Lie ApS

Blegdamsvej 124, DK-2100 Copenhagen Ø

Annual Report for 2022

CVR No. 36 99 68 62

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/6 2023

Anne Marie Lie Norvig
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Lie ApS for the financial year 1 January - 31 December 2022.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

I recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Copenhagen Ø, 30 June 2023

Executive Board

Anne Marie Lie Norvig
CEO

Independent Auditor's report

To the shareholder of Lie ApS

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 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Lie 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, 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 Financial 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.

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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent 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 Group´s and the Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 30 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Company information

The Company	Lie ApS Blegdamsvej 124 DK-2100 Copenhagen Ø CVR No: 36 99 68 62 Financial period: 1 January - 31 December Municipality of reg. office: København
Executive Board	Anne Marie Lie Norvig
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2022	2021	2020
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	385,459	355,204	193,995
Gross profit/loss	106,860	130,157	73,933
Profit/loss before financial income and expenses	26,021	85,045	50,439
Profit/loss of financial income and expenses	-11,639	-2,808	277
Net profit/loss	10,817	63,782	39,389
Balance sheet			
Balance sheet total	226,536	194,196	86,548
Investment in property, plant and equipment	12,398	5,469	2,233
Equity	89,854	90,777	51,729
Cash flows			
Cash flows from:			
- operating activities	6,422	3,286	863
- investing activities	-31,148	-11,641	-2,044
- financing activities	27,312	6,674	-2,038
Change in cash and cash equivalents for the year	2,586	-1,681	4,780
Number of employees	105	64	31
Ratios			
Gross margin	27.7%	36.6%	38.1%
Profit margin	6.8%	23.9%	26.0%
Solvency ratio	39.7%	46.7%	59.8%
Return on equity	12.0%	89.5%	122.4%

The key figures and ratios have been calculated as described in the Accounting Policies.

Management's review

Key activities

The Group engages in the design, development, production, marketing, and sale of products withing children's interiors, toys, lifestyle, and wear, as well as any other related activities as deemed appropriate by the Executive Board.

Development in the year

The Group experienced both an exciting and challenging year, with a focus on strengthening its market position and increasing earnings. The Group continued its strategy of developing its product portfolio to customers in core markets, with an emphasis on innovation and sustainability.

The launch of several new products has garnered additional recognition in the market and contributed positively to revenue. Additionally, the company invested in new market entries outside Europe, ERP systems, an upgraded organization with new hires and improved workplace facilities in its new headquarters in central Copenhagen.

The Group's income statement shows a profit of 10,8 million DKK, and as of December 31, 2022, the balance sheet shows positive equity of 72,2 million DKK.

The Group has grown overall by 5% compared to the previous year. The revenue growth primarily arises from core activities in the European markets, including extension of customer base in key markets Germany and France.

Compared to previous years the Group experienced limited revenue growth due to challenges faced by the European lifestyle industry. The industry is impacted by increased cost and lowered margins due to inflation and the war in Ukraine causing a decreased customer confidence. At the same time following the COVID-19 pandemic, several customers are facing challenges with excessive inventory.

Increase in raw material costs, driven by USD fluctuations and inflation, as well as higher freight rates primarily in the first half of the year, resulted in declining product margins for 2022 compared to previous years.

The Group has also seen a rise in sales, marketing and customer acquisition costs compared to 2021, both originating from expenses involving renewed participation in trade shows across Europe after Covid and investment in high quality brand presentation. As a separate project the move to the new headquarters in Copenhagen commenced in December 2021, has led to a significant increase in the overall external costs in 2022.

Having successfully transitioned from a "startup" to a "company with a global presence", the Group has been able to attract passionate and specialized employees ready to achieve great results. In 2022, the company invested in LIEWOOD employees releasing former agreement with sales agents as well as in new hires and functions. Together with contract employment on ERP systems projects the initiatives almost doubled the total number of employees. The Group invested in further propelling its transformation into a global organization while remaining rooted in Denmark. The company strategy remains dedicated to continuing to attract and retaining the most talented employees.

At the end of 2022, the Group implemented new ERP systems which resulted in expected operational disruptions and extraordinary pressure on the organization, in second half of the year. The implementation is completed and laying the foundation for the company's further development, operational and geographical expansion and efficiency improvements expected in 2023. The year 2022 proved to be a test of the Group's organizational and cultural quality above all else. The shifting market and working conditions necessitated new workflows throughout the entire organization.

