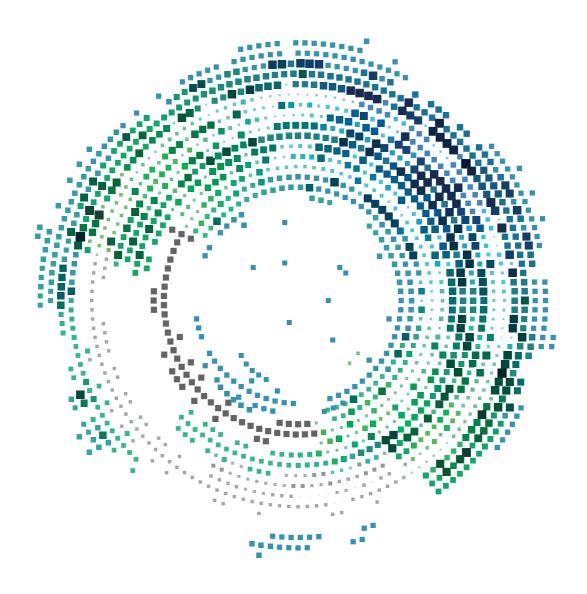
Deloitte.



66 North Danmark ApS

Sværtegade 12 1118 Copenhagen K CVR No. 36049723

Annual report 2020

The Annual General Meeting adopted the annual report on 30.06.2021

Helgi Rúnar Óskarsson

Chairman of the General Meeting

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Entity details

Entity

66 North Danmark ApS Sværtegade 12 1118 Copenhagen K

CVR No.: 36049723

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Helgi Runar Oskarsson, manager

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of 66 North Danmark 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.

I consider the preconditions for not auditing the financial statements for the financial year 01.01.2020 - 31.12.2020 as complied with.

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

Copenhagen, 30.06.2021

Executive Board

Helgi Runar Oskarsson

manager

The independent auditor's compilation report

To Management of 66 North Danmark ApS

We have compiled the financial statements of 66 North Danmark ApS for the financial year 01.01.2020 - 31.12.2020 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab CVR No. 33963556

Stine Eva Grothen

State Authorised Public Accountant Identification No (MNE) mne29431

Management commentary

Primary activities

The Company's primary activities comprise the sale of clothing and other garments.

Development in activities and finances

Loss for the year amounts to DKK 7,578 thousand.

The COVID-19 pandemic impacted the Company's operations during the year. The decline in revenue from the previous year was 53%, mainly due to a decrease in the number of foreign tourists visiting Denmark and government-imposed restrictions to prevent the spread of the coronavirus. Management has addressed this impact, such as cost reduction activities and continued financing from the parent company. The Company's management and the Group continuously evaluates the situation and believes that the Company will overcome the challenges.

The Company has lost its entire share capital and, consequently, falls within the provisions of the Danish Companies Act governing loss of capital. The share capital will be re-established by converting debt to the Parent.

The company's gross profit is extraordinarily affected by the recognition of other operating income from compensation schemes as a result of COVID-19. The company has collectively recognized compensations for 389 thousand. The distribution is as follows: Salary compensation, DKK 389 thousand.

Despite the compensation of DKK 389 thousand. COVID-19 has had a significant negative effect on the result.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

		2020	2019
	Notes	DKK	DKK
Gross profit/loss	2	(2,896,383)	(2,381,077)
Staff costs	3	(3,455,694)	(5,040,670)
Depreciation, amortisation and impairment losses	4	(1,221,715)	(1,454,246)
Operating profit/loss		(7,573,792)	(8,875,993)
Other financial income	5	28,429	0
Other financial expenses	6	(32,408)	(31,092)
Profit/loss for the year		(7,577,771)	(8,907,085)
Proposed distribution of profit and loss			
Retained earnings		(7,577,771)	(8,907,085)
Proposed distribution of profit and loss		(7,577,771)	(8,907,085)

Balance sheet at 31.12.2020

Assets

		2020	2019
	Notes	DKK	DKK
Acquired intangible assets		0	414,633
Acquired licences		6,331	9,191
Intangible assets	7	6,331	423,824
Leasehold improvements		71,827	1,047,181
Property, plant and equipment	8	71,827	1,047,181
Deposits		1,350,771	1,742,930
Financial assets		1,350,771	1,742,930
Fixed assets		1,428,929	3,213,935
Manufactured goods and goods for resale		1,683,569	1,569,322
Inventories		1,683,569	1,569,322
Trade receivables		72,163	416,588
Other receivables		51,985	539,736
Prepayments		1,342	1,266
Receivables		125,490	957,590
Cash		1,736,377	1,272,240
Current assets		3,545,436	3,799,152
Assets		4,974,365	7,013,087

