



Trendhim ApS

Egeskovej 12
8700 Horsens
CVR No. 32261930

Annual report 2021

The Annual General Meeting adopted the
annual report on 31.03.2022

Sebastian Gyhrs Petersen

Chairman of the General Meeting

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Entity details

Entity

Trendhim ApS
Egeskovvej 12
8700 Horsens

Business Registration No.: 32261930
Registered office: Horsens
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Michael Ejby Bjørnvig, formand
Brian Andersen
Mikkel Falkenberg Kjær Andersen
Martin Højberg Christiansen
Johanna Svensson
Fanny Leksell
Gerth Roger Arne Kylberg

Executive Board

Sebastian Gyhrs Petersen, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Trendhim ApS for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We 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.

Horsens , 31.03.2022

Executive Board

Sebastian Gyhrs Petersen
direktør

Board of Directors

Michael Ejby Bjørnvig
formand

Brian Andersen

Mikkel Falkenberg Kjær Andersen

Martin Højberg Christiansen

Johanna Svensson

Fanny Leksell

Gerth Roger Arne Kylberg

Independent auditor's report

To the shareholders of Trendhim ApS

Opinion

We have audited the financial statements of Trendhim ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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 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.

Aarhus, 31.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	82,858	64,849	35,112	21,374	12,506
Operating profit/loss	41,033	42,071	17,735	10,456	4,142
Net financials	(227)	(49)	(52)	(48)	102
Profit/loss for the year	31,817	32,721	13,788	8,110	3,304
Total assets	94,162	81,187	41,572	28,087	17,501
Investments in property, plant and equipment	8,013	1,467	1,116	30	96
Equity	35,664	32,847	22,588	14,801	6,691
Ratios					
Return on equity (%)	92.88	118.05	73.75	75.47	65.56
Equity ratio (%)	37.88	40.46	54.33	52.70	38.23

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The company's main activity is the sale of accessories for men, directly to the consumer. The company designs and manufactures own goods under own brands.

Development in activities and finances

In 2021 the company managed a growth in gross profit of 28% and a financial result of 31.817.348 DKK, which management finds satisfactory.

Culture and ESG

The culture within the organization is crucial to the successful development of the company. Management has a continued focus on investing in people and learning to further strengthen the development of the company and make Trendhim a great place to work.

During 2021 we have moved both administration and warehouse to new facilities in Horsens, DK, and that has given management the possibilities to invest further into the work environment and given the company more space to continue future growth.

During 2021 we have had an increased focus on ESG both internally and across partnerships. We have worked on risk analysis, policies and ESG audits together with suppliers. We have also initiated recycling programs of certain materials.

COVID-19

The global COVID-19 situation continued throughout 2021 across most of the countries Trendhim operates in. COVID-19 has generally not had a negative impact on the financial result of the company in 2021 and there has been no noteworthy incidents of COVID-19 within the company.

COVID-19 has however, caused higher fluctuations within the company in both sales and cost across the different markets than what we have seen in the past.

Management continues to monitor the situation very closely and follow guidelines to protect both the company and all employees.

Although the COVID-19 situation has impacted the global freight market in various ways, it has not had a significant impact on the company in cost nor stability of deliveries.

Investments

Management has invested a lot in organization, learning and IT infrastructure during 2021 to gear the company for future growth.

Profit/loss for the year in relation to expected developments

The gross profit and financial result of 2021 is in line with management expectations for the year. Financial result has not increased in the same rate as gross profit but remain at a very satisfactory level in line with expectations from management as part of a plan to invest in IT infrastructure, new facilities and organization to prepare the company for future growth.

Uncertainty relating to recognition and measurement

Management sees no significant uncertainty regarding calculation and measurement of the results presented in the annual report.

The global freight market with increasing prices has not had a significant impact on the company.

The fluctuation of currencies (FX) has not had a significant impact on the company during 2021. Primarily because the company has cashflows in many different currencies which somewhat balance out fluctuations.

