

# SEROUSSI GROUP

## ROMANIA

- IKOS CONF SA
- J&R ENTERPRISES SRL
- NORADA SA
- SERCONF SA

January 2022

IKOS CONF SA



# History and Milestones

**1960** Local tailors organize a co-operative in Odorheiu Secuiesc and move to the empty buildings which are transformed into buildings suitable for garment production. They start producing coats, trousers, suits and shirts.

**1973** The government invests in the construction of a large production hall. The newly created state-owned factory employs 2,700 workers. The facility is used to the current days by Ikos Conf (“the Company”).

**1991** The state-owned company is 25% sold to Mr. J.A. Seroussi, with the privatization process (under the Romanian Mass Privatization Programme) being initiated. The Company’s name becomes Ikos Conf S.A.

**1993** The process of privatization is finalized and Seroussi family becomes the majority owner (70% stake). A great technological progress is achieved through massive investments in machinery which are replaced and modernized. At the same time, the Company starts producing for well-known German brands.

**1995** The Company starts investing in the IT infrastructure, strengthens the IT department and creates its own ERP system. The monitoring of the production processes is successfully digitalized.

**2000-2003** The Company’s business has a high speed development with its production levels reaching more than 1m suits/year. The number of employees also grows to more than 3,200, working in two shifts.

**2009-2016** The Company reshapes its business in the post-crisis environment, managing to remain profitable and to strengthen its relation with the main business partner. The focus on technological progress continues to be a core competency, given significant investments in machinery of approx. EUR 1 mil.(mainly in 2015 & 2016).

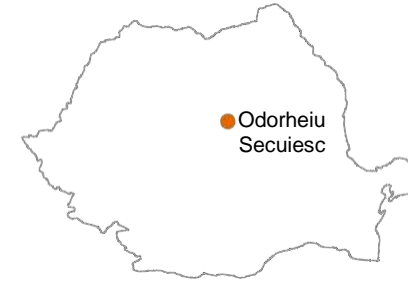
**2019** The Company produces 216,915 suits equivalent. Part of Ikos Conf real estate assets are carved-out and transferred to Ikos Imob, a newly set up company.

# Location of Ikos Conf Operations



**The production site** is located in Odorheiu Secuiesc city, Harghita county, on a land of **19 608 sq meters**.

The total useful surface of buildings held by Ikos Conf is 14 495 sq m, while the total footprint surface of the buildings is 8 957 sq m.



**97 sq m** -C1 building: gate and offices for the HR and payroll department;

**815 sq m** -C2 building: 170 sq m factory outlet, while the rest of the building is currently not used;

**104 sq m** -C3 building: electricity transformation house;

**10,088 sq m** -C4 building: production hall made of two floors :

-**Ground floor**- cutting department, finishing department, Lectra, raw material warehouse;

-**First floor**- sewing (production) lines, auxiliary materials warehouse, other rooms;

**2,155 sq m** -C5 building: finished goods warehouse (ground floor) and changing rooms, dining hall, machinery workshop, machinery warehouse (first floor);

**333 sq m** -C6 and C7 buildings: mechanical workshops;

**640 sq m** -C8 building: warehouse for packing materials and hangers, re-usable waste warehouse, archives;

**365 sq m** -C9 building: steaming room;

**145 sq m** -C10 building: electricians workshop.

# Equipment and Logistic Infrastructure



**Modern technology** stands at the core of the Company's high quality standards and efficiency. In light of that, Ikos Conf is equipped with 704 sewing machines, 255 ironing machines and 54 cutting machines (as of September 2019).

The equipment is mostly provided by renowned garment manufacturing machine producers such as Kurris, Lectra, Brother, Pfaff, Durkopp.

Currently Ikos Conf has an **average daily production capacity of approximately 450 jackets/blazers and 550 trousers/day.**

The current manufacturing profile is a versatile one, which allows accomplishing orders for European Premium Brands of for formal wear, light woven, smart casual and MTO-MTM category.



The Company has a fleet of passenger cars, mini busses and utility vehicles:

- **1 utility vehicle** (Volkswagen) used for distributing products and for transporting raw material such as textiles or accessories;
- **2 mini busses** (Volkswagen) used for the employees' shuttle;
- **4 passenger cars** (Volkswagen, Dacia and Audi), used for visitors and other needs of transportation.

