Sticks 'n' Sushi Holding A/S

Nansensgade 49, DK-1366 Copenhagen

Annual Report for 1 July 2022 - 30 June 2023

CVR No 32 83 85 02

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 17/11 2023

Jakob Vestergaard Jensen
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sticks 'n' Sushi Holding A/S for the financial year 1 July 2022 - 30 June 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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.

Copenhagen, 17 November 2023

Executive Board

Andreas Karlsson
CEO

Board of Directors

Jens Aaløse Chairman	Roderick Wallace Mckie	Thorkil Ernst Brzuchanski Rewers Andersen
Carsten Kaag	Thomas Riis	

Independent Auditor's Report

To the Shareholders of Sticks 'n' Sushi Holding A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Sticks 'n' Sushi Holding A/S for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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 Group and the Company to cease to continue as a going concern.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 17 November 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild	Mads Blichfeldt Fjord
State Authorised Public Accountant	State Authorised Public Accountant
mne33262	mne46065

Company Information

The Company	Sticks 'n' Sushi Holding A/S Nansensgade 49 DK-1366 Copenhagen CVR No: 32 83 85 02 Financial period: 1 July - 30 June Incorporated: 31 March 2010 Financial year: 14th financial year Municipality of reg. office: Copenhagen
Board of Directors	Jens Aaløse, Chairman Roderick Wallace Mckie Thorkil Ernst Brzuchanski Rewers Andersen Carsten Kaag Thomas Riis
Executive Board	Andreas Karlsson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2022/23	2021/22	2020/21	2019/20	2018/19
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	779,044	732,006	503,177	484,979	538,905
Gross profit/loss	382,243	374,229	261,782	249,208	266,747
Profit/loss before financial income and expenses	32,729	59,044	21,686	-18,984	-18,283
Net financials	-4,491	-2,584	-131	-5,217	-2,489
Net profit/loss for the year	21,444	45,726	16,576	-20,793	-15,766
Balance sheet					
Balance sheet total	294,165	286,053	241,601	217,429	189,508
Equity	121,658	95,731	50,684	32,595	23,602
Cash flows					
Cash flows from:					
- operating activities	15,271	71,874	59,155	17,880	29,030
- investing activities	-55,741	-34,623	-18,949	-21,584	-32,951
including investment in property, plant and equipment	-52,179	-28,852	-21,678	-16,859	-27,394
- financing activities	8,731	-16,282	-21,669	59,667	24,939
Change in cash and cash equivalents for the year	-31,739	20,969	18,537	55,963	21,018
Number of employees	946	914	725	741	777
Ratios					
Gross margin	49.1%	51.1%	52.0%	51.4%	49.5%
Solvency ratio	41.4%	33.5%	21.0%	15.0%	12.5%
Return on equity	19.7%	62.5%	39.8%	-74.0%	-53.4%
EBITDA	61,457	87,772	51,095	11,707	10,613
Revenue per employee	823	801	694	654	694

Management’s Review
Primary activities

Sticks ’n’ Sushi produces and serves healthy high-quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions. In the later years, more plant-based food items have been introduced with salads, starters and more vegetarian menus also including bioorganic wines and soft drinks.

The first Sticks’n’Sushi restaurant was opened in March 1994 at Nansensgade 59 in Copenhagen and has since been followed by 11 more restaurants in the Greater Copenhagen Area. Sticks’n’Sushi opened their 10th restaurants in December 2022 and operates 3 catering and delivery kitchens in and around London (The 11th restaurant opened in July and the 12th restaurant in London opened in October 2023. The groups third restaurant in Berlin opened in October 2022). In addition to our 25 restaurants Sticks ’n’ Sushi Holding A/S has a central kitchen at Rødovre, Copenhagen, with around 20 employees who support the Group’s restaurants with semifinished products, sauces and desserts etc. Every one of the restaurants, each having its own individual design and interior, forms a natural part of the local area environment which invites comfort and togetherness.
The Sticks ’n’ Sushi Group served guests in our 25 restaurants or as takeaway. This requires high quality and hygiene standards, rigorous training of our staff and uniformed processes. The more than 1500 employees have all been through extensive introductory and product training courses to secure the continuous execution of high standards of quality and ensuring the best possible guest experience possible.

At “Baghuset” in Nansensgade 49, Copenhagen we have our office that covers managerial and administrative support functions as well as R&D functions. Fifteen administrative employees are based in the UK, working from our office in central London as well as out of the restaurants and partly from home.

Development in activities and finances

The income statement of the Group for 2022/2023 shows a profit of kDKK 21,444, and at 30 June 2023 the balance sheet of the Group shows equity of kDKK 121,658.

In total the revenue went up year-on-year by DKK 47 million or 6,4 % to bring revenue to DKK 779 million for 2022/2023 compared with DKK 732 million in the financial year 2021/22.

The financial year ended with an EBITDA of DKK 61,4 million equal to 7,8 % of net sales against the comparable DKK 87 million or 12 % of revenue in 2021/22.

Our over performance in EBITDA compared to our forecasted EBITDA of DKK 55-60 million was due to a strong performance in the overall business with current UK restaurants including the three delivery kitchens showing significant like-for-like growth.

Earnings before interest and tax (EBIT) amounting to 32,7 DKKm against of DKK 59.0 million in 2021/22. Depreciations have remained at the same level compared to 2021/22 of a total depreciations of DKK 28.7 million.

Sticks'n'Sushi Holding A/S has supported Sticks'n'Sushi A/S financial with a group subsidy at 10 DKKm for reestablishing the equity in the company. Sticks'n'Sushi A/S has a cost plus model to Germany with a mark-up at 5%. Expanded growth in the Berlin market means that Sticks'n'Sushi A/S has allocated resources and know-how to build the new restaurant in Torstrasse, over the financial year 22/23.

In 22/23 the company have continued its long-term digital investment program to enhance our guest's digital experience with even more convenience and smoothness in order to meet the growing expectations from our guests in relation to online ordering of take-away and delivery. This year the Frequent Fisher app has been scoped, developed and launched in order to grow loyalty and frequency amongst our guests. Using a data-driven approach we will continue to invest in our digital platforms in the years to come.

The number of full-time employees in the Group was 946 compared with 914 in the financial year 2021/22.

Capital resources

Based on current bank agreement and the budget prepared for the financial year 2023/24 management is confident that the necessary capital resources are in place for the entire financial year 2023/24. The financial statements are therefore prepared basis on the going concern assumption.

Business related risks

Sticks'n'Sushi is of course subject to the usual risks of the restaurant industry such as changing economic trends, consumer preference changes and demand, food security and raw material supplies, etc. The desire for more organic and local produced products and improved sustainability in combination with resource shortages, usual increase in costs for raw material, the soring utility costs and declining consumer confidence due to the high inflation will provide pressure on the profitability as with any other business.

Despite the ongoing challenges Sticks'n'Sushi have been very focused and so far successful in mitigating the business impact on all of these challenges. We believe the current situation will continues well into 2023/24, while we also believe that we will continue to be able to mitigate the risks and challenges going forward.

