedown 1 January 2020	-8.351.446	-2.765.819
	Translation by use of the exchange rate valid on balance sheet date	238.189	-26.379
	Depreciation for the year	-11.744.555	-5.559.248
	Reversal of depreciation, amortisation and writedown, assets disposed of	3.324.681	0
	Depreciation and writedown 31 December 2020	**-16.533.131**	**-8.351.446**
	Carrying amount, 31 December 2020	**44.313.435**	**33.064.218**

Notes

All amounts in DKK.

	Parent 31/12 2020	Parent 31/12 2019
14. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2020	631.397.604	631.397.604
Cost 31 December 2020	**631.397.604**	**631.397.604**
Revaluations, opening balance 1 January 2020	140.904.853	55.241.854
Results for the year before goodwill amortisation	43.772.643	85.749.715
Equity movements in group enterprises	-4.133.566	-86.716
Revaluation 31 December 2020	**180.543.930**	**140.904.853**
Amortisation of goodwill, opening balance 1 January 2020	-59.879.468	-30.344.996
Amortisation of goodwill for the year	-29.414.472	-29.474.472
Depreciation on goodwill 31 December 2020	**-89.293.940**	**-59.819.468**
Carrying amount, 31 December 2020	**722.647.594**	**712.482.989**
The item includes goodwill with an amount of	500.195.405	529.669.877

Group enterprises:

	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 %

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2020	31/12 2019	31/12 2020	31/12 2019
15.	**Deposits**				
	Cost 1 January 2020	8.195.058	4.896.762	93.750	93.750
	Translation by use of the exchange rate valid on balance sheet date	-394.211	118.210	0	0
	Disposals during the year	-1.583.309	0	-93.750	0
	Additions during the year	4.127.648	3.180.086	0	0
	Cost 31 December 2020	**10.345.186**	**8.195.058**	**0**	**93.750**
	Carrying amount, 31 December 2020	**10.345.186**	**8.195.058**	**0**	**93.750**

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 and accrued income

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.

	Group 31/12 2020	Group 31/12 2019	Parent 31/12 2020	Parent 31/12 2019
19. Provisions for deferred tax				
Provisions for deferred tax 1 January 2020	3.891.597	2.887.900	0	0
Deferred tax of the results for the year	541.024	1.003.697	0	0
Change in provisions for deferred tax, last year	32.927	0	0	0
Transfer from income tax payable	2.854.666	0	0	0
	7.320.214	**3.891.597**	**0**	**0**

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

	Group 31/12 2020	Group 31/12 2019	Parent 31/12 2020	Parent 31/12 2019
20. Debts obtained by the issuance of bonds				
Debts obtained by the issuance of bonds in total	245.762.641	244.514.485	245.762.641	244.514.485
Share of amount due within 1 year	0	0	0	0
Debts obtained by the issuance of bonds in total	**245.762.641**	**244.514.485**	**245.762.641**	**244.514.485**
Share of liabilities due after 5 years	0	0	0	0

Notes

All amounts in DKK.

	Group 31/12 2020	Group 31/12 2019	Parent 31/12 2020	Parent 31/12 2019
21. Payables to group enterprises				
Total payables to group enterprises	6.583.096	6.210.472	6.583.096	6.210.472
Share of amount due within 1 year	0	0	0	0
Total payables to group enterprises	**6.583.096**	**6.210.472**	**6.583.096**	**6.210.472**

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 2020	Group 31/12 2019	Parent 31/12 2020	Parent 31/12 2019
22. Other payables				
Total other payables	29.294.121	27.609.921	29.294.121	27.609.921
Share of amount due within 1 year	0	0	0	0
Total other payables	**29.294.121**	**27.609.921**	**29.294.121**	**27.609.921**

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.

23. Charges and security

As collateral for bond loan, tDKK 259.735, the company and group has pledged all shares in Ganni A/S, booked value tDKK 722.648 at 31 December 2020, and two bank accounts where the deposit at 31 December 2020 amounts to tDKK 103.

For group bank loans, tDKK 8.763, 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	44.941
Trade receivables	42.065
Intagible fixed assets	21.519
Tangible fixed assets	14.322

Notes

All amounts in DKK.

24. Contingencies

Contingent liabilities

Lease liabilities

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

Other contingent liabilities:

The group entered into leasing contracts with a total liablity of tDKK 124.232. The leasing contracts' notice periods are between 1-102 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.

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

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

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

All amounts in DKK.

		Group 2020	2019
26.	**Adjustments**		
	Depreciation, amortisation, and impairment	51.692.108	41.929.963
	Other financial income	-466.124	-529.588
	Other financial costs	26.310.628	22.264.387
	Tax on net profit or loss for the year	12.189.528	20.189.408
	Other adjustments	-1.355.131	555.384
		88.371.009	**84.409.554**

		Group 2020	2019
27.	**Change in working capital**		
	Change in inventories	-4.172.406	-19.268.132
	Change in receivables	-10.707.614	6.928.440
	Change in trade payables and other payables	33.544.344	-811.084
		18.664.324	**-13.150.776**