Car type	No. of units	Production years	Used for

Car type	units	Production years	Used for
Utility cars/ Vans	1	2008	merchandise transportation
Passenger cars	6	2011,2012	personnel&merchandise transportation

Source: The Company

# Quality Management Systems

## Supplier Score Card from Hugo Boss

One of the biggest milestones for Ikos Conf in 2017 was the start of a new partnership with the famous fashion house, Hugo Boss. This proved to be a success for the Company, which just after one year was acknowledged as the best supplier of formal menswear according to Hugo Boss's annual evaluation.

Ikos Conf received the **highest rating - A performance** - out of 11 vendors, supported by the high standards of quality, efficiency and commitment on delivering within the agreed deadlines.

## Hugo Boss supplier score card extract



Source: Hugo Boss

## ISO certification

The Company's premium quality manufacturing standards are also endorsed by the ISO 9001:2015 certification which was obtained in 2015.

The certification is a proof of the European Union rigorous standards applied to textiles and wearing apparel manufacturing within the Company.

## ISO 9001:2015 extract



Source: The Company



SERCONF SA

# Serconf History

## Company foundation

Serconf ("The Company") starts its activity in 1993 in Botoșani county, Northern Romania, after acquiring part of an existing production facility (Rapsodia). The Company becomes the second factory of SEROUSSI Group

1993



1994-1997



## Production facility

The Company invested approx. EUR 10 m in production lines, endowing the business with upgraded machinery and equipment. Production for well-known international fashion houses - Gardeur, Widax Struver, Rene Lezard is initiated

## Key new commercial partner

In 1998 Serconf started its collaboration with Leineweber GmbH&Co.KG (Brax), a business partnership that was consolidated over time, becoming the main pillar in the Company's portfolio

1998



2000-2005



## Organic growth

A record high capacity in the Company's history is reached over the period - 1,800,000 pairs of trousers/year - grounded on impressive order book and HR availability

## Restructuring

The Company reshapes its business in the post-crisis environment, focusing on modernizing the production flow (EUR 2 m investment) and targeting high profitability standards for its specific business profile (CM)