Beside from normal financial risk operating in the hospitality sector Sticks'n'Sushi is subject to usual financial risks from operating in three different markets and its related exchange rate risk.

Targets and expectations for the year

In 2023/24 we will continue our focus on organic growth in our existing restaurants, operational excellence and ensuring the dining experience in the restaurants are best-in-class leading to a high and always improving guest satisfaction. Two further restaurants are due to open in Kingston and Richmond. We will invest further to strengthen our value chain into the restaurants, continue training our staff and implement uniform processes as well as investing into our brand.

The post COVID-19 implications followed by the Ukraine war have continued causing further challenges in supply chain, soring food and utility costs.

Management is monitoring the developments closely and will continue to make every effort to mitigate the negative impact this have to the business.

Despite the ongoing challenges we are anticipating the positive trajectory and the company expects to deliver an EBITDA for the financial year 2023/24 in the range of DKK 85 – 90 million driven by both organic growth as well as expansion of the estate.

Research and development activities

The Sticks'n'Sushi group is continuing its investments into improving our guests' digital journey with the best online ordering experience for take-away, thereby improving guest satisfaction, efficiency and scalability in our operation.

External environment

Sustainability has always been a central part of Sticks'n'Sushi values and business model from food procurement of raw materials, waste management, efficient energy use and the daily operations in the kitchens right to the food which we serve for our guests.

Sticks'n'Sushi have a no-waste policy and aim to produce as little waste as possible. This goes both for our menu card engineering and in the daily operations.

Intellectual capital resources

Hospitality businesses around the world are facing significant challenges when it comes to finding new staff. The impact of covid on personal situations, immigration changes and much higher business levels is felt by all. At Sticks'n'Sushi we seem to have coped well with a high stability level of our core team - in particular in our kitchen's teams.

Our continued focus on individual wellbeing, higher than average rewards, structured training and development forms the foundation of a strong culture and family/team ethos. This is appreciated by our diverse colleagues from around the world and ensures we continue to operationally deliver exceptional service and food quality.

Statement of corporate social responsibility

Business model

Sticks‘n’Sushi is a restaurant chain with a focus on serving healthy high-quality food in the “affordable luxury” category. We do this with a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions.

We carefully choose the locations for our restaurants so that the size and place match our needs and expectations. Once a location is found we design it from the ground up, giving each place its own individual character. By respecting the local surroundings and mixing it with our DNA, we create places that stand for many years. We take pride in creating spaces that are not just functional, but also invite people in and make them feel comfortable while enjoying our food. Because we invest in bespoke solutions at each location, we have to date not closed a restaurant.

The restaurants are our core business assisted with support functions from our headquarters in Denmark and back office personal in UK. These locations are responsible for managerial and administrative support functions as well as R&D. Besides this we have a central kitchen that supports the Group’s restaurants with semi-finished products, sauces, desserts, etc.

We make most of the food we serve ourselves, because we believe this creates the most value for our guests. At the same time, we acknowledge that we cannot be the best at everything and thus source carefully elected products from external suppliers whenever necessary.

Our operation is based on the philosophy of Kaizen, which is Japanese for ‘making things better’ and recognise the need to deliver true and lasting change. We believe that this is an essential part of doing business both now and into the distant future. By expanding our view of who our stakeholders are, we believe that we can create a way of operating, that will ensure our license to operate many years ahead. Our business model should therefore be agile to accommodate whatever challenges we are faced with through our own operation and surroundings.

Accountability and governance structure

Clearly defined accountability and transparent governance are needed to anchor and integrate our ambitions within sustainability in our operations. Therefore, we kickstarted the reporting year with defining a governance structure as well as responsibility.

Council

Needing to anchor the work with sustainability within our organisation, we have during this reporting year formed a sustainability council, called Sushistainable Council. The council constitute a broad representation of group management. The members each represent a core business area in the organisation with members and are either 1st level senior management or 2nd level senior management. The group composition enables knowledge throughout the organisation as well as a mandate to implement changes.

All members are either directly part of sustainability initiatives under the council or using their knowledge and experience to provide inputs towards implementation and continuous work in the organisation. The council is further governed by having 1st level senior management members being the project owners of the chosen sustainability activities. This ensures that they are continuously part of the process, and the work is ultimately anchored in the highest possible level of our daily operations.

The Sushistainable Council was formed after an internal gap analysis indicated a need for stronger governance within management. The development of the council is an iterative process where the format and role of the council is still being developed and debated in order to function in the best possible way according to the needs of the Group.

Ambassadors

In 2023, we also launched an employee sustainability network, the SushiStainable Ambassadors. An internal driver network was a top priority for Executive Management as a lever to make sustainability operational across the whole organisation - especially in our restaurants. The network of approximately 35 employees gathers three times a year to learn about our progress, discuss challenges, and give feedback and ideas, which are then presented to the Sustainable Council.

The goal of this structure is to obtain a clear channel for internal communication between management and employees. Furthermore, to close a gap between top-down vs. bottom-up approach to sustainability in favor of a more holistic approach. As mentioned previously the development of the governance structure is an on-going iterative process that we will evaluate end-year for needed adjustments.

Report on progress

The council communicates on progress through four different outlets ensuring reporting on different levels and to different stakeholders. We annually report on progress to our external stakeholders through our annual report as well as our Communication on Progress report (COP) to the UN Global Compact (UNGC) as we have done since 2011. This year the UNGC has changed their requirements from an annual report on progress (COP) to an extensive self-assessment questionnaire, which is due in December 2023. Therefore, for this reporting year, this annual report constitutes our communication on progress for all stakeholders.

Furthermore, we report on progress to the Board of Directors, allowing our owners and those elected to to oversee the work we perform. Moreover, progress and challenges are also shared at meetings in the Sushistainable council as well as the SushiStainable Ambassadors. Finally, progress is communicated to all employees at in-house meetings such as Town Hall meetings, allowing our employees to be part of the change and also getting their thoughts and feedback. This way we ensure a transparent reporting framework that both informs but also allows us to receive feedback to improve the work and be aware of new agendas.

Impact- and materiality assessments

Impact assessments

To ensure that we are ready for the risks facing our operations, we perform impact analyses on the three main areas of sustainability; environment, social and governance. The impact analyses are conducted following the guidelines formulated in the International Minimum Standard comprised of the UN Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises (OECD) from 2011. The Minimum Standard presents a management system for risk analysis and management that covers the full scope of sustainability.

The analyses are conducted biannually using a combination of research methods to assemble the insights needed to assess our impacts on sustainability. The analyses help define what actions have been or will be undertaken to prevent, mitigate, or remediate said impacts. Furthermore, the impact analyses are key to ensure accountability in our business relationships as they can be shared upon request. For now, the analysis scope is limited to our Danish operations. In the next reporting year, we will explore how we can extend the scope to include our German and UK operations to ensure Group operational-level assessments.

Based on the impact analyses of environment, social and governance, we have formulated our policy on our commitment to sustainability. This policy is publicly available on our website: https://sticksnsushi.com/media/3286/sushistainable-policy-commitment-2022.pdf. Besides this commitment, we have published policies on: Produce, Integrity & Collaborations, Packaging and People. These are also available at our website (https://sticksnsushi.com/en/about-us/sustainability).