The financial year 2022 has been a year in which the Group has made long-term investments in the business through new IT systems and acquiring more talent, aiming to prepare the Group for future growth.

Design and Environmental Conditions

The Group is founded on exceptional designs and a coherent product offering forming a children's universe of categories. All designs are created by the Group itself and contracted for production internationally. Designs are legally protected and monitored and moulds are registered and accounted for.

In its design philosophy the Group focuses on creating high-quality, long-lasting products offering sustainable advantages to the consumer.

The company's growth also entails a greater responsibility to run the business in a sustainable way.

The Group uses sustainable materials like organic cotton, recycled polyester, nylon and plastic and other sustainable materials, as well as mono materials for a large part of textile production. The focus is continuously on sourcing responsible materials and suppliers.

To ensure that all materials used in the supply chain meet the REACH standards and EU regulations, the Group has an internal RSL (Restricted Substances List). The Code of Conduct and Supplier Manual is updated twice a year to make sure the Group follows the updated requirements.
After an extended period of preparation, the Group achieved GOTS (Global Organic Textile Standard) and GRS (Global Recycled Standard) certification in June 2022. The Group takes great pride in these important certifications, which are in line with its environmental and social responsibility strategy.

In addition, the Group has an Internal Compliance Team who makes sure that all products are being tested for both safety and hazardous chemicals. All the production goes through rigid QC inspections from our partners.

Statement of corporate social responsibility

For a description of our business model please refer to the section on principal activities in the management review.

The Group has decided to align with the ten fundamental principles the United Nations Global Compact for corporate social responsibility. We are committed to integrating these principles into our strategy and corporate culture, with a specific focus on human rights, labor rights, environmental preservation, and anti-corruption measures.

For 2023/24, we have planned to perform materiality assessment for materials within our value chain covering the areas of environment, human rights, and corruption among others. This assessment will provide a detailed understanding of the specific impacts our products and materials have. Our goals encompass both preventive and forward-looking measures, aiming to identify areas for improvement in supplier selection and development, production processes, raw material usage, transportation, CO2 emissions, waste management, and more.

The value chain including raw materials through processing, transport, and the final presentation of our products to end customers involves multiple stages, each with potential risks to people and the environment. Consequently, we consider it our duty to enhance our understanding of this process and continually improve transparency. Simultaneously, we strive to simplify and promote transparency for end customers, empowering them to make informed and responsible choices.

To structure and focus our efforts, we have adopted a systematic approach based on GOTS and GRS goals. In 2022, we implemented all certification objectives and targets to meet compliance demands from GOTS, and we continue to expand and follow GOTS certification requirements in our growing supply chain.

Management's review

Our people are our most important resource and crucial for the future success of our company, as we depend on their knowledge and expertise. As a result, LIEWOOD's Working Committee has been established to ensure that the organization focuses on maintaining a safe and healthy work environment. The committee conducts regular employee surveys to ensure a proper work environment. The employee survey for 2022 was generally satisfactory. There have been findings in the survey that the Working Committee and the Group are continuously working on improving. As part of this effort, a performance and engagement process has been established for employees, allowing for more continuous follow-up on development and performance. It is expected that the committee will continue its work in the future.

In the Group we believe we can enact change and positively impact our stakeholders. We are committed to being a responsible business and respecting the fundamental human rights throughout our value chain - in from our HQ in Copenhagen and through operations and those of external stakeholders. Given the structure of our organisation and the nature of our activities, it is our assesment that risks related to human rights and corruption are most prevalent along our value chain.We respect and uphold all human rights stated in the International Bill of Human Rights, including the labor rights expressed by the International Labor Law (ILO), and recognize the "protect, respect and remedy" framework outlined by the UN Guiding Principles on Business and Human Rights. Likewise, we also have a zero-tolerance policy to corruption and bribery.

In 2022 th Group launched the Whistleblower portal - an anonymous reporting tool to report and address any incidents involving misconduct, fraud, corruption, human rights breaches or other violations to company policy. In 2023 we will spread the word about the Whistleblower portal to customers, suppliers, and employees, making sure that it reaches a larger part of the relevant stakeholders.

Statement on gender composition

The Group has a diversity and inclusion policy that emphasizes the importance of competencies and personal fit when hiring new employees. Employee skills and experience determine salary, not gender, ethnicity, or similar factors. The Group strives for gender equality. The gender distribution in the board of directors as well as top management is 50/50, and the same applies to the rest of the management level.