Unusual circumstances affecting recognition and measurement

Management has seen no unusual circumstances that has affected calculation and measurement of the results presented in the annual report in any significant way.

Outlook

The company's high growth continues and Trendhim has become a prominent destination within its niche. A position that management expects to further Strengthen the coming years.

Management sees COVID-19 has having given both the company and E-commerce industry in general a big lift in revenue during 2020 and 2021. Some of it temporary. And now that COVID-19 is no longer expected to be as dominant a factor in 2022 management expects that growth rates will be lower for both Trendhim and the overall E-commerce industry where Trendhim operates.

Management will continue to invest in IT infrastructure, organization and learning during 2022 and expect to further strengthen its market position of being a go to destination for men's accessories. Management expects to further strengthen brand awareness and Trendhim's global footprint during 2022.

Management expects growth in net revenue of 0-10% in 2022. Management expects a financial result (EBITDA) for 2022 between 20-30 mio DKK.

Knowledge resources

Management sees its organization and people as its most primary resource. Management sees no specific knowledge resource being of significant importance to the future earnings of the company.

Environmental performance

Management does not see the environmental impact of the company to be a significant factor for the ongoing running of the company. However, management has a big focus on the company's impact on both society and environment. Together with all suppliers, management is ensuring policies and guidelines are in place to protect both employees and environment. Together with suppliers, management ensures audit protocols and chemical testing procedures are in place where relevant, and risk analysis is a core part of managements ongoing work with partners and suppliers.

Internally management ensures policies are always up to date and available to all employees, and whistleblowing procedures are in place to be able to report any suspicion of activities not in line with company policy.

Where relevant management works closely with relevant authorities in Denmark to ensure regulations are being adhered to by both Trendhim and suppliers.

Trendhim has no prior, or knowledge of, ongoing whistleblowing cases.

Research and development activities

The company has no ongoing Research and Development activities that is expected to have significant impact on the future development of the company.

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		82,858,195	64,849,005
Staff costs	1	(39,297,705)	(22,491,031)
Depreciation, amortisation and impairment losses	2	(2,527,129)	(286,979)
Operating profit/loss		41,033,361	42,070,995
Other financial income		2,468	31,128
Other financial expenses		(229,347)	(79,941)
Profit/loss before tax		40,806,482	42,022,182
Tax on profit/loss for the year	3	(8,989,134)	(9,301,467)
Profit/loss for the year	4	31,817,348	32,720,715

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		3,442,453	2,239,946
Leasehold improvements		4,283,158	0
Property, plant and equipment	5	7,725,611	2,239,946
Deposits		1,067,937	481,687
Financial assets		1,067,937	481,687
Fixed assets		8,793,548	2,721,633
Manufactured goods and goods for resale		38,682,276	28,047,682
Prepayments for goods		2,969,549	2,088,347
Inventories		41,651,825	30,136,029
Trade receivables		156,250	14,723
Receivables from group enterprises		897,017	0
Deferred tax	6	817,000	0
Other receivables		9,183,728	9,834,838
Prepayments	7	2,078,546	424,117
Receivables		13,132,541	10,273,678
Cash		30,583,611	38,055,452
Current assets		85,367,977	78,465,159
Assets		94,161,525	81,186,792

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		126,000	126,000
Retained earnings		19,538,063	3,720,715
Proposed dividend		16,000,000	29,000,000
Equity		35,664,063	32,846,715
Deferred tax	6	0	75,000
Other provisions	8	3,240,277	3,227,540
Provisions		3,240,277	3,302,540
Other payables		1,157,134	945,354
Non-current liabilities other than provisions	9	1,157,134	945,354
Bank loans		0	39,867
Prepayments received from customers		1,466,450	1,328,357
Trade payables		24,891,606	20,893,814
Joint taxation contribution payable		8,349,134	8,039,551
Other payables	10	19,392,861	13,790,594
Current liabilities other than provisions		54,100,051	44,092,183
Liabilities other than provisions		55,257,185	45,037,537
Equity and liabilities		94,161,525	81,186,792
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
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Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	126,000	3,720,715	29,000,000	32,846,715
Ordinary dividend paid	0	0	(29,000,000)	(29,000,000)
Profit/loss for the year	0	15,817,348	16,000,000	31,817,348
Equity end of year	126,000	19,538,063	16,000,000	35,664,063