Formulating a material ESG strategy

From the beforementioned 2022 gap analysis of our internal sustainability performance the need for a formulated ESG strategy became clear. A strategy to ease communication to internal as well as external stakeholders. Moreover, a direction and areas of prioritization to ensure that we focus our efforts where we have the biggest risks of impact as well as the areas where we have the opportunity to contribute to positive development.

Thus, in the fall of 2022, we conducted extensive background research following a rigorous approach within four different pillars; analysis of current and future requirements, amateriality analysis conducted by employees, a competitor analysis and finally identification of global risks and trends.

Firstly, we analysed the compliance landscape covering both our voluntary commitments such as the UN Global Compact as well as current and future legislation such as the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSRDDD). Finally, we created an overview of local requirements across the three countries such as the UK Single-use Plastics ban and DE Reusable Packaging law. This overview provided us with compliance requirements across the Group.

Secondly, in September 2022, 80 internal leaders from across the organization were invited for a three-day seminar on ESG in London. Here the theme was centred around internal sustainability governance as well as topics that could be material for Sticks'n'Sushi to work with. In a workshop the leaders were divided into groups of ten and asked to prioritise ten different sustainability topics on the axes: Importance to Sticks'n'Sushi and Complexity for Sticks'n'Sushi. Through this exercise we learned how the organization prioritise in terms of materiality.

Thirdly, we did an analysis of 12 competitors to understand how they approach working with sustainability. Here we found that there is a difference in approach between the countries as well as disagreement on topic materiality.

Finally, based on the World Economic Forum Global Risk Report 2022, we summarised the most severe risk over the next decade as well as compiled topics trending across sustainability networks and standards.

The research results were then presented to Executive Management who based on the recommendations selected the four following focus areas to be further explored and developed:

- Climate & Nature (Biodiversity)
- Circularity
- Employee Wellbeing
- Integrity

In December 2022, we developed a roadmap for the first year to kick-start the strategy. It quickly became clear in scoping the focus areas that we needed to build a stronger data foundation to plan informed initiatives. Therefore, we dedicated the year of 2023 to data collection, which is elaborated further in the section on data collection and controlling. Further details on each focus area are described in the following pages.

Materiality Assessment

For the coming reporting period of FY23/24, we will work towards quantifying our identified impacts so that we can perform our first double materiality assessment. This assessment will follow the guidelines of the European Sustainability Reporting Standards (ESRS) and continue guiding our work towards where we need to focus attention to minimise our financial risks, as well as risks imposed to stakeholders.

To succeed in preventing and mitigating global risks, we are in need of collective action. Therefore, during the reporting period, Sticks'n'Sushi has also contributed to the development of an industry materiality assessment. The assessment was created by the Danish Restaurant & Cafees Assocation (DRC) and the digital platform Valified based on a comprehensive materiality assessment of our industry and its stakeholders according to the 1144 data point included in ESRS (https://via.ritzau.dk/pressemeddelelse/digital-branchelosning-abner-doren-for-omkostningseffektiv-esg-rapportering-og-samarbejde?publisherId=13560894&releaseId=13718811). At Sticks'n'Sushi we acknowledge that we must ally with competitors to create positive impact. Therefore, we chose to assist the development with feedback and inputs to create an assessment that we can all use.

Data collection and controlling

To support a transition towards a sustainable operation, we are starting to collect the data necessary to monitor our development. Part of this will be to make our data collection formal and systematic, so that we are able to document our impacts as well as having these data audited by an external party in the future. This process will be continuous as long as we are developing what data to collect and how.

We have in this reporting period (FY2022/23) started the process of collecting data on our employees with a collection of our people systems from all three operating countries. This will allow us to do continuous reporting on the composition of our workforce, locate where we have higher employee turnover or identify gender pay gaps down to individual departments. Another work in progress is using already available data to calculate and follow our greenhouse gas emissions. This work is also performed in collaboration with an external party who are developing a tool using our invoices to calculate our scope 1, 2 and 3 emissions according to the GHG Protocol.

We are for the next reporting period aiming towards, being able to describe our process for data collection and have implemented formal procedures for this process. The procedures should as a minimum include our core reporting areas of climate and own workforce. The procedures should include the data collection, securing and storage of the data, and internal controls allowing for verification of the data. We are looking into having this information available through our internal reporting made in Power BI, allowing for all employees to see this data, and not just limit it to management or external reporting.

Environment

According to World Economic Forum, the top three risks to businesses are related to degradation of our climate, nature and biological diversity. Therefore, it is a must for Sticks'n'Sushi to develop the right toolbox to reduce our negative footprint and help contribute where possible. To ensure the ability to make informed decisions, we need to develop a database to work from and consult as we progress.

Climate

As part of our new ESG strategy, we have begun an assessment of how we can reduce our carbon footprints. However, to be able to formulate a reduction plan, we are establishing a CO2e baseline of our Scope 1, 2 and 3 emissions across the whole Group.

During this reporting period, we have been able to identify how we can calculate our Scope 1 and 2 emissions with data already available to us. As a result of this, we are able to present our scope 1 and 2 greenhouse gas emissions, for the reporting period (FY2022/23). This is an important step in the process of creating a full baseline for all three scopes.

Calculating scope 3 emissions is however a big challenge, due to all aspects of production, transportation and production of every item delivered. Small suppliers might not be able to provide us with their own calculations, and will require that we, initially start this process, or rely on data from other sources. Securing access to our Scope 3 data and planning reduction initiatives for Scope 1 and 2 will be a focus for Q3-Q4 in this reporting year.

Tonnes CO2e	**2022/23**
Scope 1	**391**
- Denmark	53
- Germany	47
- United Kingdom	291
Scope 2	**718**
- Denmark	121
- Germany	135
- United Kingdom	462

The calculations of our GHG emissions have been made based on the principles outlined in the GHG Protocol. We have gathered our consumption for all entities and used conversion factors informed from suppliers and where this was not possible, we used the DEFRA GHG Conversion Factors for the applicable year (2022 and 2023).

Furthermore, we have categorised our emissions in scope 1, 2 and 3 according to the GHG Protocol. Our Scope 1 comprise of direct emissions from our operation. This includes emissions from operated company cars (1 electric and 1 petrol), vans (1 electric and 3 diesel) and combustion of gas used for heating and/or in our grills in the kitchens. Scope 2 emissions comprise of electricity bought from external sources (the Group has not generated any electricity on their own).

When a baseline for our scope 3 emissions has been established, we will work towards becoming a Science Based Target initiative (SBTi) signee before the end of FY2024/25. This requires that we develop a clearly defined CO2e reduction plan in line with the Paris Agreement goals of limiting global warming to well below 2C above pre-industrial levels.

Organisational boundaries
The Group is structured by having a full ownership of the subsidiary companies that are part of the Group, meaning all companies are fully owned. Further, there are no ownerships of companies of joint operations of which the parent company directly or indirectly has a financial control but not an operational control.