Branches abroad

The Group has established branches in both the United Kingdom, Germany and South Korea

Future Expectations

The Group aims to continue its growth in the future, offering bestselling products to new countries and customers and continue it's growth within own Direct to Consumer channel in existing markets. The Group anticipates entering the Asian and American markets within a reasonable period. Although consumer confidence and consumption remain low, we expect 2023 to be characterized by the same trends as 2022 and we do not expect growth in 2023. We have planned for a minor decline in turnover and expect the year to end around DKK 380 M. As a result of the many cost adjustments, however, we expect an EBITDA around 8-10 %.

Financial Risks

Production and procurement take place outside of Denmark, and a considerable portion of the revenue is earned outside Denmark and settled in currencies other than DKK. This exposes the Group to continued fluctuations in exchange rates that affect both earnings and cash flows. To minimize risks, the company conducts ongoing hedging. However, the USD had a negative impact on the annual result. The Group only hedges cash flows and not speculative transactions.

Management's review

Statement on data ethics

The Group has implemented both an external personal data policy concerning the processing of personal information from consumers, customers, and partners, as well as an internal personal data policy specifically targeting employee-related personal data. Furthermore, the Group has a privacy policy for recruitment and a policy for IT-safety. Together, these policies form the foundation of our data ethics policy. The Group only processes personal data to the extent necessary to fulfill contractual, legal, or managerial obligations. Due to the limited processing of personal data within the company, there has been a minimal need for internal evaluation and training of employees in data ethics.

The legal department is conducting a series of internal GDPR courses for the employees. These courses are part of our commitment to ensure that all employees have the necessary knowledge of the General Data Protection Regulation (GDPR) and our internal policies. The Group takes responsibility for data ethics and the protection of personal information seriously, and the policies and training programs help ensure that employees are aware of their responsibilities and obligations regarding the handling of personal data.

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

		Group		Parent company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Revenue	1	385,459,380	355,203,986	0	253,687
Work on own account recognised in assets		3,542,293	0	0	0
Expenses for raw materials and consumables		-229,161,601	-185,340,476	0	0
Other external expenses		-52,979,602	-39,706,552	-119,459	-267,486
Gross profit		**106,860,470**	**130,156,958**	**-119,459**	**-13,799**
Staff expenses	2	-72,280,122	-43,530,222	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-8,559,117	-1,469,704	-525,617	-489,219
Other operating expenses		0	-112,255	0	0
Profit/loss before financial income and expenses		**26,021,231**	**85,044,777**	**-645,076**	**-503,018**
Income from investments in subsidiaries		0	0	8,077,663	45,588,280
Financial income	3	1,559	262	96,487	150,000
Financial expenses		-11,640,751	-2,808,493	-31,195	-54,492
Profit/loss before tax		**14,382,039**	**82,236,546**	**7,497,879**	**45,180,770**
Tax on profit/loss for the year	4	-3,564,909	-18,454,634	19,924	-19,316
Net profit/loss for the year	5	**10,817,130**	**63,781,912**	**7,517,803**	**45,161,454**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Completed development projects		18,279,806	2,623,241	0	0
Acquired trademarks		1,113,412	0	0	0
Goodwill		2,649,942	3,139,158	0	0
Intangible assets	6	**22,043,160**	**5,762,399**	**0**	**0**
Other fixtures and fittings, tools and equipment		15,021,002	8,983,873	156,537	0
Leasehold improvements		1,731,443	1,549,821	0	0
Property, plant and equipment	7	**16,752,445**	**10,533,694**	**156,537**	**0**
Investments in subsidiaries	8	0	0	45,829,073	64,006,606
Deposits	9	403,040	313,720	0	0
Fixed asset investments		**403,040**	**313,720**	**45,829,073**	**64,006,606**
Fixed assets		**39,198,645**	**16,609,813**	**45,985,610**	**64,006,606**
Finished goods and goods for resale		94,430,358	100,956,533	0	0
Prepayments for goods		31,746,334	12,461,241	0	0
Inventories		**126,176,692**	**113,417,774**	**0**	**0**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Trade receivables		40,658,856	44,139,568	0	0
Receivables from group enterprises		0	0	23,191,924	1,103,935
Other receivables		2,837,276	3,902,690	18,368	28,308
Deferred tax asset	11	0	0	19,924	0
Corporation tax		2,504,000	0	2,504,000	0
Corporation tax receivable from group enterprises		0	0	0	17,218,534
Prepayments	10	6,847,387	10,398,996	0	0
Receivables		**52,847,519**	**58,441,254**	**25,734,216**	**18,350,777**
Cash at bank and in hand		**8,313,051**	**5,726,865**	**3,041,786**	**915,041**
Current assets		**187,337,262**	**177,585,893**	**28,776,002**	**19,265,818**
Assets		**226,535,907**	**194,195,706**	**74,761,612**	**83,272,424**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		0	0	38,320,696	56,498,500
Reserve for development costs		14,258,248	0	0	0
Reserve for hedging transactions		-623,764	292,211	0	0
Retained earnings		58,532,549	65,572,994	33,846,338	9,366,706
Equity attributable to shareholders of the Parent Company		**72,217,033**	**65,915,205**	**72,217,034**	**65,915,206**
Minority interests		17,636,548	24,861,351	0	0
Equity		**89,853,581**	**90,776,556**	**72,217,034**	**65,915,206**
Provision for deferred tax	11	4,126,417	925,384	0	0
Provisions		**4,126,417**	**925,384**	**0**	**0**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2022 DKK	Group 2021 DKK	Parent company 2022 DKK	Parent company 2021 DKK
Credit institutions		79,060,183	41,297,846	0	0
Trade payables		37,288,017	27,724,278	40,000	42,231
Payables to owners and Management		578	74,868	578	74,868
Corporation tax		0	17,237,850	0	17,237,850
Payables to group enterprises relating to corporation tax		0	0	2,504,000	0
Other payables		16,207,131	16,158,924	0	2,269
Short-term debt		**132,555,909**	**102,493,766**	**2,544,578**	**17,357,218**
Debt		**132,555,909**	**102,493,766**	**2,544,578**	**17,357,218**
Liabilities and equity		**226,535,907**	**194,195,706**	**74,761,612**	**83,272,424**