2006-2018



2019

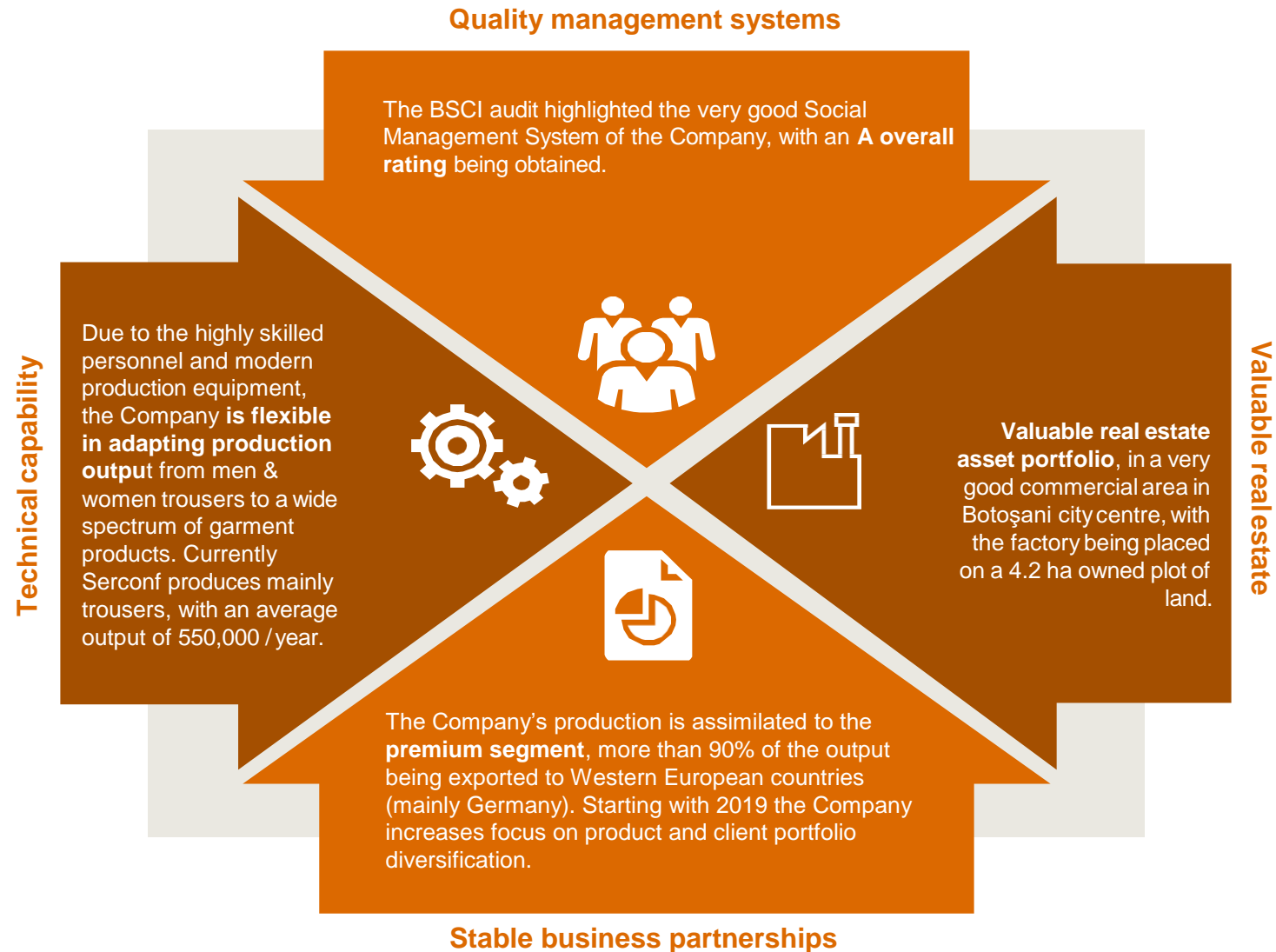


## Current standing - New line of business

The Company performs major steps in securing new business partnerships, able to diversify its client portfolio and adding high-end quality garments to its existing product range



# Key Competitive Advantages



# Location of Serconf operations



**The production site** of Serconf is located in NE Romania, Botoșani city, on a 4,197 sq m plot of land, owned by the Company.

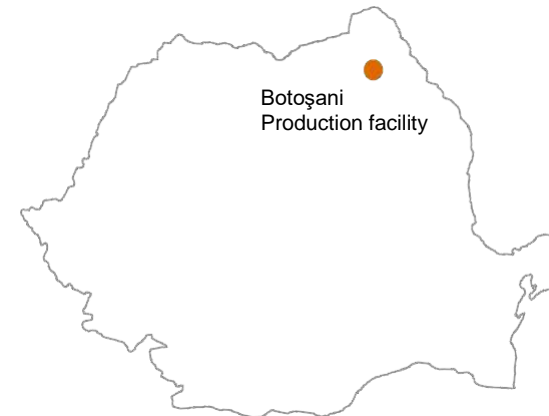
**The main building** is used for production and finishing lines, and has a surface of 6,518 sq m.