Based on this, the Group follows the equity share method for the basis of GHG accounting. This means that all GHG emissions that occur within the legal entities of the Group are included in the consolidated GHG calculations.

Operational boundaries

The types of emission sources under the two different scopes are presented in the table below:

Scope	**Type of emission sources present**
Scope 1	- Combustion engines in cars and vans owned by the company - Generation of heat used for grilling food in the kitchens and heating
Scope 2	- Purchased electricity

Nature/Biodiversity

Our raison d'etre rests on our ability to sell foods and drinks. Therefore, we naturally have an indirect impact on biodiversity particularly when we source ingredients for our menu. According to a report on biodiversity pressure by WWF and Bain (2022), the food and beverage sector is responsible for a large impact on several elements such as agricultural effluents, cultivation of crops, livestock farming, logging and wood harvesting for packaging and single-use items, fishing and finally water use and quality.

In this reporting period we have started working with external biologists who will assess and guide us on our current sourcing practices and choice of species below sea level as well as soy. The assessment is expected to be finalised in October 2023 and will be presented for a group of relevant internal stakeholders including Executive Management, Purchase Department, Food Team and CSR Manager. The progress from here will be decided after the workshop.

Circularity

Almost 50% of all man-made waste in the world's oceans is single-use plastic takeaway packaging. We acknowledge that over the years many single-use items have found its way into our operations, particularly in our takeaway, in striving to become a premium brand. Therefore, reduction of plastics in our take-away packaging has been a focus area internally for many years, where we have collaborated with partners in trying to develop a packaging solution with less negative impact. Moreover, in compliance with the German Packaging Act, we launched a reusable packaging solution at all German restaurants, which has run since beginning of 2023. This reusable scheme also serves as an important pilot project for us, where we can harvest learnings and trial and test how to best manage the challenge of return packaging. In addition, we will replace single-use straws with glass straws. This initiative has been implemented in DK, and UK and DE are due within end-2023.

Finally, the SushiStainable Ambassadors gathered for a workshop in January 2023. Here the group ideated on how we could reduce single-use in our operations either by a change in behaviour or by replacing an item with a reusable alternative. All the Ambassador's recommendations were then presented to the Council, who formed a working group, which are now working on how they can make the recommendations reality. Some of these initiatives are planned to be launched during fall 2023.

Governance

As we are growing both in number of employees and restaurants, the need for robust procedures and policies increases. We need to ensure that we are able to operate with integrity both in our own operations, but also through our value chains. Furthermore, that we ensure that we have systems put in place to support when faced with challenges. Therefore, integrity was chosen as a strategic focus area in the ESG Strategy.

Due diligence

The first project under this focus area is to strengthen our due diligence process, which means development of a Responsible Supply Chain Program to help us source responsibly and set ESG expectations towards our Business Relationships. Since March 2023 a dedicated working group has trial and tested different process possibilities with connecting risk assessments, levels of requirements, and document handling. The project objective is to integrate the process as part of our current supply chain management to ensure that ESG does not merely become an 'add on', but a natural part of engaging with our Business Relationships. As part of this project, we are also updating our Business Relationship Code of Conduct as well as our SushiStainable Policy Commitment to reflect the new procedure. We expect the new due diligence procedure will be ready by end-year 2023 and rolled out during 2024.

Our current Business Relationship Code of Conduct and our SushiStainable Policy Commitment is available on our website:

https://sticksnsushi.com/media/3374/code-of-conduct-for-business-relationships-3.pdf

https://sticksnsushi.com/media/3286/sushistainable-policy-commitment-2022.pdf

Anti-corruption

Our commitment to responsible business conduct rests on the natural premise that we and our business relationships comply with all applicable laws in all the jurisdictions in which we operate, including any regulation countering bribery and corruption.

To ensure that we can live by this, all new employees undergo an introductory training where they are trained in our DNA, commitments, what we need to comply with, and how we can help each other in our daily routines to live up to these requirements. We have developed a platform for internal training, which makes sure that we have online training available for new and old employees about business conduct and our anti-corruption policy.

We have an online system allowing all employees to record business gifts, given and received (over a minimum threshold). For gifts over a certain value, there is a mechanism in the online system to notify the chief financial officer that the gift needs approval. This is to enhance recording, transparency, and integrity in recording procedures. Both receiving and giving gifts can be considered as bribe if given with the expectation of improperly receiving benefits in return. So, generally, no employees should give or receive gifts.

Our efforts on anti-corruptions are guided by our impact assessments conducted as described in the separate section on impact assessments further above. We plan to continue this process as a tool for our risk management.

Social

We recognise that we have a responsibility to respect human rights and the importance of being transparent about how we take the necessary steps to fulfil our obligation. We seek to operate responsibly along our entire supply chain by safeguarding the rights of our employees and those of the people who supply our products. We respect human rights and employee conditions and are establishing the UN Guiding Principles on Business and Human Rights as Management Standard. The framework also helps us to comply with relevant legislation such as, but not limited to, the UK Modern Slavery Act. In addition, we follow the implementation of these principles by the Danish government and the European Union.

We want to be a workplace where everybody enjoys going to work. Therefore, we spend both time and resources ensuring the right working conditions so that everyone feels that they can be their true selves at work. Our People Team dedicates an extensive amount of time and resources to ensuring that we are a company which takes work satisfaction and social responsibility seriously. Some of these initiatives includes a leadership seminar hosted in September 2023, where 100 leaders were trained in how they can help foster well-being and belonging. More details on this will be included in next year's report.

Employee Wellbeing

Our workforce is a diverse mix of individuals at different age groups and with different backgrounds. We have employees who are with us for a year and employees who have been part of the company for 20 years. As a hospitality company, who makes the food and who serves it is important, and moreover the wellbeing of those individuals. Therefore, employee wellbeing was also chosen as a strategic focus area in the ESG Strategy.

For this reporting period (FY2022/23), we have completed a human rights impact assessment. This was limited to our Danish operations, but it is a big milestone to continuously perform this, due to the complexity and scope of the assessment, and having expanded the assessment from having been limited to one restaurant to now having all Danish operations in scope.

The impact assessment has been an important tool to identify where we need to place our efforts to ensure our commitment to respecting human rights. The impact assessment identified 7 actual adverse impacts and 8 potential adverse impacts. The identified impacts are common among our industry, and something that is important to address, why we will create an action plan and goals for mitigation based on these before next reporting in 2025. This will include collecting data to support our progress.

In addition, during spring 2022, we also performed a Group employee survey called Happy People survey, which mapped areas for improvement of our work with our own workforce. These surveys are an increasingly important tool to understand how our employees feel and help us to get an understanding of where we should act to retain a healthy workspace where people feel included. We will in the coming reporting periods strive towards creating smaller pulse surveys that will enable us to monitor our progress.