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Statement of changes in equity

Group

	Share capital	Reserve for development costs	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	0	292,211	65,572,994	65,915,205	24,861,351	90,776,556
Ordinary dividend paid	0	0	0	0	0	-10,150,000	-10,150,000
Extraordinary dividend paid	0	0	0	-300,000	-300,000	0	-300,000
Fair value adjustment of hedging instruments, end of year	0	0	-1,174,327	0	-1,174,327	-479,654	-1,653,981
Tax on adjustment of hedging instruments for the year	0	0	258,352	0	258,352	105,524	363,876
Development costs for the year	0	15,728,666	0	-15,728,666	0	0	0
Depreciation, amortisation and impairment for the year	0	-1,470,418	0	1,470,418	0	0	0
Net profit/loss for the year	0	0	0	7,517,803	7,517,803	3,299,327	10,817,130
Equity at 31 December	**50,000**	**14,258,248**	**-623,764**	**58,532,549**	**72,217,033**	**17,636,548**	**89,853,581**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	56,498,500	0	9,366,706	65,915,206	0	65,915,206
Extraordinary dividend paid	0	0	0	-300,000	-300,000	0	-300,000
Dividend from group enterprises	0	-24,850,000	0	24,850,000	0	0	0
Fair value adjustment of hedging instruments, end of year	0	-1,174,327	0	0	-1,174,327	0	-1,174,327
Tax on adjustment of hedging instruments for the year	0	258,352	0	0	258,352	0	258,352
Net profit/loss for the year	0	7,588,171	0	-70,368	7,517,803	0	7,517,803
Equity at 31 December	**50,000**	**38,320,696**	**0**	**33,846,338**	**72,217,034**	**0**	**72,217,034**

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		DKK	DKK
Result of the year		10,817,130	63,781,912
Adjustments	12	23,763,218	22,844,824
Change in working capital	13	3,222,492	-71,479,557
Cash flow from operations before financial items		**37,802,840**	**15,147,179**
Financial income		1,559	260
Financial expenses		-11,640,751	-2,808,493
Cash flows from ordinary activities		**26,163,648**	**12,338,946**
Corporation tax paid		-19,741,850	-9,053,086
Cash flows from operating activities		**6,421,798**	**3,285,860**
Purchase of intangible assets		-18,660,295	-2,703,085
Purchase of property, plant and equipment		-12,398,334	-9,200,057
Fixed asset investments made etc		-89,320	-672,106
Sale of fixed asset investments made etc		0	933,836
Cash flows from investing activities		**-31,147,949**	**-11,641,412**
Raising of loans from credit institutions		37,762,337	32,924,403
Dividend paid		-10,450,000	-26,250,000
Cash flows from financing activities		**27,312,337**	**6,674,403**
Change in cash and cash equivalents		**2,586,186**	**-1,681,149**
Cash and cash equivalents at 1 January		5,726,865	7,408,014
Cash and cash equivalents at 31 December		**8,313,051**	**5,726,865**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		8,313,051	5,726,865
Cash and cash equivalents at 31 December		**8,313,051**	**5,726,865**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
1. Revenue				
Geographical segments				
Europe	317,160,032	290,055,949	0	162,455
Non-Europe	68,299,348	65,148,037	0	91,232
	385,459,380	**355,203,986**	**0**	**253,687**