**Adjacent buildings** with a surface of 930 sq m, have the following utilization:

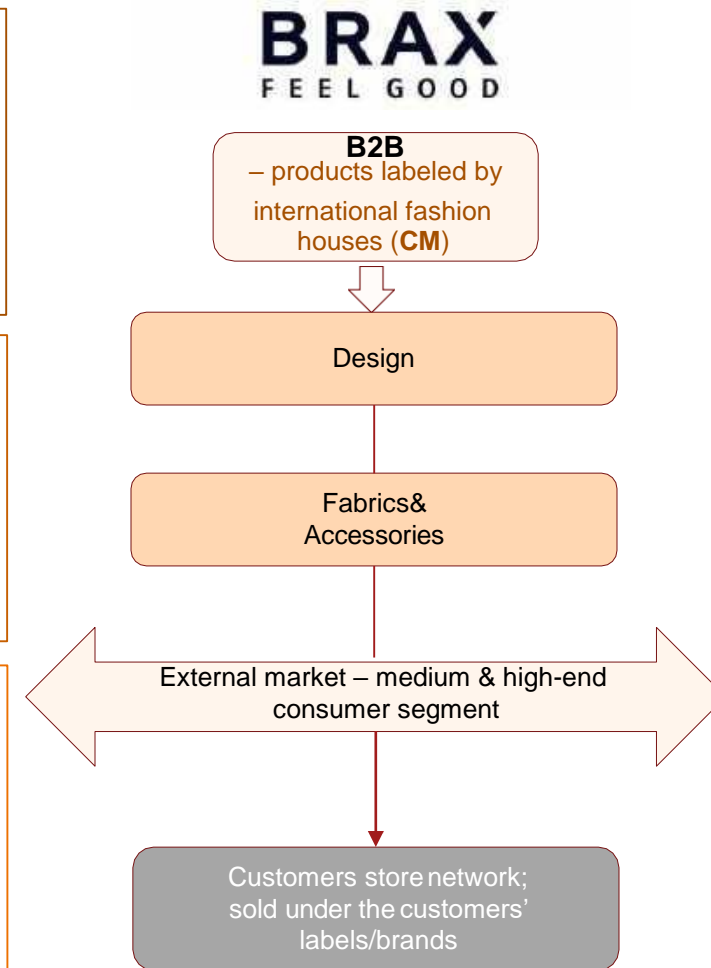
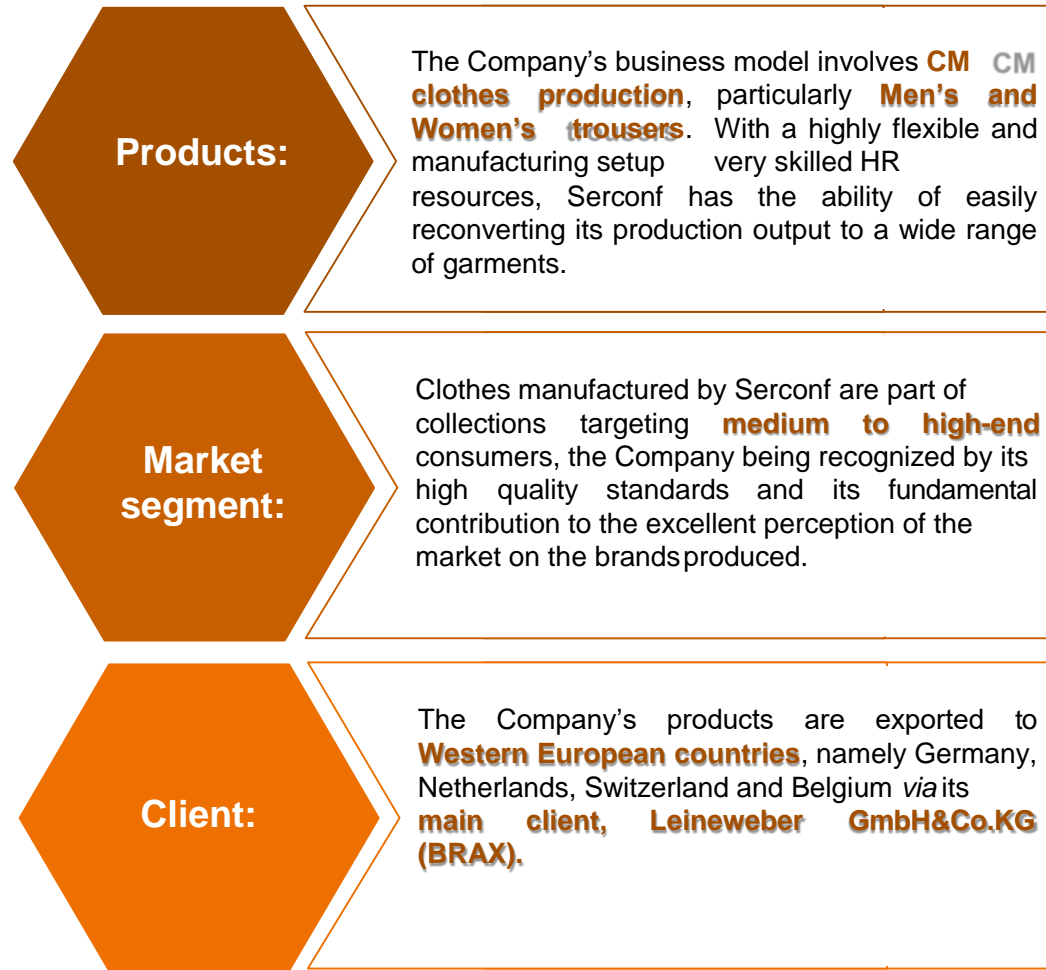
- 283 sq m – administrative and technical facilities;
- 187 sq m – locker-rooms and training workshop;
- 460 sq m – storage facilities.

