



Tailor Shaped ApS

Frederiksholms Kanal 4, 1.
1220 København K
CVR No. 34732590

Annual report 2020

The Annual General Meeting adopted the
annual report on 07.04.2021

Jess Christian Fleischer

Chairman of the General Meeting

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Entity details

Entity

Tailor Shaped ApS

Frederiksholms Kanal 4, 1.

1220 København K

CVR No.: 34732590

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Christian Ulrik Trolle, Chairman

Jess Christian Fleischer

Thomas Ryge Mikkelsen

Christian Læsø Jensen

Jörgen Andersson

Johan Littke Symmons

Executive Board

Jess Christian Fleischer, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Tailor Shaped 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 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.

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.

Copenhagen, 07.04.2021

Executive Board

Jess Christian Fleischer
CEO

Board of Directors

Christian Ulrik Trolle
Chairman

Jess Christian Fleischer

Thomas Ryge Mikkelsen

Christian Læsø Jensen

Jörgen Andersson

Johan Littke Symmons

Independent auditor's report

To the shareholders of Tailor Shaped ApS

Opinion

We have audited the financial statements of Tailor Shaped 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.

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 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 of 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 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.

Copenhagen, 07.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Management commentary

Primary activities

The company's main activity is to develop and produce tailored apparel for men.

Description of material changes in activities and finances

The results after tax are DKK (3,930) thousand against DKK (5,562) thousand last year.

During the year the company raised capital from existing and new investors.

Uncertainty relating to recognition and measurement

At the 31 December 2020, the Company has been recognised DKK 6,479 thousand as deferred tax assets. The value of the tax assets depends on the Company's ability to develop, market and sell own products at a profitable level. Management believes that the Company will realize the implementation of its plans within a foreseeable future. Accordingly, Management has deemed the valuation sound. If the Company's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

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

	Notes	2020 DKK	2019 DKK
Gross profit/loss		5,200,058	(319,884)
Staff costs	2	(9,394,757)	(5,822,031)
Depreciation, amortisation and impairment losses	3	(82,427)	(84,731)
Operating profit/loss		(4,277,126)	(6,226,646)
Other financial income	4	67,012	17,454
Other financial expenses	5	(1,847,589)	(872,749)
Profit/loss before tax		(6,057,703)	(7,081,941)
Tax on profit/loss for the year	6	2,127,508	1,520,207
Profit/loss for the year		(3,930,195)	(5,561,734)
Proposed distribution of profit and loss			
Retained earnings		(3,930,195)	(5,561,734)
Proposed distribution of profit and loss		(3,930,195)	(5,561,734)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		66,500	108,500
Intangible assets	7	66,500	108,500
Other fixtures and fittings, tools and equipment		213,227	84,058
Leasehold improvements		177,648	19,266
Property, plant and equipment	8	390,875	103,324
Deposits		792,251	199,906
Deferred tax		6,478,612	4,860,608
Financial assets		7,270,863	5,060,514
Fixed assets		7,728,238	5,272,338
Manufactured goods and goods for resale		4,563,964	3,757,563
Inventories		4,563,964	3,757,563
Trade receivables		2,395,191	1,363,532
Other receivables		1,101,495	494,897
Income tax receivable		1,078,938	569,434
Prepayments		548,994	357,506
Receivables		5,124,618	2,785,369
Cash		35,122,328	577,118
Current assets		44,810,910	7,120,050
Assets		52,539,148	12,392,388

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	9	456,814	369,543
Retained earnings		23,570,606	(1,816,908)
Equity		24,027,420	(1,447,365)
Debt to other credit institutions		21,448,364	4,000,000
Other payables		539,798	4,611,660
Non-current liabilities other than provisions	10	21,988,162	8,611,660
Current portion of non-current liabilities other than provisions	10	203,329	0
Bank loans		10,824	1,119,279
Prepayments received from customers		1,016,984	562,237
Trade payables		2,825,472	1,298,011
Other payables		2,466,957	2,248,566
Current liabilities other than provisions		6,523,566	5,228,093
Liabilities other than provisions		28,511,728	13,839,753
Equity and liabilities		52,539,148	12,392,388
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	369,543	0	(1,816,908)	(1,447,365)
Increase of capital	87,271	30,026,008	0	30,113,279
Transferred from share premium	0	(30,026,008)	30,026,008	0
Costs related to equity transactions	0	0	(708,299)	(708,299)
Profit/loss for the year	0	0	(3,930,195)	(3,930,195)
Equity end of year	456,814	0	23,570,606	24,027,420