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
2. Staff Expenses				
Wages and salaries	65,132,638	39,380,112	0	0
Pensions	6,480,967	3,673,282	0	0
Other social security expenses	231,749	217,135	0	0
Other staff expenses	434,768	259,693	0	0
	72,280,122	**43,530,222**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**9,666,351**	**7,978,174**		
Average number of employees	**105**	**64**	**0**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
3. Financial income				
Interest received from group enterprises	0	0	96,487	150,000
Other financial income	1,559	262	0	0
	1,559	**262**	**96,487**	**150,000**

Notes to the Financial Statements

4. Income tax expense

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Current tax for the year	0	18,454,634	0	0
Deferred tax for the year	3,201,033	0	-19,924	19,316
	3,201,033	**18,454,634**	**-19,924**	**19,316**
thus distributed:				
Income tax expense	3,564,909	18,454,634	-19,924	19,316
Tax on equity movements	-363,876	0	0	0
	3,201,033	**18,454,634**	**-19,924**	**19,316**

5. Profit allocation

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Extraordinary dividend paid	300,000	0	300,000	19,000,000
Reserve for net revaluation under the equity method	0	0	7,588,171	45,588,018
Minority interests' share of net profit/loss of subsidiaries	3,299,327	18,620,458	0	0
Retained earnings	7,217,803	45,161,454	-370,368	-19,426,564
	10,817,130	**63,781,912**	**7,517,803**	**45,161,454**
Extraordinary dividend after year end	1,000,000	300,000	1,000,000	300,000

Notes to the Financial Statements

6. Intangible fixed assets

Group

	Completed development projects	Acquired trademarks	Goodwill
	DKK	DKK	DKK
Cost at 1 January	2,703,085	0	5,092,196
Additions for the year	17,461,872	1,198,420	0
Cost at 31 December	20,164,957	1,198,420	5,092,196
Impairment losses and amortisation at 1 January	79,844	0	1,953,035
Amortisation for the year	1,805,307	85,008	489,219
Impairment losses and amortisation at 31 December	1,885,151	85,008	2,442,254
Carrying amount at 31 December	**18,279,806**	**1,113,412**	**2,649,942**

Parent company

	Goodwill
	DKK
Cost at 1 January	200,000
Cost at 31 December	200,000
Impairment losses and amortisation at 1 January	200,000
Impairment losses and amortisation at 31 December	200,000
Carrying amount at 31 December	**0**

Notes to the Financial Statements

7. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	10,011,526	2,150,366
Additions for the year	11,771,464	626,870
Cost at 31 December	21,782,990	2,777,236
Impairment losses and depreciation at 1 January	1,027,654	600,545
Depreciation for the year	5,734,334	445,248
Impairment losses and depreciation at 31 December	6,761,988	1,045,793
Carrying amount at 31 December	**15,021,002**	**1,731,443**

Parent company

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	0
Additions for the year	192,935
Cost at 31 December	192,935
Impairment losses and depreciation at 1 January	0
Depreciation for the year	36,398
Impairment losses and depreciation at 31 December	36,398
Carrying amount at 31 December	**156,537**

	Parent company	
	2022	2021
	DKK	DKK

8. Investments in subsidiaries

	Parent company 2022 DKK	Parent company 2021 DKK
Cost at 1 January	7,508,104	7,508,104
Cost at 31 December	7,508,104	7,508,104
Value adjustments at 1 January	56,498,502	29,337,762
Net profit/loss for the year	8,077,663	45,588,018
Dividend to the Parent Company	-24,850,000	-17,750,000
Other equity movements, net	-915,975	1,075,757
Amortisation of goodwill	-489,221	-1,753,035
Value adjustments at 31 December	38,320,969	56,498,502
Carrying amount at 31 December	**45,829,073**	**64,006,606**
Positive differences arising on initial measurement of subsidiaries at net asset value	4,892,196	4,892,196
Remaining positive difference included in the above carrying amount at 31 December	2,649,942	3,129,158