Gender pay gap

Based on regulatory requirements in UK, we are required to perform a gender pay gap analysis on our UK entity. In 2022/23 we have also performed this for our Danish and German entities to broaden our understanding of pay gaps in all entities. The results from these analyses show that our entities in all countries have a lower pay to females. The difference in pay varies, however, they are all affected by the majority presentation of men in senior management positions. This is seen being the case both in the administrative offices, as well as in our restaurants. We are aware that this is a challenge that needs to be addressed this. We are working towards how we can be more attractive for female employees and provide training and development, allowing for promotions to senior roles.

Our latest gender pay gap reporting is available on our website:
https://sticksnsushi.com/en/sr/statements-and-reports

Gender composition

It is our policy to continuously aim for the highest competency levels for our employees and we strive to recruit the best qualified candidates regardless of gender, age, religious beliefs, ethnicity, nationality, and/or sexual orientation. We want Sticks'n'Sushi to be an attractive workplace for all with equal opportunities for career advancement and management promotions. It is also important that the right competencies are present, and it is thus the company's policy to ensure development and training opportunities - internal as well as external - in order to give aspiring employees, the best possible opportunities within the company.

At all levels of the organization, for those who are employed in our restaurants, we have internal classes and individual training programs for those who wish to advance their careers. We offer leadership courses from both internal and external teachers to all aspiring leaders and encourage everyone, including the underrepresented gender, to attend. We aim to achieve a fair and representative balance with regards to the composition of gender, age and seniority, recognizing that the restaurant industry is an industry with a relatively high level of job rotation.

It is our goal to have a fair representation of genders on our board of directors, as well as our senior management levels. The goal for 2022/23 was to have a representation of 80/20 (males/females) in our board, and an equal representation of the genders in our senior management.

We have not met our goal of gender representation in the Board of Directors of 80/20. We have a belief that this goal is important, which is why we maintain an expectation to meet this goal before the end of 2023/24.

Our composition of senior management continuously grows to accommodate the organization's needs (mostly the 2nd management level). Therefore, we are aiming at an equal representation between the genders. The definition of equal representation follows the table in section 3 in the Guidance on Targets and Policy for Gender Composition provided by the Danish Business Authority (https://erhvervsstyrelsen.dk/vejledning-maltal-og-politikker-den-konsmaessige-sammensaetning-af-ledelsen-og-afrapportering-herom).

Last year our representation of females in the senior management was 40% and the composition considered equal. The main reason why this has changed is due to the calculation method. Last year a calculation method was used where all 1st management level and 2nd management level employees were included no matter if they had employee responsibility or not. This year we have followed the definitions outlined in the guidance mentioned above.

This guidance determines that the included management employees in the calculation should have employee responsibility, and therefore have responsibility for at least one employee. The guidance is applicable to all Danish entities reporting on their gender composition. This new calculation method affects our work towards an equal gender composition. Based on hires made after the balance date, we are expecting to be at an equal (or the closest possible) composition at the end of 2023/24. The numbers presented below includes all entities of the Group.

Board of Directors	2022/23
Total number of members	5
Underrepresented gender in %	0%
Goal in %	20%
Deadline year for reaching goal	2024/25

Senior management	2022/23
Total number of members	12
Underrepresented gender in %	25%
Goal in %	33%
Deadline year for reaching goal	2023/24

Data ethics

Data ethics has become an important topic in line with the digital development and thus the need for corporate accountability has grown. Privacy and data protection is part of our fundamental rights defined in the International Bill of Human Rights, which we have committed to respect as defined by the UN Guiding Principles on Business and Human Rights. One way we live up to this commitment is that we ensure that our data is kept protected and safe. All data which is used and shared, whether personal, business or customer data, is protected through our security procedures and connecting IT applications. This way we protect the data of all our stakeholders from the increasing risk of careless or intentional damaging conduct.

Data ethics are the guidelines that govern how we handle data. Our Data Ethics Policy stipulates best practices that should be followed to ensure that privacy, security, and transparency standards are met. The scope of the policy covers the whole Sticks'n'Sushi Group, customers, guests, website visitors and business relationships. Our commitment is publicly available and communicated both internally and externally. Every year, this policy will be reviewed and, if necessary, revised for updates.

Data can be related to website, guest inquiries, dinner reservations and collaborations with business relationships. We do not sell data to third parties. Furthermore, we have relevant data protection standards in place to ensure that we comply with growing requirements across our markets. Moreover, that all personal data used in our operations must be handled with respect and in strict accordance with the global standards described in our policies.

Fair and limited handling of employee data is part of our commitment to our employees about respect at the workplace, which stipulates a dignified, safe, and non-discriminatory environment. When collecting and keeping data on other stakeholders, such as customers, we ensure to do it in a manner that privacy is cherished and respected. Finally, if we use machine learning, artificial intelligence and / or algorithms, we will strive to ensure no biased or discriminatory results. We strive for transparency about errors and problems to ensure that we continuously improve use of data and have enabled potential grievances through our anonymous whistle-blower channel.

Policies and procedures

Our internal publication, Policies and Procedures, describes our commitments, ethical behaviour and expectations. Thus, whenever in doubt or facing a dilemma, all employees can consult this document. Living up to our values expressed in our policies supports our overall strategy. Furthermore, it mitigates risks in our operations and supply chain as well as protect our brand. All policies are approved by Executive Management.

Furthermore, we have Privacy Policy describing when, how, and why we collect, use, and share information about suppliers or people who visit our restaurants, use our websites, apps, booking solutions, or communicate with us. Finally, the Privacy Policy describes our whistle-blower mechanism, where all stakeholders can report concerns through a safe and confidential channel. The reported incidents will be handled in an anonymous and professional manner without fear of retaliation for reporting.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

No unusual events have occurred during the year.

Recommendations for active ownership and corporate governance

Sticks'n'Sushi A/S is 100% owned by Sticks'n'Sushi Holding A/S. The majority owner of Sticks'n'Sushi Holding A/S is MIE4 Holding 2 ApS with 78.2%. MIE4 Holding 2 ApS is owned 100% by the Danish private equity fund Maj Invest Equity 4 K/S.

Two board member and executive management jointly own 12%.

Maj Invest Equity 4 K/S is a member of Aktive Ejere (former DVCA, Danish Venture Capital and Private Equity Association), and as a private equity owned portfolio company, Sticks'n'Sushi Holding A/S generally follows DVCA's recommendations, except that the company based on its size, has not established an audit committee. These tasks are handled by the Board.

We referring to www.aktiveejere.dk for more information about the guidelines.

Sticks'n'Sushi Holding A/S' Board of Directors and Executive Board always aim at ensuring that the Group's management structure and control systems are appropriate and function satisfactorily. Management assesses on an ongoing basis whether this is the case. Management's duties are among other things based on the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association as well as good practice for enterprises of the same size and with the same international reach as Sticks'n'Sushi Holding A/S.

The Board of Directors of Sticks'n'Sushi Holding A/S holds meetings according to a fixed schedule at least 5 times a year. A strategy seminar is usually held once a year. In the period between the ordinary meetings of the Board of Directors, the Board of Directors receive, on a regular basis, written information on the Company's and the Group's results of operation and financial position.

The Board of Directors' and the Executive Board's directorships in other companies are disclosed below.

