



## MTI Group ApS

Ørstedsvvej 18  
6760 Ribe  
CVR No. 37329983

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 11.06.2021

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**Claus Petersen Lundtofte**

Chairman of the General Meeting

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# Entity details

## Entity

MTI Group ApS

Ørstedvej 18

6760 Ribe

CVR No.: 37329983

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

## Executive Board

Claus Petersen Lundtofte, direktør

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

# Statement by Management

The Executive Board have today considered and approved the annual report of MTI Group 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 recommend the annual report for adoption at the Annual General Meeting.

Ribe, 11.06.2021

**Executive Board**

**Claus Petersen Lundtofte**  
direktør

# Independent auditor's extended review report

## To the shareholders of MTI Group ApS

### Conclusion

We have performed an extended review of the financial statements of MTI Group 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 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 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' 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 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 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 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.

Esbjerg, 11.06.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Peder Rene Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne23334

# Management commentary

## Primary activities

The Company's primary activity consists of capital management.

## Development in activities and finances

During the year, the Company has realised a loss of DKK 6.454k, which is not satisfying.

The COVID-19 outbreak early 2020 resulted in absence of Chinese tourists in Iceland and Finland and because of this the sale from the stores driven by the group enterprises were eliminated. The company in Finland was declared bankrupt on November 11, 2020 due to financial troubles caused by COVID-19 pandemic. The company has realised material loss regarding receivables from MTI Retail OY, Finland.

Due to the conditions attached to the company's payables to shareholders and management and due to letter of financial support, it is the management's expectations that the company have access to sufficient liquidity and the annual report have been prepared as going concern.

# Income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>469,567</b>	<b>369,639</b>
Staff costs	2	(556,636)	(636,340)
Other operating expenses		(45,600)	0
<b>Operating profit/loss</b>		<b>(132,669)</b>	<b>(266,701)</b>
Income from investments in group enterprises		(7,641,065)	2,507,266
Other financial income	3	1,334,543	0
Other financial expenses	4	(15,022)	(378,404)
<b>Profit/loss before tax</b>		<b>(6,454,213)</b>	<b>1,862,161</b>
Tax on profit/loss for the year		0	0
<b>Profit/loss for the year</b>		<b>(6,454,213)</b>	<b>1,862,161</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(6,454,213)	1,862,161
<b>Proposed distribution of profit and loss</b>		<b>(6,454,213)</b>	<b>1,862,161</b>



# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Investments in group enterprises		0	1,238,044
<b>Financial assets</b>	5	<b>0</b>	<b>1,238,044</b>
<b>Fixed assets</b>		<b>0</b>	<b>1,238,044</b>
Receivables from group enterprises	6	1,788,886	9,371,459
Other receivables		209,906	99,146
Income tax receivable		11,000	34,000
<b>Receivables</b>		<b>2,009,792</b>	<b>9,504,605</b>
<b>Cash</b>		<b>991,833</b>	<b>853,942</b>
<b>Current assets</b>		<b>3,001,625</b>	<b>10,358,547</b>
<b>Assets</b>		<b>3,001,625</b>	<b>11,596,591</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		50,000	50,000
Retained earnings		(10,025,420)	(3,571,207)
<b>Equity</b>		<b>(9,975,420)</b>	<b>(3,521,207)</b>
Payables to shareholders and management		12,756,088	14,819,156
Other payables		8,854	0
<b>Non-current liabilities other than provisions</b>	<b>7</b>	<b>12,764,942</b>	<b>14,819,156</b>
Trade payables		4,571	14,368
Other payables		207,532	284,274
<b>Current liabilities other than provisions</b>		<b>212,103</b>	<b>298,642</b>
<b>Liabilities other than provisions</b>		<b>12,977,045</b>	<b>15,117,798</b>
<b>Equity and liabilities</b>		<b>3,001,625</b>	<b>11,596,591</b>

Going concern

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# Statement of changes in equity for 2020

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50,000	(3,571,207)	(3,521,207)
Profit/loss for the year	0	(6,454,213)	(6,454,213)
<b>Equity end of year</b>	<b>50,000</b>	<b>(10,025,420)</b>	<b>(9,975,420)</b>

# Notes

## 1 Going concern

Due to the conditions attached to the company's payables to shareholders and management and due to letter of financial support, it is the management's expectations that the company have access to sufficient liquidity and the annual report have been prepared as going concern.

## 2 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	548,866	622,227
Pension costs	5,940	10,890
Other social security costs	1,830	3,223
	<b>556,636</b>	<b>636,340</b>
Average number of full-time employees	1	1

## 3 Other financial income

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	60	0
Exchange rate adjustments	1,334,449	0
Other financial income	34	0
	<b>1,334,543</b>	<b>0</b>

## 4 Other financial expenses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	126	369
Exchange rate adjustments	14,656	376,349
Other financial expenses	240	1,686
	<b>15,022</b>	<b>378,404</b>

## 5 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	59,695
Disposals	(18,677)
<b>Cost end of year</b>	<b>41,018</b>
Impairment losses beginning of year	1,178,349
Share of profit/loss for the year	(1,021,547)
Investments with negative equity value depreciated over receivables	1,021,547
Reversal regarding disposals	(1,219,367)
<b>Impairment losses end of year</b>	<b>(41,018)</b>
<b>Carrying amount end of year</b>	<b>0</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
MTI Retail ehf	Reykjavik, Island	ApS	95

## 6 Receivables from group enterprises

Receivables from group enterprises consist of receivables from MTI Retail ehf, Reykjavik.

## 7 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2020 DKK</b>	<b>Outstanding after 5 years 2020 DKK</b>
Payables to shareholders and management	12,756,088	11,069,156
Other payables	8,854	8,854
	<b>12,764,942</b>	<b>11,078,010</b>

SDI Invest Ltd have issued a financial support statement as follows:

"As the owner of SDI Invest Ltd, I hereby grant our full financial support to our company MTI Group ApS in Denmark.

As MTI Group ApS has lost its equity during the first 5 years of trading involving large renovations, expansions of brands and extensive start up investments, SDI Invest Ltd states its 100% support in confirming that the current loan with total amount of USD 2,105,799 granted to MTI Group ApS, Ribe shall not be paid back any earlier than 01.01.2023 and there will not apply any interest to this loan.

The equity is expected to be reestablished by earnings in the coming years. If this is not possible SDI Invest LTD is willing to cancel debt of an amount that secures positive equity."

# 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.

## 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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## Income statement

### Gross profit or loss

Gross profit or loss comprises other operating income and external expenses.

### Other operating income

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

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including stationery and office supplies, marketing costs, etc.

### Staff costs

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

### Other operating expenses

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

### 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 intra-group profits or losses.

### Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, and 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.

## 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 or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

**Receivables**

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

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

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