

No Mans Label EU P/S
Tulstrupvej 13, 7430 Ikast

Company reg. no. 37 41 68 19

Annual report

2019

The annual report was submitted and approved by the general meeting on the 6 April 2020.

René Sunne Milter
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The management have today presented the annual report of No Mans Label EU P/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Ikast, 6 April 2020

Managing Director

Søren Rahbek Hansen

Board of directors

René Sunne Milter

Søren Rahbek Hansen

Søren Radoor

Sonny Brian Østergaard

Independent auditor's report on extended review

To the shareholders of No Mans Label EU P/S

Opinion

We have performed extended review of the annual accounts of No Mans Label EU P/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Ikast, 6 April 2020

Partner Revision

State Authorised Public Accountants
Company reg. no. 15 80 77 76

Lars Ole Mortensen
State Authorised Public Accountant
mne16538

Helle Medom Jensen
State Authorised Public Accountant
mne34475

Company data

The company	No Mans Label EU P/S Tulstrupvej 13 7430 Ikast Company reg. no. 37 41 68 19 Established: 1 February 2016 Domicile: Ikast-Brande Financial year: 1 January - 31 December
Board of directors	René Sunne Milter Søren Rahbek Hansen Søren Radoor Sonny Brian Østergaard
Managing Director	Søren Rahbek Hansen
General partner	Komplementarselskabet af 22.12.2015 ApS
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Thrigesvej 3 7430 Ikast
Bankers	Handelsbanken, Østergade 2, 7400 Herning
Subsidiary	Dantex UA, Lviv, Ukraine

Management's review

The principal activities of the company

The company's activities consist of production and sale of textile products.

Development in activities and financial matters

The management consider the result unsatisfactory.

Events subsequent to the financial year

Subsequent to the balance sheet date, the disease COVID19 occurred as a result of the spread of Coronavirus. It is estimated that all of the company's markets may be affected by the outbreak. Although it is at an early stage to assess its affect, it is the management's assesment, that the outbreak can result in significant financial consequences for the future financial years.

Accounting policies used

The annual report for No Mans Label EU P/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of goodwill and addition of negative goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Writedown of fixed assets

The book values of equity investments in subsidiaries 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Accounting policies used

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-94.564	76.871
Income from equity investments in group enterprises	-318.499	110.512
Other financial income	0	5.197
Other financial costs	-102.178	-112.814
Results for the year	-515.241	79.766
 Proposed distribution of the results:		
Allocated to results brought forward	0	79.766
Allocated from results brought forward	-515.241	0
Distribution in total	-515.241	79.766

Balance sheet 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Fixed assets		
1 Equity investments in group enterprises	3.374.872	3.093.939
Financial fixed assets in total	<u>3.374.872</u>	<u>3.093.939</u>
Fixed assets in total	<u>3.374.872</u>	<u>3.093.939</u>
Current assets		
Raw materials and consumables	1.239.109	1.033.275
Work in progress	1.075.681	1.976.449
Inventories in total	<u>2.314.790</u>	<u>3.009.724</u>
Trade debtors	727.849	692.863
Other debtors	20.370	73.921
Debtors in total	<u>748.219</u>	<u>766.784</u>
Available funds	<u>71.023</u>	<u>176.181</u>
Current assets in total	<u>3.134.032</u>	<u>3.952.689</u>
Assets in total	<u>6.508.904</u>	<u>7.046.628</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
2	Contributed capital	500.000	500.000
3	Results brought forward	469.147	418.242
	Equity in total	<u>969.147</u>	<u>918.242</u>
 Liabilities			
4	Subordinate loan capital	1.000.000	1.000.000
5	Other debts	1.189.867	1.359.848
6	Debt to shareholders and management	433.000	649.500
	Long-term liabilities in total	<u>2.622.867</u>	<u>3.009.348</u>
	Short-term part of long-term liabilities	239.490	216.500
	Bank debts	1.634.619	663.972
	Trade creditors	533.383	1.965.865
	Debt to group enterprises	57.238	30.845
7	Other debts	452.160	241.856
	Short-term liabilities in total	<u>2.916.890</u>	<u>3.119.038</u>
	Liabilities in total	<u>5.539.757</u>	<u>6.128.386</u>
	 Equity and liabilities in total	 <u>6.508.904</u>	 <u>7.046.628</u>

8 Mortgage and securities

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
1. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January	3.434.310	3.434.310
Additions during the year	<u>33.286</u>	<u>0</u>
Cost 31 December	<u>3.467.596</u>	<u>3.434.310</u>
Revaluations, opening balance 1 January	-340.371	-260.942
Translation by use of the exchange rate	566.146	-189.941
Results for the year	<u>-318.499</u>	<u>110.512</u>
Writedown 31 December	<u>-92.724</u>	<u>-340.371</u>
Book value 31 December	<u>3.374.872</u>	<u>3.093.939</u>
Group enterprises:		
	Domicile	Share of ownership
Dantex UA	Lviv, Ukraine	99 %
2. Contributed capital		
Contributed capital 1 January	<u>500.000</u>	<u>500.000</u>
	<u>500.000</u>	<u>500.000</u>
The share capital consists of 500 shares, each with a nominal value of DKK 1.000.		
3. Results brought forward		
Results brought forward 1 January	418.242	528.417
Profit or loss for the year brought forward	-515.241	79.766
Translation by use of the exchange rate in group enterprises	<u>566.146</u>	<u>-189.941</u>
	<u>469.147</u>	<u>418.242</u>
4. Subordinate loan capital		
Subordinate loan capital has no repayment in 2020 and falls due within 5 years after the balance sheet date.		

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Other debts		
Other debts in total	1.397.045	1.529.829
Share of amount due within 1 year	<u>-207.178</u>	<u>-169.981</u>
Other debts in total	<u>1.189.867</u>	<u>1.359.848</u>
Share of liabilities due after 5 years	<u>509.943</u>	<u>679.924</u>
6. Debt to shareholders and management		
Debt to shareholders and management in total	672.490	866.000
Share of amount due within 1 year	<u>-239.490</u>	<u>-216.500</u>
	<u>433.000</u>	<u>649.500</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
7. Other debts		
Of other debt, debt to Komplementarselskabet af 22.12.2015 ApS relates to TDKK 52 (2018: TDKK 72), short-term part of debt to Miltex Production A/S relates to TDKK 207 (2018: TDKK 170) and debt to MTG Holding A/S relates to TDKK 33 (2018: TDKK 0).		
8. Mortgage and securities		
For bank debts, TDKK 1.635 the company has provided security in company assets representing a nominal value of TDKK 2.500. This security comprises the below assets, stating the book values:		
Inventories	TDKK 2.315	
Receivable from sales and services	TDKK 728	