

Suit Supply Denmark ApS

c/o TMF Denmark A/S
H.C. Andersens Boulevard 38, 3. th, 1553 København V

CVR no. 37 26 92 55

Annual report 2022

Approved at the Company's annual general meeting on 22 June 2023

Chair of the meeting:

DocuSigned by:

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Dorthe Christine Hvidkjaer

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Suit Supply Denmark ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 June 2023

Executive Board:


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Fokke Marten de Jong
Director

Independent auditor's report on extended review

To the shareholder of Suit Supply Denmark ApS

Opinion

We have performed an extended review of the financial statements of Suit Supply Denmark ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the Management's Review, 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's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's Review 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 in the Management's Review.

Skive, 22 June 2023
RSM Danmark
Statsautoriseret Revisionspartnerselskab
CVR no. 25 49 21 45



Kenny Dam Handberg
State Authorised Public Accountant
mne43515

Management's review

Company details

Name	Suit Supply Denmark ApS
Address, Postal code, City	c/o TMF Denmark A/S H.C. Andersens Boulevard 38, 3. th, 1553 København V
CVR no.	37 26 92 55
Established	1 December 2015
Registered office	København
Financial year	1 January - 31 December
Website	www.suitsupply.com
Executive Board	Fokke Marten de Jong, Director
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Frugtparken 3, 7800 Skive

Management's review

Business review

The company operates a clothing retail store in Copenhagen and a Danish webstore. Specializing in business attire and accessories, The direct parent as at 31 December 2022 is Suit Supply Holding B.V and the ultimate parent is Fokke de Jong Holding BV.

Suit Supply, founded in Amsterdam in 1999, is a leading vertically integrated, men's tailoring brand. Suit Supply has an extensive retail network, in addition to expanding brick-and-mortar locations, created a fast-growing successful digital platform, allowing Suit Supply to bring its style and top-tier service to all corners of the planet. Suit Supply's product range includes suits, shirts, jackets, coats, trousers, accessories, ties, shoes and knitwear products. In 2017, Suitstudio has been launched with an extensive womens collection.

Financial review

Revenue has recovered with DKK 5 million (19%) towards DKK 32 million notwithstanding continued impact by the Covid-19 pandemic which was still ongoing throughout the start of 2022. Earnings before interest, tax, depreciation, and amortisation (EBITDA) increased during 2022 to DKK 2.2 million positive (2021: DKK 2 million). The EBITDA margin increased with 10% compared to 2021. The increase in sales is mainly caused by increase in operational activities as the lockdowns were relaxed during the year.

The net profit for the year has improved to a profit of DKK 340.872 (2021: DKK 292.903) which saw a 4% increase (2022: 8%, 2021: 4%) as a percentage of gross profit driven by the increase in EBITDA.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	<u>2022</u>	<u>2021</u>
	Gross profit	7,885,077	7,085,558
2	Staff costs	-5,917,724	-5,035,494
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,561,981	-1,565,295
	Profit before net financials	405,372	484,769
3	Financial income	39,885	6,116
4	Financial expenses	-8,241	-115,152
	Profit before tax	437,016	375,733
5	Tax for the year	-96,144	-82,830
	Profit for the year	<u>340,872</u>	<u>292,903</u>
	 Recommended appropriation of profit		
	Retained earnings	<u>340,872</u>	<u>292,903</u>
		<u>340,872</u>	<u>292,903</u>