Equity and liabilities

	2020	2019
Notes	DKK	DKK
9	125,000	100,000
	(2,389,898)	(4,787,127)
	(2,264,898)	(4,687,127)
	364,132	105,233
10	364,132	105,233
	91,345	149,095
	6,212,653	11,154,687
11	571,133	291,199
	6,875,131	11,594,981
	7,239,263	11,700,214
	4,974,365	7,013,087
1		
12		
13		
	9 10 11 1 1 12	Notes DKK 9 125,000 (2,389,898) (2,264,898) 364,132 10 364,132 91,345 6,212,653 11 571,133 6,875,131 7,239,263 4,974,365

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	(4,787,127)	(4,687,127)
Increase of capital	25,000	9,975,000	10,000,000
Profit/loss for the year	0	(7,577,771)	(7,577,771)
Equity end of year	125,000	(2,389,898)	(2,264,898)

0

28,429

Notes

1 Going concern

The Company has lost its entire share capital and, consequently, falls within the provisions of the Danish Companies Act governing loss of capital. The share capital will be re-established by converting debt to the Parent.

2 Gross profit/loss

The company's gross profit is extraordinarily affected by the recognition of other operating income from compensation schemes as a result of COVID-19. The company has collectively recognized compensations for 389 thousand. The distribution is as follows: Salary compensation, DKK 389 thousand.

Despite the compensation of DKK 389 thousand. COVID-19 has had a significant negative effect on the result.

3 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	3,385,222	4,910,128
Pension costs	36,910	58,013
Other staff costs	33,562	72,529
	3,455,694	5,040,670
Average number of full-time employees	11	10
4 Depreciation, amortisation and impairment losses		
	2020	2019
	DKK	DKK
Amortisation of intangible assets	117,860	292,475
Depreciation of property, plant and equipment	432,916	1,161,771
Profit/loss from sale of intangible assets and property, plant and equipment	670,939	0
	1,221,715	1,454,246
5 Other financial income		
	2020	2019
	DKK	DKK
Other interest income	28,429	0

Leasehold

6 Other financial expenses

	2020	2019
	DKK	DKK
Other financial expenses	32,408	31,092
	32,408	31,092

7 Intangible assets

	Acquired intangible	Acquired intangible Acquire	
	assets	licences	
	DKK	DKK	
Cost beginning of year	1,150,000	23,320	
Disposals	(1,150,000)	0	
Cost end of year	0	23,320	
Amortisation and impairment losses beginning of year	(735,367)	(14,129)	
Reversal of impairment losses	217,866	0	
Amortisation for the year	(115,000)	(2,860)	
Reversal regarding disposals	632,501	0	
Amortisation and impairment losses end of year	0	(16,989)	
Carrying amount end of year	0	6,331	

8 Property, plant and equipment

	improvements DKK
Cost beginning of year	5,808,855
Disposals	(1,048,647)
Cost end of year	4,760,208
Depreciation and impairment losses beginning of year	(4,761,674)
Depreciation for the year	(432,916)
Reversal regarding disposals	506,209
Depreciation and impairment losses end of year	(4,688,381)
Carrying amount end of year	71,827

9 Share capital

		Par value	Nominal value
	Number	DKK	DKK
Share capital	125,000	1	125,000
	125,000		125,000

10 Non-current liabilities other than provisions

	n	Due after nore than 12 months 2020 DKK
Other payables		364,132
		364,132
11 Other payables		
	2020	2019
	DKK	DKK
VAT and duties	191,415	158,606
Wages and salaries, personal income taxes, social security costs, etc payable	288,906	125,985
Holiday pay obligation	87,131	0
Other costs payable	3,681	6,608
	571,133	291,199
12 Unrecognised rental and lease commitments		
	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,755,048	1,827,018

13 Contingent liabilities

The Company has a tax asset of DKK 10,292 thousand which has not been recognised due to the uncertainty connected with the possibility of using the tax asset.

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.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed 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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The amortisation period is ten years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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.

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 5 years

For leasehold improvements, 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.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

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

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 financial liabilities

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