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until 31 December 2020 once or several times to increase the Company's share capital with up to nominally 12.861 shares in total without pre-emption right for the Company's shareholders. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until 8 October 2025 once or several times to increase the Company's share capital with up to nominally 39.793 shares in total without pre-emption right for the Company's shareholders. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

1 Uncertainty relating to recognition and measurement

At the 31 December 2020, the Company has been recognised DKK 6,479 thousand as deferred tax assets. The value of the tax assets depends on the Company's ability to develop, market and sell own products at a profitable level. Management believes that the Company will realize the implementation of its plans within a foreseeable future. Accordingly, Management has deemed the valuation sound. If the Company's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	9,032,985	5,533,878
Pension costs	242,277	173,404
Other social security costs	119,495	114,749
	9,394,757	5,822,031
Average number of full-time employees	18	14

3 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	42,000	42,000
Depreciation of property, plant and equipment	68,105	45,499
Profit/loss from sale of intangible assets and property, plant and equipment	(27,678)	(2,768)
	82,427	84,731

4 Other financial income

	2020 DKK	2019 DKK
Exchange rate adjustments	67,012	17,247
Other financial income	0	207
	67,012	17,454

5 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	1,100,633	568,032
Exchange rate adjustments	743,818	70,217
Other financial expenses	3,138	234,500
	1,847,589	872,749

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(509,225)	(569,434)
Change in deferred tax	(1,618,004)	(950,773)
Adjustment concerning previous years	(279)	0
	(2,127,508)	(1,520,207)

7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	210,000
Cost end of year	210,000
Amortisation and impairment losses beginning of year	(101,500)
Amortisation for the year	(42,000)
Amortisation and impairment losses end of year	(143,500)
Carrying amount end of year	66,500

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	268,066	51,376
Additions	180,499	209,679
Disposals	0	(83,407)
Cost end of year	448,565	177,648
Depreciation and impairment losses beginning of year	(184,008)	(32,110)
Depreciation for the year	(51,330)	(16,775)
Reversal regarding disposals	0	48,885
Depreciation and impairment losses end of year	(235,338)	0
Carrying amount end of year	213,227	177,648

9 Share capital

	Number	Nominal value DKK
A-shares	372,860	372,860
B-shares	83,954	83,954
	456,814	456,814

10 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Debt to other credit institutions	203,329	21,448,364	6,315,806
Other payables	0	539,798	0
	203,329	21,988,162	6,315,806

11 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	5,398,128	186,000

12 Assets charged and collateral

As collateral for liabilities with Danske Bank the company has pledged a bank account with a balance of DKK 24.000 at 31 December 2020.

As security for debt obtained from Danske Bank and Vækstfonden, there is a registered corporate mortgage amounting to DKK 4,000,000. This security includes intangible assets, property plant and equipment, inventories and trade receivables.

The carrying amount is DKK 12,944,038. (2019: 5,569K)

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. Inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Balance sheet items are translated using the exchange rates at the balance sheet date.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods is recognised in the income statement when payment is received 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.

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 and amortisation for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises exchange gains on transactions in foreign currencies for debtors and payables.

Other financial expenses

Other financial expenses comprise interest expenses, exchange losses on payables and debtors and transactions in foreign currencies, amortisation of financial liabilities.

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**Intangible assets**

Acquired intangible assets comprise software cost.

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over their expected useful life.

Software is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment 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	3 years
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.

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.

Inventories

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

Cost consists of purchase price. Cost of manufactured goods and work in progress consists of costs of raw materials and direct labour 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.

Tax receivable

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

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.

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.