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	35,447,416	20,863,330
Pension costs	2,200,199	912,346
Other social security costs	195,687	331,992
Other staff costs	1,454,403	383,363
	39,297,705	22,491,031
Average number of full-time employees	84	50

As Management is remunerated in Trendhim Group ApS, please refer to the annual report thereof.

2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Depreciation of property, plant and equipment	1,841,928	286,979
Impairment losses on property, plant and equipment	685,201	0
	2,527,129	286,979

3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	9,881,134	9,193,551
Change in deferred tax	(892,000)	73,000
Adjustment concerning previous years	0	34,916
	8,989,134	9,301,467

4 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	16,000,000	29,000,000
Extraordinary dividend distributed in the financial year	0	14,462,093
Retained earnings	15,817,348	(10,741,378)
	31,817,348	32,720,715

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,126,340	0
Additions	3,575,801	4,436,993
Cost end of year	6,702,141	4,436,993
Depreciation and impairment losses beginning of year	(886,394)	0
Impairment losses for the year	(685,201)	0
Depreciation for the year	(1,688,093)	(153,835)
Depreciation and impairment losses end of year	(3,259,688)	(153,835)
Carrying amount end of year	3,442,453	4,283,158

6 Deferred tax

	2021 DKK	2020 DKK
Property, plant and equipment	(353,000)	(168,000)
Receivables	457,000	93,000
Provisions	713,000	0
Deferred tax	817,000	(75,000)

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	(75,000)	(2,000)
Recognised in the income statement	892,000	(73,000)
End of year	817,000	(75,000)

Deferred tax assets relate to differences between accounting and tax values for accruals and deferred income and will be utilized over time.

7 Prepayments

Prepayments cover substantial prepaid insurance, licenses, etc

8 Other provisions

Other provisions consist of provisions for the return of goods at the beginning of 2022 with a value of DKK 3,240 K. (DKK 3,228 K. last year)

The provision is based on realized returns in the subsequent period and compared with the company's realized returns for previous periods.

9 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	1,157,134	1,157,134
	1,157,134	1,157,134

10 Other payables

	2021 DKK	2020 DKK
VAT and duties	16,828,655	11,111,544
Wages and salaries, personal income taxes, social security costs, etc payable	1,185,290	1,939,635
Holiday pay obligation	1,378,916	739,415
	19,392,861	13,790,594

11 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	17,627,998	5,701,791

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Trendhim Group 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.

13 Assets charged and collateral

As security for all balances with banks, the company has pledged a corporate mortgage of DKK 4.500 K. in other plant, equipment and fixtures and fittings as well as inventories and receivables from sales and services.

The carrying amount per 31.12.2021 of pledged assets amounts to DKK 46 554 K.

There is a bank debt of DKK 0 K. pr. 31.12.2021.

14 Related parties with controlling interest

Trendhim Group ApS - Egeskovvej 12 Tolstrup, 8700 Horsens

Priveq Investment v(A) AB Humlegårdsgatan 20, 10 246 Stockholm, Sverige

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Trendhim Group ApS, Horsens

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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.

Income statement

Gross profit or loss

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

Revenue also includes provisions for returned goods, which are calculated on the basis of historical data.

Cost of sales

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

writedowns. writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises 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 gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses.

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

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment and 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:

Other fixtures and fittings, tools and equipment	4-10 years
Leasehold improvements	5 years

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.

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.

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, 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 bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of returns.

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.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Cash flow statement

No Statement of cash flows has been incorporated into the annual report as it is included in Statement of cash flows in the consolidated financial statements presented by the parent company.