Presentation of the Board of Directors

Maj Invest Equity 4 K/S is represented on the board by Jens Aaløse and Thomas Riis. In addition, Roderick Wallace Mckie, Carsten Kaag and Thorkil Ernst Brzuchanski Rewers Andersen is represented in the Board of Directors. Board positions and other managerial positions are set out below.

Jens Aaløse

Jens Aaløse, Chairman, has joined as Chairman on 2 September 2019. He holds the following other directorships:

•Director Maj Invest Holding A/S, MIE 4 Holding 2 ApS, MIE 5 Holding 6 ApS, Fondsmæglerselskabet Maj Invest A/S, MOMA Capital ApS and PE Minorities GP ApS
•Managing Partner and director at Maj Invest Equity A/S
•Chairman of Sticks'n'Sushi Holding A/S, Sticks'n'Sushi A/S, Blue Ocean Robotics Holding ApS, Blue Ocean Robotics ApS and Fonden LDE 3 GP,
•Deputy chairman of TopDanmark A/S and TopDanmark forsikring A/S
•Boardmember of FDM Travel A/S, Fonden Maj Invest Equity General Partner, Gerda og Victor B. Strands fond/Toms Gruppens fond, MIE5 Datterholding 6 ApS, Good Food Group A/S and Dansk Erhverv

Thomas Riis

Thomas Riis has joined the board since 6 July 2018. He holds the following other directorships:

•Chairman of MIE5 Datterholding 8 ApS
•Boardmember of Sticks'n'Sushi A/S, Sticks'n'Sushi Holding A/S, Ferm Living ApS, Wendelbo Interiors A/S and Wendelbo Møbel Design A/S
•Director of MIE5 Datterholding 8 ApS, Danish Microfinance Partners General Partner ApS, Danish Microfinance Partners Management ApS, DMP Holding 1 ApS, MIE5 Datterholding 9 ApS, Management Equity Vietnam I ApS, General Partner Equity Vietnam ApS, ACE Capital ApS, MIE5 Holding 1 ApS, MIE5 Holding 8 ApS, MIE5 Holding 9 ApS, MIE4 Holding 2 ApS and Ole Riis Holding ApS
•Partner at Maj Invest Equity A/S

Carsten Kaag

Carsten Kaag has joined the board since 1 August 2010. He holds the following other directorships:

•Boardmember of Sticks'n'Sushi A/S, Tranquebar Borgergade ApS
•Director of Kaag & Kaag ApS, Constructive Corner ApS
•Partner of Constructive Corner ApS
•Shareholder owner Tranquebar Borgergade ApS

Thorkil Ernst Brzuchanski Rewers Andersen

Thorkil Ernst Brzuchanski Rewers Andersen, Co-founder has joined the board since 1994. He holds the following other directorships:

•Boardmember of Sticks'n'Sushi A/S, KBM Ejendomme A/S, Falsters Kyst ApS, Ibsens Hotel A/S, Hotel

Kong Arthur A/S and Arthur Hotels A/S
•Director of Thorkil Holding ApS
•Director of Thor Ernst Advisory

Roderick Wallace Mckie

Roderick Wallace Mckie has joined the board since 2 September 2019. He holds the following other directorships:

•Boardmember of Sticks'n'Sushi A/S
•Executive Chairman of New World Trading company , Warrington U.K.
Chairman of Chelsea Fine Foods t/a Megan's Restaurants Ltd, UK •Chairman of Onroute LP, Toronto, Canada

•Board Member and advisor of Tank & Rast GmbH, Bonn, Germany

Income Statement 1 July - 30 June

	Note	Group 2022/23	Group 2021/22	Parent 2022/23	Parent 2021/22
		kDKK	kDKK	kDKK	kDKK
Revenue	1	**779,044**	**732,006**	**0**	**0**
Other operating income		0	2,565	0	0
Expenses for raw materials and consumables		-241,582	-215,995	0	0
Other external expenses		-155,219	-144,347	-63	-50
Gross profit/loss		**382,243**	**374,229**	**-63**	**-50**
Staff expenses	2	-318,443	-286,457	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-28,730	-28,728	0	0
Other operating expenses		-2,341	0	0	0
Profit/loss before financial income and expenses		**32,729**	**59,044**	**-63**	**-50**
Income from investments in subsidiaries		0	0	21,233	45,518
Financial income	4	173	262	305	1,266
Financial expenses	5	-4,664	-2,846	-4	-950
Profit/loss before tax		**28,238**	**56,460**	**21,471**	**45,784**
Tax on profit/loss for the year	6	-6,794	-10,734	-27	-58
Net profit/loss for the year		**21,444**	**45,726**	**21,444**	**45,726**

Balance Sheet 30 June

Assets

		Group		Parent	
	Note	2022	2021	2022	2021
		kDKK	kDKK	kDKK	kDKK
Completed development projects		2,062	3,167	0	0
Acquired trademarks		50	52	0	0
Intangible assets	7	**2,112**	**3,219**	**0**	**0**
Other fixtures and fittings, tools and equipment		23,234	11,974	0	0
Leasehold improvements		112,036	96,809	0	0
Prepayments for property, plant and equipment		2,021	2,019	0	0
Property, plant and equipment	8	**137,291**	**110,802**	**0**	**0**
Investments in subsidiaries	9	0	0	119,475	94,733
Deposits	10	12,226	10,482	0	0
Fixed asset investments		**12,226**	**10,482**	**119,475**	**94,733**
Fixed assets		**151,629**	**124,503**	**119,475**	**94,733**
Inventories		**11,666**	**10,976**	**0**	**0**
Trade receivables		20,372	17,984	0	0
Receivables from group enterprises		1,889	2,374	0	14,987
Other receivables		8,774	8,574	2,579	0
Deferred tax asset	11	8,491	8,491	0	0
Corporation tax		2,582	0	0	0
Corporation tax receivable from group enterprises		486	0	486	0
Prepayments	12	16,189	9,325	0	0
Receivables		**58,783**	**46,748**	**3,065**	**14,987**
Cash at bank and in hand		**72,087**	**103,826**	**2,023**	**103**
Currents assets		**142,536**	**161,550**	**5,088**	**15,090**
Assets		**294,165**	**286,053**	**124,563**	**109,823**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2022	2021	2022	2021
		kDKK	kDKK	kDKK	kDKK
Share capital	13	5,191	5,132	5,191	5,132
Reserve for net revaluation under the equity method		0	0	50,856	29,623
Other reserves		469	758	469	758
Retained earnings		115,998	89,841	65,142	60,218
Equity		**121,658**	**95,731**	**121,658**	**95,731**
Provision for deferred tax	11	2,820	2,818	0	0
Provisions relating to investments in group enterprises		0	0	0	11,959
Provisions		**2,820**	**2,818**	**0**	**11,959**
Credit institutions		10,000	15,000	0	0
Other payables		4,905	4,279	0	0
Long-term debt	15	**14,905**	**19,279**	**0**	**0**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2022	2021	2022	2021
		kDKK	kDKK	kDKK	kDKK
Credit institutions	15	52,417	42,704	0	0
Trade payables		39,637	36,564	50	50
Payables to group enterprises		3	0	2,277	2,061
Corporation tax		0	11,153	0	24
Payables to group enterprises relating to corporation tax		0	0	27	0
Other payables	15	58,957	72,294	551	-2
Deferred income	16	3,768	5,510	0	0
Short-term debt		**154,782**	**168,225**	**2,905**	**2,133**
Debt		**169,687**	**187,504**	**2,905**	**2,133**
Liabilities and equity		**294,165**	**286,053**	**124,563**	**109,823**

