



## **ADD Mikkelsen ApS**

Vester Farimagsgade 23  
1606 København V  
CVR No. 20199806

## **Annual report 2020**

The Annual General Meeting adopted the  
annual report on 07.07.2021

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**Keld Mikkelsen**

Chairman of the General Meeting

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# Entity details

## Entity

ADD Mikkelsen ApS  
Vester Farimagsgade 23  
1606 København V

CVR No.: 20199806  
Registered office: København  
Financial year: 01.01.2020 - 31.12.2020

## Executive Board

Keld Mikkelsen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
P. O. Box 10  
5100 Odense

# Statement by Management

The Executive Board have today considered and approved the annual report of ADD Mikkelsen ApS for the financial year 01.01.2020 - 31.12.2020.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 07.07.2021

**Executive Board**

**Keld Mikkelsen**  
CEO

# Independent auditor's report

## To the shareholders of ADD Mikkelsen ApS

### Opinion

We have audited the financial statements of ADD Mikkelsen ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 07.07.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Per Krause Therkelsen**

State Authorised Public Accountant  
Identification No (MNE) mne19698

# Management commentary

## Primary activities

The primary activities of the Company are design, wholesale, retail and online sales of fashion clothes.

## Development in activities and finances

The financial result ended with a result of mio. DKK (2), due to the sale in 2019 of 2NDDAY and DAY Birger et Mikkelsen.

## Outlook

The companies activities is limited due to the fact that the company sold the last trademarks



# Income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>(5,022,117)</b>	<b>(2,112,038)</b>
Staff costs	2	(1,430)	0
Depreciation, amortisation and impairment losses	3	(263,303)	(601)
<b>Operating profit/loss</b>		<b>(5,286,850)</b>	<b>(2,112,639)</b>
Income from investments in group enterprises		104,504	(1,960,000)
Other financial income	4	192,842	1,749,256
Other financial expenses	5	(911,805)	(4,076,174)
<b>Profit/loss before tax</b>		<b>(5,901,309)</b>	<b>(6,399,557)</b>
Tax on profit/loss for the year	6	(118,061)	(4,598,350)
<b>Profit/loss from continuing operations</b>		<b>(6,019,370)</b>	<b>(10,997,907)</b>
<b>Profit/loss from discontinued operations</b>	7	<b>4,164,554</b>	<b>(12,053,093)</b>
<b>Profit/loss for the year</b>		<b>(1,854,816)</b>	<b>(23,051,000)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(1,854,816)	(23,051,000)
<b>Proposed distribution of profit and loss</b>		<b>(1,854,816)</b>	<b>(23,051,000)</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Leasehold improvements		19,231	32,534
<b>Property, plant and equipment</b>	8	<b>19,231</b>	<b>32,534</b>
Investments in group enterprises		2,136,451	2,068,295
Other receivables		447,384	5,592,979
<b>Financial assets</b>	9	<b>2,583,835</b>	<b>7,661,274</b>
<b>Fixed assets</b>		<b>2,603,066</b>	<b>7,693,808</b>
Manufactured goods and goods for resale		422,000	422,000
<b>Inventories</b>		<b>422,000</b>	<b>422,000</b>
Trade receivables		187,500	332,763
Receivables from group enterprises		3,428,279	65,898
Deferred tax		222,000	267,000
Other receivables		2,159,058	12,164,240
Prepayments		59,518	43,500
<b>Receivables</b>		<b>6,056,355</b>	<b>12,873,401</b>
<b>Cash</b>		<b>4,866,361</b>	<b>5,815,769</b>
<b>Current assets</b>		<b>11,344,716</b>	<b>19,111,170</b>
<b>Assets</b>		<b>13,947,782</b>	<b>26,804,978</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		536,000	536,000
Retained earnings		3,865,446	5,217,646
<b>Equity</b>		<b>4,401,446</b>	<b>5,753,646</b>
Provisions for investments in group enterprises		244,016	2,582,900
<b>Provisions</b>		<b>244,016</b>	<b>2,582,900</b>
Trade payables		2,360,389	2,359,763
Payables to group enterprises		2,672,069	4,053,124
Payables to shareholders and management		4,269,862	4,821,868
Other payables		0	7,233,677
<b>Current liabilities other than provisions</b>		<b>9,302,320</b>	<b>18,468,432</b>
<b>Liabilities other than provisions</b>		<b>9,302,320</b>	<b>18,468,432</b>
<b>Equity and liabilities</b>		<b>13,947,782</b>	<b>26,804,978</b>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	10		
Assets charged and collateral	11		
Related parties with controlling interest	12		

# Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	536,000	5,217,646	5,753,646
Exchange rate adjustments	0	502,616	502,616
Profit/loss for the year	0	(1,854,816)	(1,854,816)
<b>Equity end of year</b>	<b>536,000</b>	<b>3,865,446</b>	<b>4,401,446</b>

The share capital consists of shares of a nominal value of DKK 1,000 or multiples thereof. No share certificates have been issued. The shares have been divided into A and C shares.