Additionally, **the Company rents** 760 sq m of office spaces (and 417 sq m of afferent land) from the affiliated company J&R Enterprises.

The production site has been transformed into a modern facility, endowed with the latest machinery and equipment from well-known suppliers such as Brother, Durkopp, Veit, Lectra, the technical equipment being continuously upgraded and easily adaptable to changing design requirements of international clients.



# Business Model



Starting with 2019, the Company is focused on **diversifying both client and product portfolio**, with new business partnerships being expected to produce effects in 2H2020. The Company's ability of delivering high-quality products in a timely manner are the main competitive advantages that work for Serconf in its process of attracting new clients and enforcing its profitability profile.

# Quality Management Systems

## BSCI certification

At the beginning of 2020 SGS Romania conducted, upon the request of the major client (Brax), the full audit for the production facility of Serconf, with very good results in all areas covered, including “*Social Management System and Cascade Effect*”, “*Protection of the Environment*”, “*Workers Involvement and Protection*” and “*Occupational health and Safety*”.

As a result, the audit revealed excellent findings in all of these areas, with **A overall rating**. This stands as a proof that the Company has reached maturity in terms of process improvement and social management.

## Summary of 2020 full audit outcome

Audit Details	
Audit Range :	<input checked="" type="checkbox"/> Full Audit <input type="checkbox"/> Follow-up Audit
Audit Scope :	<input checked="" type="checkbox"/> Main Auditee <input type="checkbox"/> Main Auditee & Farms
Audit Environment :	<input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Agricultural <input type="checkbox"/> Small Producer
Audit Announcement :	<input type="checkbox"/> Fully-Announced <input type="checkbox"/> Fully-Unannounced <input checked="" type="checkbox"/> Semi-Announced
Random Unannounced Check (RUC) :	No
Audit extent (if applicable) :	none
Audit interferences or contingencies (if applicable) :	none
Overall rating :	<b>A</b>
Need of follow-up :	IF YES, by :

Rating per Performance Area (PA)														
PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13		
A	A	A	A	A	A	A	A	A	A	A	A	A	A	

Summary																
Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	07/01/2020	TT2679	A	A	A	A	A	A	A	A	A	A	A	A	A	A

Source: The Company

## ISO certification

The Company’s premium quality manufacturing standards are also endorsed by the ISO 9001:2008 certification which was obtained in 2008.

The certification is a proof of the European Union rigorous standards applied to textiles and wearing apparel manufacturing within the Company.



## Environmental performance certification

The Company’s continuing concern in reducing environmental impact in supply chains associated to the manufacturing process by measurements such as increasing energy efficiency, improving chemical management and reducing water consumption was recognized by the Environmental performance certification which was obtained in 2016.



## Awards



As a result of very good performance, both economically and financially, the Company was awarded by the National Association of Exporters and Importers in Romania (ANEIR) with the **Jubilee Trophy of Excellence in 2019**.

# Equipment and Logistic Infrastructure



Serconf factory is fitted out with **modern equipment**, with the management being constantly focused on maintaining high quality standards. This way, the factory was transformed into a modern production facility, endowed with the latest machinery and equipment from well-known suppliers such as Brother, Durkopp, Veit, Lectra (675 sewing machines, 87 ironing machines and 81 presses and cutting machines as of September 2019).

The production flow is monitored in real time by a complex IT system.

Currently the Company has an **average yearly production capacity of 550,000 pairs** of men and women trousers.



The main building in the production site is used for production and finishing lines and has a surface of 6,518 sq m.