Distribution of profit	14
Contingent assets, liabilities and other financial obligations	19
Related parties	20
Fee to auditors appointed at the general meeting	21
Subsequent events	22
Accounting Policies	23

Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Other reserves	Retained earnings	Total
	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 July	5,132	0	0	758	89,840	95,730
Exchange adjustments relating to foreign entities	0	0	0	469	0	469
Cash capital increase	59	3,704	0	0	0	3,763
Other equity movements	0	0	0	0	252	252
Transfers, reserves	0	0	0	-758	758	0
Net profit/loss for the year	0	0	0	0	21,444	21,444
Transfer from share premium account	0	-3,704	0	0	3,704	0
Equity at 30 June	**5,191**	**0**	**0**	**469**	**115,998**	**121,658**

Parent

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Other reserves	Retained earnings	Total
Equity at 1 July	5,132	0	29,623	758	60,217	95,730
Exchange adjustments relating to foreign entities	0	0	0	469	0	469
Cash capital increase	59	3,704	0	0	0	3,763
Revaluation for the year	0	0	21,233	0	0	21,233
Other equity movements	0	0	0	0	252	252
Transfers, reserves	0	0	0	-758	758	0
Net profit/loss for the year	0	0	0	0	211	211
Transfer from share premium account	0	-3,704	0	0	3,704	0
Equity at 30 June	**5,191**	**0**	**50,856**	**469**	**65,142**	**121,658**

Cash Flow Statement 1 July - 30 June

		Group	
	Note	2022/23	2021/22
		kDKK	kDKK
Net profit/loss for the year		21,444	45,726
Adjustments	17	38,661	44,200
Change in working capital	18	-21,522	-5,548
Cash flows from operating activities before financial income and expenses		**38,583**	**84,378**
Financial income		172	262
Financial expenses		-3,262	-2,834
Cash flows from ordinary activities		**35,493**	**81,806**
Corporation tax paid/refunded		-20,222	-9,932
Cash flows from operating activities		**15,271**	**71,874**
Purchase of intangible assets		-1,817	-3,049
Purchase of property, plant and equipment		-52,179	-28,852
Fixed asset investments made etc		-1,745	-2,722
Cash flows from investing activities		**-55,741**	**-34,623**
Repayment of payables to group enterprises		3	-8
Installment on loans from company owners and subordinate loans		0	-26,627
Installments credit institutions		-5,000	-5,000
Reductions of loan to management		0	-7,244
Credit institutions		9,713	22,597
Cash capital increase		3,763	0
Inssuance of warrants		252	0
Cash flows from financing activities		**8,731**	**-16,282**
Change in cash and cash equivalents		**-31,739**	**20,969**
Cash and cash equivalents at 1 July		103,826	82,857
Cash and cash equivalents at 30 June		**72,087**	**103,826**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		72,087	103,826
Cash and cash equivalents at 30 June		**72,087**	**103,826**

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	kDKK	kDKK	kDKK	kDKK
1 Revenue				
Geographical segments				
Denmark	312,356	311,420	0	0
United Kingdom	409,877	386,529	0	0
Germany	56,809	34,057	0	0
	779,042	**732,006**	**0**	**0**
Business segments				
Restaurants and takeaway	779,042	732,006	0	0
	779,042	**732,006**	**0**	**0**

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	kDKK	kDKK	kDKK	kDKK
2 Staff expenses				
Wages and salaries	283,390	262,337	0	0
Pensions	12,462	9,424	0	0
Other social security expenses	15,088	6,976	0	0
Other staff expenses	7,503	7,720	0	0
	318,443	**286,457**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**2,902**	**2,301**	**0**	**0**
Average number of employees	**946**	**914**	**0**	**0**

The incentives programme for the executives and senior managers includes the possibility to subscribe for nominal DKK 118,697 shares. The subscription can take place in the period up to the earlier of (i) 30. December 2024 and (ii) the date where more than 90% of the company's shares are sold to a third party, the company is listed, liquidated or terminated by merger and demerger or any other transactions regarding the Company having a similar effect as any of the mentioned transactions. Incentive programmes are not recognised in the Financial Statements. Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	kDKK	kDKK	kDKK	kDKK

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2022/23 kDKK	Group 2021/22 kDKK	Parent 2022/23 kDKK	Parent 2021/22 kDKK
Amortisation of intangible assets	2,957	1,820	0	0
Depreciation of property, plant and equipment	25,773	26,908	0	0
	28,730	**28,728**	**0**	**0**

4 Financial income

	Group 2022/23 kDKK	Group 2021/22 kDKK	Parent 2022/23 kDKK	Parent 2021/22 kDKK
Interest received from group enterprises	0	0	305	1,266
Other financial income	173	20	0	0
Exchange gains	0	242	0	0
	173	**262**	**305**	**1,266**

5 Financial expenses

	Group 2022/23 kDKK	Group 2021/22 kDKK	Parent 2022/23 kDKK	Parent 2021/22 kDKK
Other financial expenses	3,269	2,509	4	950
Exchange adjustments, expenses	1,395	337	0	0
	4,664	**2,846**	**4**	**950**

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	kDKK	kDKK	kDKK	kDKK
6 Tax on profit/loss for the year				
Current tax for the year	6,794	12,798	27	24
Deferred tax for the year	0	-2,064	0	34
	6,794	**10,734**	**27**	**58**

7 Intangible assets

Group

	Completed development projects	Acquired trade-marks
	kDKK	kDKK
Cost at 1 July	22,784	94
Exchange adjustment	24	0
Additions for the year	1,846	0
Cost at 30 June	24,654	94
Impairment losses and amortisation at 1 July	19,617	42
Exchange adjustment	21	0
Amortisation for the year	2,954	2
Impairment losses and amortisation at 30 June	22,592	44
Carrying amount at 30 June	**2,062**	**50**

In-house developed app (8Frequent Fisher9) including loyalty programme, web shop, product database, guest database (CRM) and link to datawarehouse. Loyalty programme designed to drive engagement, increase visits and average spend.

