



ADD Mikkelsen ApS

Dampfærgevej 10, 2.
2100 København Ø
CVR No. 20199806

Annual report 2022

The Annual General Meeting adopted the
annual report on 30.06.2023

Keld Mikkelsen

Chairman of the General Meeting

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Entity details

Entity

ADD Mikkelsen ApS
Dampfærgevej 10, 2.
2100 København Ø

Business Registration No.: 20199806
Registered office: København
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Keld Mikkelsen

Auditors

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

Statement by Management

The Executive Board has today considered and approved the annual report of ADD Mikkelsen ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Copenhagen, 30.06.2023

Executive Board

Keld Mikkelsen

Independent auditor's extended review report

To the shareholders of ADD Mikkelsen ApS

Conclusion

We have performed an extended review of the financial statements of ADD Mikkelsen ApS for the financial year 01.01.2022 - 31.12.2022, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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, 30.06.2023

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 as well as investment activities.

Development in activities and finances

The financial result ended with a result of DKK -485 thousand kroner , compared to DKK 852 thousand kroner last year. The financial result was negatively impacted by unrealised changes in the fair value of investments in stocks. Furthermore, during the fiscal year, the fully owned subsidiary ADD Mikkelsen Norge AS was liquidated.

Outlook

The company has limited activities consisting of investments in listed securities, sales of design activities and revenue streams from royalty and trademark payments from standing contracts. The activity is expected to continue to a limited extent, if not in a reduced manner.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		1,059,042	696,360
Depreciation, amortisation and impairment losses	2	0	(19,231)
Operating profit/loss		1,059,042	677,129
Income from investments in group enterprises		(21,610)	(22,449)
Other financial income	3	1,500,465	952,069
Impairment losses on financial assets		(1,220,356)	(611,915)
Other financial expenses	4	(124,695)	(239,133)
Profit/loss before fair value adjustments and tax		1,192,846	755,701
Fair value adjustments of other investment assets		(1,678,058)	0
Profit/loss before tax		(485,212)	755,701
Tax on profit/loss for the year	5	0	95,824
Profit/loss for the year		(485,212)	851,525
Proposed distribution of profit and loss			
Retained earnings		(485,212)	851,525
Proposed distribution of profit and loss		(485,212)	851,525

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		1,850,328	2,009,241
Other receivables		447,384	447,384
Financial assets	6	2,297,712	2,456,625
Fixed assets		2,297,712	2,456,625
Trade receivables		295,445	549,798
Receivables from group enterprises		2,992,554	3,876,197
Deferred tax		126,000	126,000
Other receivables		44,814	0
Joint taxation contribution receivable		0	191,824
Receivables		3,458,813	4,743,819
Other investments		1,421,164	0
Other investments		1,421,164	0
Cash		59,840	2,957,449
Current assets		4,939,817	7,701,268
Assets		7,237,529	10,157,893

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		536,000	536,000
Retained earnings		3,833,033	4,466,054
Equity		4,369,033	5,002,054
Provisions for investments in group enterprises		29,512	19,007
Provisions		29,512	19,007
Trade payables		147,471	102,209
Payables to group enterprises		2,391,893	2,574,226
Payables to owners and management		249,620	2,206,595
Other payables		50,000	253,802
Current liabilities other than provisions		2,838,984	5,136,832
Liabilities other than provisions		2,838,984	5,136,832
Equity and liabilities		7,237,529	10,157,893
Uncertainty relating to recognition and measurement	1		
Employees	7		
Fair value information	8		
Contingent liabilities	9		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	536,000	4,466,054	5,002,054
Exchange rate adjustments	0	(147,809)	(147,809)
Profit/loss for the year	0	(485,212)	(485,212)
Equity end of year	536,000	3,833,033	4,369,033

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 21.698k with surplus interest, but the vendor note is impaired due to uncertainty. The vendor note is recognized at DKK 447k.

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Depreciation of property, plant and equipment	0	19,231
	0	19,231

3 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	272,056	322,946
Other interest income	1,228,409	629,123
	1,500,465	952,069

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	89,089	0
Other interest expenses	35,581	239,133
Exchange rate adjustments	25	0
	124,695	239,133

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	0	96,000
Refund in joint taxation arrangement	0	(191,824)
	0	(95,824)

6 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	195,130	24,407,115
Additions	3,952,979	1,220,356
Disposals	(4,046,219)	0
Cost end of year	101,890	25,627,471
Revaluations beginning of year	1,814,111	0
Reversal regarding disposals	93,240	0
Revaluations end of year	1,907,351	0
Impairment losses beginning of year	0	(23,959,731)
Exchange rate adjustments	(147,809)	0
Share of profit/loss for the year	(21,610)	0
Impairment losses for the year	0	(1,220,356)
Investments with negative equity value transferred to provisions	10,506	0
Impairment losses end of year	(158,913)	(25,180,087)
Carrying amount end of year	1,850,328	447,384

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
ADD Mikkelsen AB	Sweden	AB	100
ADD Mikkelsen S.L.U.	Spain	S.L.U.	100

7 Employees

The Entity has no employees other than The Executive Officer. The Executive Officer has not received any remuneration.

8 Fair value information

	Listed bonds and securities DKK
Fair value end of year	1,421,164
Unrealised fair value adjustments recognised in the income statement	(1,678,058)

9 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.

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 a few 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.

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.

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

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 stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise 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.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

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**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.

The accounting policies applied to material financial statement items of group enterprises are:

Intercompany balances: Intercompany balances are measured at cost, with all transactions recorded at the time of occurrence.

Receivables

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

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

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.