The production site is placed in Botosani city, on a 4,197 square meters plot of land owned by the Company. Also the Company rents approx. 760 sq m of office spaces from the affiliated company J&R Enterprises.



The Company's car fleet includes **4 passenger cars** (Audi and Dacia Duster), used for visitors and other needs of transportation.





NORADA SA

# Norada History

**1993** Norada (the “Company”) is founded by J. A. Seroussi, with production site in Odorheiu Secuiesc. First clients for CM production are Hugo Boss Germany and Marzotto Italy.

**1998** SEROUSSI brand is created by J&R Enterprises, an affiliated company of Norada. First SEROUSSI products, Men’s and Womenswear, are made by Norada.

**2004** The Company started to gradually develop CMT production in order to accede a new profitability level. Auxiliaries used are certified OEKO-TEX.

**2006** MTO business with unique products made for Tiger of Sweden and Sir of Sweden is added to the Company’s portfolio.

**2009** Norada takes over the design and distribution of SEROUSSI brand and develops a luxury Menswear collecting targeting the premium segment.

**2013** MTO products using luxury Italian fabrics are launched in SEROUSSI stores, as part of SEROUSSI Limited Edition.

**2015** More than 30th SEROUSSI branded suits equivalent are sold yearly *via* own stores and partner stores (>40).

**2019** Academy Award winning filmmaker collects his Oscar wearing a SEROUSSI tuxedo, bringing the brand to the attention of the international fashion community.

# *Norada - from Manufacturing to New Business concept of brand “SEROUSSI” customized for New generation*

## 2022 Oscar

### Academy

Awards Festival resume the tradition of wearing a SEROUSSI tuxedo, after the turmoiled years of social restrictions imposed by Covid pandemy.





# Key Competitive Advantages

## Premium quality products



SEROUSI Brands business line, the premium quality of products for targeting high-end consumers.

## Wide range of products



The Company is able to produce a wide spectrum of products after sizes and fittings in a huge variety of colors, material types & prints, complex designs and different outfits (ceremony, business, casual). Stocks by type of products for SEROUSSI brand are monitored by a good stock control system connected to stores, allowing stock optimization.

## Own retail network for SEROUSSI Brands



Countrywide footprint *via* own retail network offers direct access to customers, with opportunities to gain profitability by shortcutting the value chain. SEROUSSI brands portfolio, with very good brand awareness on the market, is another add-on for the Company's profitability.

## Stable business partnerships with major fashion houses



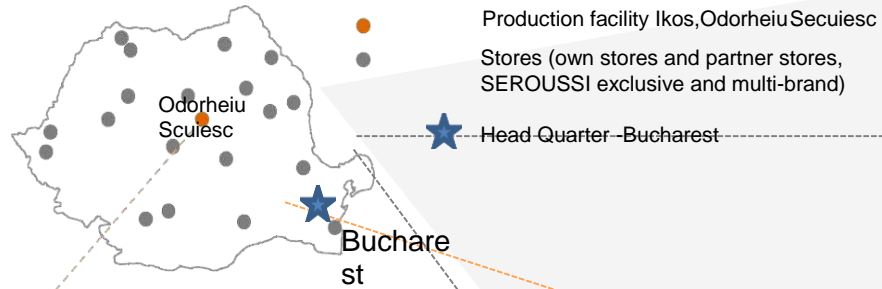
The Company has a proven track record in collaborating with reputed European brands and in continually diversifying its client portfolio. High quality of products and very good geographical position to serve Western European markets are the Company's main strengths on which Norada leverages.

## MTO and MTM capabilities



Huge potential from increasing MTO and MTM contribution to total business, capitalizing on existing HR and equipment resources, near sourcing for Western European markets and flexibility in adapting to both large and small order volumes.

# Location



Source: The Company

site



## The store network

The store networks of Norada comprise more than **47 units**, all of them placed in large commercial centers or significant shopping streets of the main Romanian cities.

**4** of the 47 units are **owned by Norada** (stores in Cluj-Napoca, Târgu Mureș and Odorheiu Secuiesc), while another store in Bucharest, in Afi Mall, is owned by the affiliated company J&R Enterprises.