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment
	kDKK	kDKK	kDKK
Cost at 1 July	98,797	253,848	2,019
Exchange adjustment	104	267	0
Additions for the year	14,770	37,376	2
Cost at 30 June	113,671	291,491	2,021
Impairment losses and depreciation at 1 July	86,823	157,039	0
Exchange adjustment	91	165	0
Depreciation for the year	3,523	22,251	0
Impairment losses and depreciation at 30 June	90,437	179,455	0
Carrying amount at 30 June	**23,234**	**112,036**	**2,021**

Notes to the Financial Statements

9 Investments in subsidiaries

	Parent 2022 kDKK	Parent 2021 kDKK
Cost at 1 July	53,151	53,151
Additions for the year	15,000	0
Cost at 30 June	68,151	53,151
Value adjustments at 1 July	29,623	-15,217
Exchange adjustment	468	-677
Net profit/loss for the year	21,233	45,518
Other adjustments	0	-1
Value adjustments at 30 June	51,324	29,623
Equity investments with negative net asset value transferred to provisions	0	11,959
Carrying amount at 30 June	**119,475**	**94,733**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Sticks 'n' Sushi A/S	Copenhagen	DKK 10,000,000	100%
Sticks 'n' Sushi UK Limited	London	GBP 2,010,000	100%
Sticks 'n' Sushi Germany GmbH	Berlin	EUR 25,000	100%
Sticks 'n' Sushi Kantstraße 152 GmbH	Berlin	EUR 25,000	100%
Sticks 'n' Sushi Potsdamer Straße 85 GmbH	Berlin	EUR 25,000	100%
Sticks 'n'Sushi Torstraße 171 GmbH	Berlin	EUR 25,000	100%

10 Other fixed asset investments

	Group Deposits kDKK
Cost at 1 July	10,482
Exchange adjustment	11
Additions for the year	1,733
Cost at 30 June	12,226
Carrying amount at 30 June	**12,226**

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK

11 Deferred tax asset

	2022	2021	2022	2021
Deferred tax asset at 1 July	8,491	6,427	0	34
Amounts recognised in the income statement for the year	0	2,064	0	-34
Deferred tax asset at 30 June	**8,491**	**8,491**	**0**	**0**

The deferred tax asset amounts to DKK 8,491k and is related to the Danish entity. The deferred tax asset partially consists of timing differences between the tax value and accounting value of fixed asset investments and partially of tax losses to carry forward.

The deferred tax asset is recognised under the assumption that the profitability of Sticks 'n' Sushi's operations will be realized as expected.

12 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

13 Equity

The share capital consists of 51,906,466 shares of a nominal value of kDKK 0.10. No shares carry any special rights.

The share capital has developed as follows:

	2022/23	2021/22	2020/21	2019/20	2018/19
	kDKK	kDKK	kDKK	kDKK	kDKK
Share capital at 1 July	5,132	5,132	5,132	4,551	4,551
Capital increase	59	0	0	581	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	**5,191**	**5,132**	**5,132**	**5,132**	**4,551**

Notes to the Financial Statements

14 Distribution of profit

	Parent 2022/23 kDKK	Parent 2021/22 kDKK
Reserve for net revaluation under the equity method	21,233	29,623
Retained earnings	211	16,103
	21,444	**45,726**

15 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:

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK
Credit institutions				
Between 1 and 5 years	10,000	15,000	0	0
Long-term part	10,000	15,000	0	0
Other short-term debt to credit institutions	52,417	42,704	0	0
	62,417	**57,704**	**0**	**0**
Other payables				
Between 1 and 5 years	4,905	4,279	0	0
Long-term part	4,905	4,279	0	0
Other short-term payables	58,957	72,294	551	0
	63,862	**76,573**	**551**	**0**

16 Deferred income

Deferred income related to payments received in respect of income in subsequent years, including gift cards etc.

Notes to the Financial Statements

	Group	
	2022/23	2021/22
	kDKK	kDKK
17 Cash flow statement - adjustments		
Financial income	-173	-262
Financial expenses	4,664	2,846
Depreciation, amortisation and impairment losses, including losses and gains on sales	28,733	28,728
Tax on profit/loss for the year	6,794	10,734
Other adjustments	-1,357	2,154
	38,661	**44,200**

18 Cash flow statement - change in working capital

	2022/23	2021/22
Change in inventories	-689	-2,704
Change in receivables	-3,786	-15,657
Change in trade payables, etc	-17,047	12,813
	-21,522	**-5,548**

Notes to the Financial Statements

19 Contingent assets, liabilities and other financial obligations

Charges and security

The parent company, Sticks 'n' Sushi Holding A/S, has, as security for all debt that Sticks 'n' Sushi A/S has to the bank, issued a letter of subordination stating that Sticks 'n' Sushi Holding A/S will subordinate their receivables from Sticks 'n' Sushi A/S in favour of the subsidiary's debt to the bank.

As collateral for bank debt a bill of sale has been issued, nominal value of TDKK 5,000.

The group has pledged a company charge of TDKK 10,000 as collateral for debt. At 30 June 2023, the company charge comprises the following assets with the following carrying amounts:

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK
Property, plant and equipment	137,291	110,802	0	0
Inventories	11,666	10,976	0	0
Trade receivables	20,372	17,984	0	0

Rental and lease obligations

	Group		Parent	
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	50,097	43,240	0	0
Between 1 and 5 years	155,764	137,609	0	0
After 5 years	243,932	217,424	0	0
	449,793	**398,273**	**0**	**0**

Guarantee obligations

The group has issued guarantee of payment against all companies of the group.

The group has provided guarantees in respect of landlords at 30 June 2023, which amounts to TDKK 4,861.

Other contingent liabilities

The Entity has contingent liabilities regarding partial outsourcing of inventories to third party of TDKK 16,706.

19 Contingent assets, liabilities and other financial obligations (continued)

Sticks 'n' Sushi Holding A/S has issued letters of support to management of its subsidiaries Sticks 'n' Sushi Germany GmbH.

The danish 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 MIE4 Holding 2 ApS, which is the management company of the joint taxation purposes. Moreover, the danish 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.

20 Related parties

	Basis
Controlling interest	
MIE4 Holding 2 ApS, Copenhagen	Parent company

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.

There are no related party transactions that have not been carried through on market terms.

Consolidated Financial Statements

The Company is included in the Group Report of the parent company

Name	Place of registered office
MIE4 Holding 2 ApS	Copenhagen

Notes to the Financial Statements

21 Fee to auditors appointed at the general meeting

	Group	
	2022/23	2021/22
	kDKK	kDKK
PricewaterhouseCoopers		
Audit fee	918	896
Other assurance engagements	30	52
Tax advisory services	897	874
Other services	540	754
	2,385	**2,576**

22 Subsequent events

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

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of Sticks 'n' Sushi Holding A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022/23 are presented in kDKK.

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.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Sticks 'n' Sushi Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company’s investments in the consolidated subsidiaries are set off against the Parent Company’s share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

23 Accounting Policies (continued)

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

23 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment and government support packages.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

23 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

Aquired trademarks are measured at the lower of cost less accumulated amortisation and recoverable amount. Aquired trademarks are amortised over 10 years.

Costs of development projects comprise salaries and other expenses directly 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 is reduced by amortisation of

23 Accounting Policies (continued)

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 3-10 years.

Property, plant and equipment

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.

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	5-10	years

The fixed assets' residual values are determined at nil.

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.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

23 Accounting Policies (continued)

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits paid on rented premises.

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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

23 Accounting Policies (continued)

Prepayments

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

23 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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