# Notes

## 1 Uncertainty relating to recognition and measurement

At 31.12.2018 the Company has issued a vendor loan due to sale of discontinued operations. The vendor loan is depending on future income and cash flows from the buyer's operations, and therefore subject to significant uncertainty. The maximum value of the vendor note represents DKK 22,376 with surplus interest, but the vendor note is impaired due to uncertainty. The vendor note is recognized at DKK 447k.

## 2 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	0	17,297,790
Pension costs	0	579,497
Other social security costs	0	968,912
Other staff costs	1,430	(18,846,199)
	<b>1,430</b>	<b>0</b>
Average number of full-time employees	<b>0</b>	<b>39</b>

	<b>Remuneration of management 2019 DKK</b>
Total amount for management categories	2,561
	<b>2,561</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	0	262
Impairment losses on intangible assets	0	408
Depreciation of property, plant and equipment	263,303	22
Impairment losses on property, plant and equipment	0	(91)
	<b>263,303</b>	<b>601</b>

#### 4 Other financial income

	2020 DKK	2019 DKK
Other interest income	192,842	0
Other financial income	0	1,749,256
	<b>192,842</b>	<b>1,749,256</b>

#### 5 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	911,805	4,076,174
	<b>911,805</b>	<b>4,076,174</b>

#### 6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	45,000	6,132,000
Adjustment concerning previous years	73,061	(1,533,650)
	<b>118,061</b>	<b>4,598,350</b>

#### 7 Discontinued operations

	2020 DKK	2019 DKK
Net sales price	0	7,875,000
Gross profit/loss	4,164,554	(24,093)
Staff costs	0	(18,846,000)
Depreciation	0	(1,058,000)
<b>Post-tax profit/loss from discontinued operations</b>	<b>4,164,554</b>	<b>(12,053,093)</b>

#### 8 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	1,854,800
Additions	250,000
<b>Cost end of year</b>	<b>2,104,800</b>
Depreciation and impairment losses beginning of year	(1,822,266)
Depreciation for the year	(263,303)
<b>Depreciation and impairment losses end of year</b>	<b>(2,085,569)</b>
<b>Carrying amount end of year</b>	<b>19,231</b>

## 9 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	34,582,071	5,592,979
<b>Cost end of year</b>	<b>34,582,071</b>	<b>5,592,979</b>
Impairment losses beginning of year	(32,513,776)	0
Exchange rate adjustments	502,616	0
Share of profit/loss for the year	104,505	0
Impairment losses for the year	0	(5,145,595)
Investments with negative equity value depreciated over receivables	(538,965)	0
<b>Impairment losses end of year</b>	<b>(32,445,620)</b>	<b>(5,145,595)</b>
<b>Carrying amount end of year</b>	<b>2,136,451</b>	<b>447,384</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
ADD Mikkelsen AS	Norway	AS	100
ADD Mikkelsen AB	Sweden	AB	100
ADD Mikkelsen LTD.	UK	LTD	100
ADD Mikkelsen B.V.	The Netherlands	B.V.	100
ADD Mikkelsen G.m.b.H	Germany	G.m.b.H.	100
ADD Mikkelsen France Sarl	France	Sarl	100
ADD Mikkelsen S.L.U.	Spain	S.L.U.	100

## 10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where ADD Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 11 Assets charged and collateral

The parent company and the Group has rental agreements for the rent of buildings up to 6 months. The annual costs are DKK 1.175k.

## 12 Related parties with controlling interest

Keld Mikkelsen has controlling interest in ADD Mikkelsen ApS through his ownership of the shares in ADD Mikkelsen Holding ApS and ADD Mikkelsen Holding II ApS.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Discontinued operations

Discontinued operations are material business areas or geographical areas planned, or decided, to be disposed of, discontinued or abandoned and which may be separated from the entity's other operations.

Results from discontinued operations are presented in the income statement as a separate item consisting of profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets relating to the discontinued operations are presented separately in the balance sheet as assets related to discontinued operations. Liabilities related to the discontinued operations are presented separately in the balance sheet as liabilities related to discontinued operations.

The comparative figures in the income statement and the balance sheet are not restated.



## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	2-8 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of restoration of rented premises.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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