**42** units are considered **partner stores** (excluding the store operated by J&R Enterprises), being operated by **38 third parties**, Norada having with them consignment agreements for SEROUSSI products made by Norada and sales-purchase agreements for accessories (ties, scarfs, shoes etc. sold under SEROUSSI brand but manufactured by third parties). The store network includes both SEROUSSI exclusive stores (mono-brand stores) and multi-brand stores.

# Quality Management Systems

## BSCI certification

In 2018 Intertek conducted, upon the request of two major clients (Tiger of Sweden and Acne Studios) the last full audit of Norada, with main improvement areas highlighted for two Performance Areas, namely “Social Management System and Cascade Effect” and “Workers Involvement and Protection”.

The follow-up audit conducted in 2019 revealed major improvements in all of these areas, with **A overall rating**.

Full audits are conducted every two years.

### Summary of 2018 full report outcome

Audit Details												
Audit Range:	<input checked="" type="checkbox"/> Full Audit <input type="checkbox"/> Follow-up Audit											
Audit Scope:	<input checked="" type="checkbox"/> Main Audits <input type="checkbox"/> Main Audits & Farms											
Audit Environment:	<input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Agricultural											
Audit Announcement:	<input type="checkbox"/> Fully Announced <input type="checkbox"/> Fully Unannounced <input checked="" type="checkbox"/> Semi-Announced											
Random Unannounced Check (RUC):	No											
Audit school (if applicable):	none											
Audit infrastructure or vesting periods (if applicable):	none											
Overall rating:	<b>C</b>											
Next up follow up:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If YES, by: 20/05/2019											
Rating per Performance Area (PA)												
PA.1	PA.2	PA.3	PA.4	PA.5	PA.6	PA.7	PA.8	PA.9	PA.10	PA.11	PA.12	PA.13
<b>B</b>	<b>C</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>D</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>

### Summary of 2019 follow-up report outcome

Audit Details												
Audit Range:	<input type="checkbox"/> Full Audit <input checked="" type="checkbox"/> Follow-up Audit											
Audit Scope:	<input checked="" type="checkbox"/> Main Audits <input type="checkbox"/> Main Audits & Farms											
Audit Environment:	<input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Agricultural <input type="checkbox"/> Small Producer											
Audit Announcement:	<input type="checkbox"/> Fully Announced <input type="checkbox"/> Fully Unannounced <input checked="" type="checkbox"/> Semi-Announced											
Random Unannounced Check (RUC):	No											
Audit school (if applicable):	none											
Audit infrastructure or vesting periods (if applicable):	none											
Overall rating:	<b>A</b>											
Next up follow up:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If YES, by:											
Rating per Performance Area (PA)												
PA.1	PA.2	PA.3	PA.4	PA.5	PA.6	PA.7	PA.8	PA.9	PA.10	PA.11	PA.12	PA.13
<b>B</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>

Source: The Company

## ISO certification

The Company has an **ISO 9001:2015 certificate**, reflecting the strong management commitment, the clear definition of responsibilities and authorities within the organizational structure and efficient use of resources.

ISO re-certification was conducted in April 2020.

### ISO 9001:2015 certificate



J&R ENTERPRISES SRL



# Quality Management Systems

## BSCI certification

A **overall rating**. Full audits are conducted every two years.  
**Summary of LATEST full report outcome**



Source: The Company

## ISO certification

The Company has an **ISO 9001:2015 certificate**, reflecting the strong management commitment, the clear definition of responsibilities and authorities within the organizational structure and efficient use of resources.



Source: The Company

*SALES, MARKETING*

*& CUSTOMER*

*J & R Enterprises is the Headquarters of the Seroussi Group.*

*Situated in Bucharest, the company began as the foreign trade & export agency for all our manufacturers.*

*Today J & R Enterprises continues to support all the factories and our customers. By responding to market changes, J& R Enterprises is responsible for driving the business development of the Group.*



For more information, please contact:

*Luminita Cristina Simion* - e-mail address: [Luminita.simion@jaren.ro](mailto:Luminita.simion@jaren.ro)

Phone: mobile 0040-754071670 or 0040 21252.82.00

*Mihaela Hermel* - e-mail address: [Mihaela.hermel@jaren.ro](mailto:Mihaela.hermel@jaren.ro)

Phone: mobile 0040-754071671 or 0040 21252.82.00