Financial statements 1 January - 31 December**Balance sheet**

Note	DKK	<u>2022</u>	<u>2021</u>
	ASSETS		
	Non-current assets		
6	Intangible assets		
	Acquired intangible assets	574,074	796,296
		<u>574,074</u>	<u>796,296</u>
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	657,281	1,412,949
	Leasehold improvements	2,338,921	2,560,529
		<u>2,996,202</u>	<u>3,973,478</u>
8	Financial assets		
	Deposits, investments	47,139	47,139
	Deferred tax assets	0	18,102
		<u>47,139</u>	<u>65,241</u>
	Total non-current assets	<u>3,617,415</u>	<u>4,835,015</u>
	Current assets		
	Receivables		
	Trade receivables	25,394	15,914
	Other receivables	2,227	237,327
	Prepayments	0	51,987
		<u>27,621</u>	<u>305,228</u>
	Cash	<u>1,197,887</u>	<u>2,812,004</u>
	Total current assets	<u>1,225,508</u>	<u>3,117,232</u>
	TOTAL ASSETS	<u>4,842,923</u>	<u>7,952,247</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	89,956	-250,916
	Total equity	<u>139,956</u>	<u>-200,916</u>
	Liabilities		
	Non-current liabilities		
	Deferred tax	78,042	0
	Total non-current liabilities	<u>78,042</u>	<u>0</u>
	Current liabilities		
	Prepayments received from customers	0	27,202
	Trade payables	331,112	360,283
	Payables to group enterprises	1,573,103	2,351,298
	Other payables	2,401,473	5,218,135
	Deferred income	319,237	196,245
	Total current liabilities	<u>4,624,925</u>	<u>8,153,163</u>
	Total liabilities	<u>4,702,967</u>	<u>8,153,163</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>4,842,923</u></u>	<u><u>7,952,247</u></u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	50,000	-543,819	-493,819
Transfer through appropriation of profit	0	292,903	292,903
Equity at 1 January 2022	50,000	-250,916	-200,916
Transfer through appropriation of profit	0	340,872	340,872
Equity at 31 December 2022	50,000	89,956	139,956

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Suit Supply Denmark ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for the year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On the initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less installments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	9 years
Fixtures and fittings, other plant and equipment	3-7 years
Leasehold improvements	10 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, e.g. from group entities, exchange gains and losses, as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include other acquired intangible rights, including the right to rent premises. Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial assets

Other receivables recognised under fixed assets comprise of rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and financial assets is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Prepayments received from customers

Prepayments from customers comprises payments received regarding income in subsequent years.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December**Notes to the financial statements**

DKK		<u>2022</u>	<u>2021</u>
2	Staff costs		
	Wages/salaries	5,401,732	4,669,214
	Pensions	447,999	313,702
	Other social security costs	67,993	52,578
		<u>5,917,724</u>	<u>5,035,494</u>
	Average number of full-time employees	<u>14</u>	<u>12</u>
3	Financial income		
	Interest receivable, group entities	39,838	5,738
	Other financial income	47	378
		<u>39,885</u>	<u>6,116</u>
4	Financial expenses		
	Interest expenses, group entities	7,213	80,960
	Interest expenses, associates	680	6,009
	Other financial expenses	348	28,183
		<u>8,241</u>	<u>115,152</u>
5	Tax for the year		
	Deferred tax adjustments in the year	96,144	82,830
		<u>96,144</u>	<u>82,830</u>
6	Intangible assets		
	DKK		Acquired intangible assets
	Cost at 1 January 2022		<u>2,000,000</u>
	Cost at 31 December 2022		<u>2,000,000</u>
	Impairment losses and amortisation at 1 January 2022		1,203,704
	Amortisation for the year		222,222
	Impairment losses and amortisation at 31 December 2022		<u>1,425,926</u>
	Carrying amount at 31 December 2022		<u>574,074</u>

Financial statements 1 January - 31 December**Notes to the financial statements****7 Property, plant and equipment**

DKK	<u>Fixtures and fittings, other plant and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2022	7,208,324	5,260,891	12,469,215
Additions	51,775	310,708	362,483
Cost at 31 December 2022	<u>7,260,099</u>	<u>5,571,599</u>	<u>12,831,698</u>
Impairment losses and depreciation at 1 January 2022	5,795,375	2,700,362	8,495,737
Depreciation	807,443	532,316	1,339,759
Impairment losses and depreciation at 31 December 2022	<u>6,602,818</u>	<u>3,232,678</u>	<u>9,835,496</u>
Carrying amount at 31 December 2022	<u>657,281</u>	<u>2,338,921</u>	<u>2,996,202</u>

8 Financial assets

DKK	<u>Deposits, investments</u>
Cost at 1 January 2022	47,139
Cost at 31 December 2022	47,139
Carrying amount at 31 December 2022	<u>47,139</u>

9 Contractual obligations and contingencies, etc.**Other financial obligations**

Other rent and lease liabilities:

DKK	<u>2022</u>	<u>2021</u>
Rent and lease liabilities	1,153,886	1,140,575

10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

11 Related parties**Information about consolidated financial statements**

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Suit Supply Holding B.V.	Amsterdam, The Netherlands	Can be requisitioned on the parents address: Gelrestraat 16, 1079 MZ Amsterdam, The Netherlands