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Liewood A/S	Copenhagen	71%
Liewood GmbH	Germany	71%
Liewood UK Limited	United Kingdom	71%

9. Other fixed asset investments

Group

	Deposits
	DKK
Cost at 1 January	313,720
Additions for the year	89,320
Cost at 31 December	403,040
Carrying amount at 31 December	**403,040**

Notes to the Financial Statements

10. Prepayments

Prepayments under assets are made up of prepaid costs relating to rent, insurance premiums and subscriptions.

11. Provision for deferred tax

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Deferred tax liabilities at 1 January	925,384	-43,951	0	0
Amounts recognised in the income statement for the year	3,564,909	0	-19,924	0
Amounts recognised in equity for the year	-363,876	969,335	0	0
Deferred tax liabilities at 31 December	**4,126,417**	**925,384**	**-19,924**	**0**

12. Cash flow statement - Adjustments

	Group	
	2022	2021
	DKK	DKK
Financial income	-1,559	-262
Financial expenses	11,640,751	2,808,493
Depreciation, amortisation and impairment losses, including losses and gains on sales	8,559,117	1,469,704
Tax on profit/loss for the year	3,564,909	18,454,634
Loss from disposal of non-current assets	0	112,255
	23,763,218	**22,844,824**

Notes to the Financial Statements

13. Cash flow statement - Change in working capital

	Group 2022	Group 2021
	DKK	DKK
Change in inventories	-12,758,918	-68,236,394
Change in receivables	8,097,735	-31,076,908
Change in trade payables, etc	9,537,656	25,892,043
Fair value adjustments of hedging instruments	-1,653,981	1,941,702
	3,222,492	**-71,479,557**

14. Contingent assets, liabilities and other financial obligations

Charges and security

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
The following assets have been placed as security with bankers:				
Inventories	126,176,692	113,417,774	0	0
Trade receivables	36,061,510	44,139,568	0	0
Other fixtures and fittings, tools and equipment	14,864,463	8,983,873	0	0
Leasehold improvements	1,731,443	1,549,821	0	0
Completed development projects and acquired trademarks	19,393,218	2,623,241	0	0

The security with bankers comprise of a business mortgage registered to Liewood A/S totalling kDKK 40,000, providing security for bank loans in Liewood A/S of kDKK 79,060.

Rental and lease obligations

The Group has entered into operational leases with an average annual lease payment of kDKK 83. The leases have up to 34 months to maturity and total outstanding lease payments total kDKK 200.

The Group has entered into a lease on premises. This contract is non cancellable until 1 March 2028. The annual rent amounts to kDKK 5,102.

The Group has entered into a variable lease agreement for stock facilities. This contract is non cancellable until 31 July 2023.

The bank has issued a payment guarantee of TDKK 3,880.

Notes to the Financial Statements

Other contingent liabilities

Liewood A/S has issued a letter of financial support to the subsidiaries Liewood GmbH and Liewood UK Limited to cover negative equity balances.

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 Lie 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.

15. Related parties

	Basis
Controlling interest	
Lie ApS, Blegdamsvej 124, 2100 Copenhagen Ø	Majority shareholder

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.

16. Fee to auditors appointed at the general meeting

	Group	
	2022	2021
	DKK	DKK
Audit fee	372,625	285,625
Tax advisory services	35,000	8,500
Non-audit services	142,600	31,700
	550,225	**325,825**

17. Subsequent events

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

18. Accounting policies

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

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Adjustment of comparative figures
Certain reclassifications have been made in the income statement and balance sheet for the Company. Comparative and key figures have been adjusted accordingly.

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, Lie ApS, 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.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

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

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on geographical segments is based on the Group´s risks and returns and its internal financial reporting system.

Notes to the Financial Statements

Income statement

Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

• delivery has been made before year end;

• a binding sales agreement has been made;

• the sales price has been determined; and

• payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 the consolidated revenue for the year.

Other external expenses

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

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

Notes to the Financial Statements

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.

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 on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 . 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).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

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 3 year.

Other intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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	3-8 years
Leasehold improvements	3-8 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

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.

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.

Prepayments

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

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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

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.

Notes to the Financial Statements

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.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity