
LUXPLUS ApS

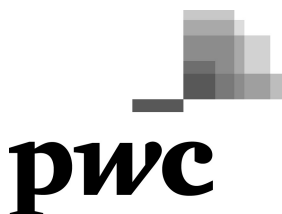
Teglværksgade 37, 1, DK-2100 København Ø

Annual Report for 1 January - 31 December 2022

CVR No 25 09 07 05

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/06 2023

Mathias Lysholm Faaborg
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	15
Balance Sheet 31 December	16
Statement of Changes in Equity	18
Notes to the Financial Statements	19

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LUXPLUS ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København Ø, 23 June 2023

Executive Board

Mathias Lysholm Faaborg
CEO

Jesper Bramming
CFO

Board of Directors

Jens Christian Buhl
Chairman

Vilhelm Eigil Hahn-Petersen
Vice chairman

Peter Johan Sønderby-Wagner

Frederik Oliver Busch

Katrine Bjarkov Benthien

Independent Auditor's Report

To the Shareholder of LUXPLUS ApS

Opinion

In our 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 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of LUXPLUS ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Management's Review.

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

Independent Auditor's Report

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 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 Company'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 Company'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 Company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Hellerup, 23 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
statsautoriseret revisor
mne18628

Kristian Højgaard Carlsen
statsautoriseret revisor
mne44112

Company Information

The Company

LUXPLUS ApS
Teglværksgade 37, 1
DK-2100 København Ø

CVR No: 25 09 07 05
Financial period: 1 January - 31 December
Incorporated: 26 November 2013
Financial year: 9th financial year

Board of Directors

Jens Christian Buhl , Chairman
Vilhelm Eigil Hahn-Petersen ,Vice chairman
Peter Johan Sønderby-Wagner
Frederik Oliver Busch
Katrine Bjarkov Benthien

Executive Board

Mathias Lysholm Faaborg
Jesper Bramming

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Gross profit/loss	27,694	31,934	28,800	23,509	13,037
Profit/loss before financial income and expenses	2,768	16,471	20,732	16,520	7,580
Net profit/loss for the year	1,745	12,117	19,273	13,977	5,196
Balance sheet					
Balance sheet total	80,789	82,672	85,340	55,544	42,510
Investment in property, plant and equipment	1,253	59	26	134	43
Equity	26,616	31,870	39,302	35,228	21,567
Number of employees	66	27	19	18	13
Ratios					
Solvency ratio	32.9%	38.5%	46.1%	63.4%	50.7%
Return on equity	6.0%	34.0%	51.7%	49.2%	26.5%

In connection with changes to accounting policies, the comparative figures back to 2018 have not been restated. See the description under accounting policies.

In 2022 the subsidiaries was merged into Luxplus ApS and the comparative figures for 2021 has been adjusted. The comparative figures from 2018-2020 has not been restated.

Management's Review

Primary activities

Luxplus ApS is now one company, after the fusion of subsidiaries Luxplus CEE A/S, Luxplus WE ApS and EchoEcho ApS ((collectively referred to as the “Group” or “Luxplus”).

Luxplus is a subscription based online store selling FMCG products within beauty, personal care and adjacent segments across Denmark, Sweden, Norway, Finland, Netherlands, Belgium and the UK. A monthly membership fee gives access to great savings on more than 700 known brands with free shipment and fast delivery. Our headquarter is in Copenhagen and our external warehouse is located in northern Jutland. In total, we employ around 50 dedicated and committed employees.

Development in the year and expectations for next year

In accordance with the Luxplus Group strategy the organization has been significantly strengthened, SKU-count has more than doubled as new brands are taken in. Early 2022 Luxplus shifted to new and larger warehouse to accommodate further growth. Significant efforts have been put into upgrading and expanding the proprietary technological foundation that Luxplus is built on. The year has seen heavy investment in staff, technology and infrastructure are laying the foundation for scalability and capacity to realize future performance. Though having a negative impact on 2022 earnings returns from these investments are improving the underlying base economics.

This Annual Report for Luxplus ApS is not a consolidated report but a parent company report. Consolidated numbers are reported in the Annual Report for CC Toaster Holding I ApS.

Please see below table showing proforma consolidated group key figures from the Management review in the CC Toaster Holding I ApS Annual Report for 2022.

Risks

The Board of Directors of the Company and the Management of the Group continuously monitor both internal and external business risks. Below are the risks that have been assessed as being particularly important:

Management's Review

Market risks

The Group operates within the online business to consumer business selling predominantly products for personal care through a member-based operating model. We are seeing competitors in some markets deploying different types of member-based models that to some degree compete for the Luxplus consumer. Furthermore, Luxplus is dependent on online marketing to retain and attract members. The online marketing environment is changing these years due to big tech companies challenging each other in this very lucrative environment but also because it is subject to more public regulation than previously. This makes it more challenging to optimize marketing spend and effectiveness as well as increases the pricing for online marketing activities. Market risks are mitigated through continuous investments in the Luxplus business platform improving the shopping experience and general value proposition to members as well as an increasing online penetration of the personal care category expanding the overall market potential. Finally, Luxplus is present in six markets which offers geographic diversification as well as significant runway for growing the membership base.

Currency risks

Luxplus has sales operations across Europe and procurement across predominantly Europe. Main foreign currencies are SEK, NOK, EUR, and GBP. Some exposure is netted via purchase and sales in same currency but for SEK, NOK, and GBP there is a net inflow due to sales being higher than purchases in those currencies. This exposes the Group to the risk of currency fluctuations. The risk is mostly related to product margin and is mitigated through ongoing price and margin monitoring both in the buying process and the consumer pricing process. Subscription revenue currency risk is to some extent mitigated through marketing costs being spend per market in local currency. Inventory turn is also high and thereby reducing the currency risk. Net inflow in SEK, NOK and GBP are sold on an ongoing basis to reduce exposure. The Group does not speculate in currency fluctuations.

IT risks

The safety aspects of Luxplus' IT solutions, including the infrastructural part, is monitored and evaluated in collaboration with internal employees and external consultants. Uniform systems, standards and controls is the target, so that the risk of data leaks, errors and omissions are minimized.

Management structure

Our principles for good corporate governance are based on our rules of procedures and our management structure, consisting of Board of Directors and our Management team. The board of directors meets according to a set schedule at least 5 times a year. In addition, a similar number of chairmanship meetings are held. And annual strategy meeting is also held to determine Luxplus' vision, goals, and strategy.

Management's Review

Governance

To provide transparency Luxplus now follows the industry association "Aktive Ejere" (formerly "Danish Venture Capital and Private Equity Association") guidelines for responsible ownership and good corporate governance. On this foundation, the Board of Directors, and the Executive Management team have established internal procedures to ensure active, secure and value-creating management. Likewise, the Board of Directors and the Executive Board continuously monitor the Company's management structure and control systems to ensure that they are reliable and effective. At board level, the fixed procedures include monthly reporting on all relevant economic and non-financial parameters, including risk assessment of investments and markets.

Board of directors

Jens Christian Buhl

CHAIRMAN

Member since 2021

Affiliation: Non-Independent

OTHER MANAGEMENT DUTIES

CHAIRMAN

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS.

Vilhelm Hahn-Petersen

DEPUTY CHAIRMAN

Member since 2021

Affiliation: Non-Independent

Partner, Catacap

OTHER MANAGEMENT DUTIES

CHAIRMAN

CC Green Wall Invest ApS, DAFA PropCo ApS, DAFA A/S.

Deputy Chairman of the Board

Rekom Group A/S, Rekom Group Holding ApS, CC Fly Holding I ApS, CC Fly Holding II A/S, CC Mist New Holding II ApS, CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S.

Management's Review

Board of directors, continued

Peter Johan Sønderby-Wagner

OTHER MANAGEMENT DUTIES

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Begravelsesguiden.dk ApS, Matterhorn ApS.

Executive Management

Egelund Capital ApS, Egelund 2950 ApS, Sophia Sebastian Sylvester Silke Holding ApS, Eiger ApS, Bolivar ApS, Kebnekaise ApS.

Frederik Oliver Busch

OTHER MANAGEMENT DUTIES

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, DAFA Holding I ApS, DAFA Holding II ApS, DAFA PropCo ApS, DAFA Group A/S.

Executive Management

FOB UP Invest ApS.

Katrine Bjarkov Benthien

OTHER MANAGEMENT DUTIES

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Resino Inks A/S, Mediq Danmark A/S.

Executive Management

Mediq Holding Danmark ApS

Management's Review

Executive board

Mathias Lysholm Faaborg

CEO

CEO since 2021

OTHER MANAGEMENT DUTIES

CHAIRMAN

Foreningsservice ApS.

Board Member

Spejder Sport A/S.

Executive Management

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Faaborg Holding ApS, Th, Faaborg ApS, Faktor ApS.

Jesper Bramming

CFO

CFO since 2022

OTHER MANAGEMENT DUTIES

Executive Management

Jesper Bramming Holding ApS, CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS.

Enviroment

Our primary environmental effect is transport of goods to our members. We see no material risks here and have chosen not to have a policy within this area in 2022. We strive to consider environmental effects of strategic, tactical, and operational decisions in the future to secure an ongoing improvement of Luxplus' environmental impact.

Human Rights

We have no policy on this area due to our size. We acknowledge that there are risks in this area however we consider them to be miniscule. Luxplus primarily trade with global or European scale companies of a size where our influence in this area is minimal. We center ourselves on the great work that producers and suppliers of brands and products within the beauty industry is already doing.

Management's Review

Social and Personnel

We have chosen to have no policy within this area due to our size. We assess the risks to be minimal and concurrent with any office of our size. We have created a 'staff handbook' which lays out the internal guidelines for among other things ethics and moral behavior among staffers. This has been handed out to everyone in 2022 and is a part of the onboarding process of all new staffers. We expect to continue to work within this area with a employee satisfaction reviews in 2023.

Anticorruption & Bribery

We have no policy in this area. Historically this is due to the structure and size of the company. We have had a significant overlap between owners, managers and employees within the departments where anticorruption & bribery should have focus, enabling decision-making and controls. We acknowledge that there are risks, e.g. within gift-giving and supplier relationships. It is an area where we want to develop a policy and clear recommendations, which we expect to have in place in 2023.

Social and societal responsibility

Luxplus business model is centered around a membership, providing free or low-cost shipping and significant savings on products and brands that the members appreciate and want. Read more on https://www.luxplus.dk/om_luxplus. On top of that we provide relevant articles in our luxmagazine a lifestyle and beauty journal focused on topics relevant to our members. You can access <https://www.luxplus.dk/luxmagazine> here.

As an online business Luxplus affects our society, the people, climate, and environment just as we are affected by these circumstances and what happens in world. We are in tune with our members and get frequent feedback on our business. We provide the brands and products desired by our members and in that strive to pay specific attention to the fast paced development in the consumer world. A strong trend on 'clean' beauty products with few or no perfumes and additives has affected our assortment. Likewise, the Russian invasion of Ukraine meant we delisted Russian-made brands and products.

Luxplus is committed to leaving the world a little better than we found it. As part of the social commitment Luxplus has donated to Women's Shelters, is a corporate sponsor of the World Wildlife Fund and UNICEF Denmark. Further to this Luxplus has donated relief aid to Ukraine both direct and indirect, and supported our founder in a personal support initiative of Ukraine. As a part of our societal responsibility and commitment Luxplus subscribes to the UN Global Compact.

Risks

Environmental effects on climate in packaging and transport. The climate and environmental impact of our last mile deliveries can be serious even though it is likely far smaller than the production of the brands and products we sell. We are working in partnership with our warehouse and last-mile-delivery companies to offer deliveries with electric propulsion in an effort to lessen the environmental impact. All of our cardboard for boxes are FSC and consciously sourced reused cardboard.

Management's Review

Working environmental for all staffers, data ethics and security. We have a code of conduct and employee handbook combined with an external whistleblower-setup. In a desire to improve office environment we have CO2-measurement devices in all offices and meeting rooms.

Data ethics and data protection

Given Luxplus position as an ecommerce member club data ethics is of importance to both us and our members. We are supported by a team of external advisors specialized in "PersonDataSupport" in our continuous journey towards high standard for data management, data security, ethics and the general data protection regulation. PDS support us with recurring consulting, monitoring and progress within this area. Our personal data policy is available in all languages on the respective websites, has been created and is continuously monitored with the support of a top-tier law firm specializing in personal data, immaterial rights, and technology.

In adding new partners, suppliers and contractors Luxplus is committed to consider aspects of data security and data ethics in the way we create, handle, store, manage and delete data relating to our members and customers. We consider data ethical elements when adapting or implementing new technologies.

Furthermore, our personnel handbook cover data ethics and security requirements. We perform continuous GDPR control, and we expect everyone to stay updated and compliant with GDPR rules. All staffers have signed and thereby committed themselves to read and live up to our policies on (1) personal data and (2) information security.

Share of an underrepresented gender in the board

The board consist of five people elected at the general assembly, consisting of four males and one female. TheDanish authorities define gender equality as having a minimum of two representatives from theunderrepresented gender. There has been no change in the board in 2022. Concurrent with authorities weexpect to achieve our goal-target of minimum 2 females on the board before 2025.

Share of an underrepresented gender in Management

The management team consist of six people consistent of three males and three females. It is our policy toensure equal representation starting from the number of candidates in a recruitment process to the finalcomposition of our management team. We aim to have no gender represent more than 2/3 of themanagement team, and a minimum of 2 of the underrepresented gender.

Management's Review

Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Revenue		332,697,110	314,626,598
Change in inventories of finished goods, work in progress and goods for resale		0	39,477,517
Expenses for raw materials and consumables		-240,495,758	-266,928,600
Other external expenses		-64,506,895	-55,241,630
Gross profit/loss		27,694,457	31,933,885
Staff expenses	1	-23,707,244	-14,189,945
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-1,218,727	-1,273,399
Profit/loss before financial income and expenses		2,768,486	16,470,541
Financial income	3	1,299,063	142,023
Financial expenses	4	-1,822,840	-947,995
Profit/loss before tax		2,244,709	15,664,569
Tax on profit/loss for the year	5	-499,475	-3,547,623
Net profit/loss for the year		1,745,234	12,116,946

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		7,745,036	3,181,584
Intangible assets	6	7,745,036	3,181,584
Other fixtures and fittings, tools and equipment		1,116,788	55,409
Leasehold improvements		369,473	56,882
Property, plant and equipment	7	1,486,261	112,291
Deposits		1,440,809	224,902
Fixed asset investments	8	1,440,809	224,902
Fixed assets		10,672,106	3,518,777
Finished goods and goods for resale		54,083,769	45,309,605
Inventories		54,083,769	45,309,605
Trade receivables		6,297,690	6,526,648
Other receivables		1,004,782	1,501,519
Prepayments		594,440	325,720
Receivables		7,896,912	8,353,887
Cash at bank and in hand		8,135,816	25,490,009
Currents assets		70,116,497	79,153,501
Assets		80,788,603	82,672,278

Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		80,000	1,210,000
Reserve for development costs		6,041,128	2,481,636
Retained earnings		20,494,422	28,178,680
Equity		26,615,550	31,870,316
Provision for deferred tax	10	1,161,421	661,946
Provisions		1,161,421	661,946
Other payables		665,099	640,691
Long-term debt	11	665,099	640,691
Prepayments received from customers		4,266,540	4,965,779
Trade payables		30,852,678	31,673,580
Payables to group enterprises		2,000,000	632,500
Payables to group enterprises relating to corporation tax		3,318,677	3,318,677
Other payables	11	9,452,463	8,329,136
Deferred income	12	2,456,175	579,653
Short-term debt		52,346,533	49,499,325
Debt		53,011,632	50,140,016
Liabilities and equity		80,788,603	82,672,278
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Accounting Policies	15		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80,000	2,481,636	29,308,680	31,870,316
Extraordinary dividend paid	0	0	-7,000,000	-7,000,000
Development costs for the year	0	3,559,492	-3,559,492	0
Net profit/loss for the year	0	0	1,745,234	1,745,234
Equity at 31 December	80,000	6,041,128	20,494,422	26,615,550

Notes to the Financial Statements

	2022 DKK	2021 DKK
1 Staff expenses		
Wages and salaries	19,937,013	10,991,571
Pensions	1,662,778	217,947
Other social security expenses	366,788	198,265
Other staff expenses	1,740,665	2,782,162
	23,707,244	14,189,945
Including remuneration to the Executive Board of:		
Executive Board	2,475,000	0
	2,475,000	0
Average number of employees	66	27

Remuneration to the Executive Board has not been disclosed in 2021 in accordance with section 98 B(3) of the Danish Financial Statements Act.

	2022 DKK	2021 DKK
2 Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,004,099	678,057
Depreciation of property, plant and equipment	214,628	595,342
	1,218,727	1,273,399

	2022 DKK	2021 DKK
3 Financial income		
Other financial income	38,661	5,712
Exchange adjustments	1,260,402	136,311
	1,299,063	142,023

Notes to the Financial Statements

	2022 DKK	2021 DKK
4 Financial expenses		
Other financial expenses	128,208	377,187
Exchange loss	1,694,632	570,808
	1,822,840	947,995

5 Tax on profit/loss for the year

Current tax for the year	0	3,318,676
Deferred tax for the year	499,475	0
Adjustment of deferred tax concerning previous years	0	228,947
	499,475	3,547,623

6 Intangible fixed assets

	Completed development projects DKK
Cost at 1 January	5,721,478
Additions for the year	5,567,551
Cost at 31 December	11,289,029
Impairment losses and amortisation at 1 January	2,539,894
Amortisation for the year	1,004,099
Impairment losses and amortisation at 31 December	3,543,993
Carrying amount at 31 December	7,745,036

Development projects include incurring costs for the development of new functionalities for the company's IT platform and BI system. The amount consists of internal and external hours. The IT platform is used to manage the company's activities.

The amortisation period of completed development projects is 5 year.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	1,074,385	148,386
Additions for the year	1,253,042	335,557
Disposals for the year	-66,120	0
Cost at 31 December	2,261,307	483,943
Impairment losses and depreciation at 1 January	1,018,976	91,504
Depreciation for the year	191,659	22,966
Reversal of impairment and depreciation of sold assets	-66,116	0
Impairment losses and depreciation at 31 December	1,144,519	114,470
Carrying amount at 31 December	1,116,788	369,473
Depreciated over	3-5 years years	5 years years

8 Fixed asset investments

	Deposits DKK
Cost at 1 January	224,902
Additions for the year	1,215,907
Cost at 31 December	1,440,809
Carrying amount at 31 December	1,440,809

9 Distribution of profit

	2022 DKK	2021 DKK
Extraordinary dividend paid	7,000,000	7,500,000
Retained earnings	-5,254,766	4,616,946
	1,745,234	12,116,946

Notes to the Financial Statements

	2022 DKK	2021 DKK
10 Provision for deferred tax		
Inventories	-206,000	0
Deferred tax liabilities at 1 January	661,946	319,000
Tax loss carry-forward	705,475	342,946
Deferred tax liabilities af 31 December	1,161,421	661,946

11 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022 DKK	2021 DKK
Other payables		
After 5 years	665,099	491,091
Between 1 and 5 years	0	149,600
Long-term part	665,099	640,691
Other short-term payables	9,452,463	8,329,136
	10,117,562	8,969,827

Notes to the Financial Statements

12 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2022 DKK	2021 DKK
13 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6,036,960	2,740,316
Between 1 and 5 years	9,600,000	9,600,000
After 5 years	5,200,000	3
	20,836,960	12,340,319

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC Toaster Invest ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company is involved in normal business disputes. Although the final outcome of these cases is unpredictable, in the opinion of the management, these cases will not have any significant effect on the company's result or financial situation.

Notes to the Financial Statements

14 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the group:

Name	Place of registered office
CC Toaster Holding I ApS	C/O CataCap Management A/S Øster Allé 42, 7. 2100 København Ø

Notes to the Financial Statements

15 Accounting Policies

The Annual Report of LUXPLUS ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Adapted comparative figures

An intra-group merger has been completed in 2022 for the following companies Luxplus ApS, CVR-no.: 25090705(continued), Luxplus CEE A/S, CVR-no.: 36725141 (discontinued), Luxplus WE ApS, CVR - no.: 37055964 (discontinued), EchoEcho ApS, CVR no.: 40154809 with accounting effect as of 1 January 2022.

Management has chosen to use the uniting of interest method for the merger, and therefore adapted the comparative figures.

The merger has taken place at accounting values as of 31 December 2021, cf. audited annual reports. The historical accounting policies of the merged companies have been identical.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of CC Toaster Holding I ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of CC Toaster Holding I ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Notes to the Financial Statements

15 Accounting Policies (continued)

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.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income Statement

Net sales

Net revenue includes subscription revenues and sales of merchandise and finished goods. Sales of merchandise and finished goods are recognized in the income statement when delivery and risk transfer to the buyer have taken place. Subscription income is recognized in the income statement when accrued over the subscription period.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of

Notes to the Financial Statements

15 Accounting Policies (continued)

discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Notes to the Financial Statements

15 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with CC Toaster Invest ApS and other companies in Denmark. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Intangible assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Notes to the Financial Statements

15 Accounting Policies (continued)

Property, plant and equipment

Other property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

15 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

15 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Notes to the Financial Statements

15 Accounting Policies (continued)

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$