Up & Up Capital A/S

Industrivej 29, DK-7430 Ikast

Annual Report for 1 January - 31 December 2022

CVR No 38 06 12 75

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/6 2023

Klaus Juhl Pedersen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Up & Up Capital A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements 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 cash flows for 2022.

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

Ikast, 15 June 2023

Executive Board

Klaus Juhl Pedersen
Executive Officer

Board of Directors

Dion Møberg Eriksen Chairman	Rikke Juhl Jensen	Gitte Juhl Capel
Klaus Juhl Pedersen		

Independent Auditor's Report

To the Shareholders of Up & Up Capital 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 31 December 2022 and of the results of the Group's and the Parent Company's operations and 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 Up & Up Capital A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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.

Management's responsibilities for the Financial Statements

Independent Auditor's Report

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

Independent Auditor's Report

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.

Herning, 15 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Poul Spencer Poulsen	Hans Jørgen Andersen
statsautoriseret revisor	statsautoriseret revisor
mne23324	mne30211

Company Information

The Company	Up & Up Capital A/S Industrivej 29 DK-7430 Ikast CVR No: 38 06 12 75 Financial period: 1 January - 31 December Incorporated: 1 October 2016 Financial year: 7th financial year Municipality of reg. office: Ikast-Brande
Board of Directors	Dion Møberg Eriksen, Chairman Rikke Juhl Jensen Gitte Juhl Capel Klaus Juhl Pedersen
Executive Board	Klaus Juhl Pedersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning
Bankers	Jyske Bank Sølvgade 24 7400 Herning

Financial Highlights

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

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	396,017	451,363	370,230	306,350	356,165
Gross profit/loss	73,629	125,825	117,548	74,734	111,717
Profit/loss before financial income and expenses	-15,695	45,799	48,505	3,988	48,049
Net financials	3,335	-2,385	249	501	274
Net profit/loss for the year	-9,842	33,815	38,762	2,815	37,244
Balance sheet					
Balance sheet total	286,622	295,374	190,758	168,103	223,105
Equity	107,506	141,445	105,085	113,170	185,682
Cash flows					
Cash flows from:					
- operating activities	-441	16,035	27,351	3,479	37,134
- investing activities	-45,098	-59,930	-6,831	-7,716	-7,210
including investment in property, plant and equipment	-47,451	-58,429	-7,222	-6,398	-6,206
- financing activities	24,625	52,810	-16,165	-68,197	-12,008
Change in cash and cash equivalents for the year	-20,914	8,916	4,355	-72,434	17,916
Number of employees	167	158	146	151	119
Ratios					
Gross margin	18.6%	27.9%	31.7%	24.4%	31.4%
Profit margin	-4.0%	10.1%	13.1%	1.3%	13.5%
Return on assets	-5.5%	15.5%	25.4%	2.4%	21.5%
Solvency ratio	37.5%	47.9%	55.1%	67.3%	83.2%
Return on equity	-7.9%	27.4%	35.5%	1.9%	21.6%

In connection with changes to accounting policies, the comparative figures from 2020 to 2018 have not been restated. See the description under accounting policies.

Management’s Review

Key activities

The most important activities of the Group consist of trading and purchasing within interior and interior design under the brand House Doctor. In addition, the Group has three brands; Meraki (care products), Nicolas Vahé (gourmet food) and ByNord (bedding).

Market overview

The Group has branches in Sweden, Spain, England, the Netherlands and Germany. The branch in Spain is closed as per end of 2022.

Development in the year

The income statement of the Group for 2022 shows a loss of DKK 9,842,264, and at 31 December 2022 the balance sheet of the Group shows equity of DKK 107,505,717.

The past year and follow-up on development expectations from last year

Post the Ukraine crisis the Group have faced a challenging market. Retailer customers are nervous as the market is very volatile primarily due to the inflation and rising interest rates, which have had a negative effect for Society of Lifestyle and we have thus not met the expectations for revenue and earnings.

Further, the Group's result is significantly negatively affected by substantial rate increases on container freight. The rates are end of 2022 back to normal level as they were before Covid-19 period.

In 2022 we took a decision to close one of our brands, Monograph. This was done to secure focus on the other brands. That have affected the result for 2022 negatively as we have sold out products with low margin.

During 2022 we unfortunately had to go through a restructuring process where we had to say goodbye to a significant number of employees. All costs related to this is included in the result for 2022. These decisions and others made throughout 2022 have primarily had a negative effect in 2022, but we strongly believe we will start harvesting the benefits in 2023.

The result in 2022 has not met management's expectations, but we believe we have a strong setup for a positive outlook for the future.

Management’s Review

Operating risks and financial risks

Foreign exchange risks

A significant part of the Group's purchases is carried out in foreign currency, just like the majority of the Group's sale. To cover the risk of negative exchange rate fluctuation the Group engage in hedging transactions lasting up to 12 months.

No special risks besides the common risk within the Group’s industry has been identified.

Targets and expectations for the year ahead

Management expects a continued challenging activity level in 2023 due to uncertainty in global economy. Revenue is expected to decrease approx. 10%. Internal restructuring, better processes and lower purchase freight prices leads us to aim for a significant better bottom line in 2023 than in 2022.

A profit before tax in the range of DKK 15 - 25 million is expected in 2023.

External environment

The Group's activities are not considered to have a significant impact on the environment.

Intellectual capital resources

The Group's future earnings depend on a high level of knowledge resources within the design of new products, branding to new and existing customers, as well as purchasing and inventory management.

Statement of corporate social responsibility cf. Section 99 a of the Danish Financial Statements Act

Business model

The Group's business model is the design, purchase and sale of home furnishing and interior, body care products and gourmet food. The production itself is handled by a large number of subcontractors, most of whom are based outside Denmark.

Risk analysis

The Group's risk of having an impact on the areas specified in the law regarding the environment and climate, social and employee conditions, human rights and anti-corruption is assessed to be limited. Furthermore, the Group's business activities do not add additional risks related to corporate social responsibility. The Group complies with relevant legislation in all the countries in which it operates.

Nevertheless, the Group is particularly aware of the potential risks associated with the Group's work, including attracting and retaining skilled employees, as well as the climate impact that the Group's transport and product handling causes.

Management's Review

The Group's sales activities take place mainly in Europe, where a high degree of regulation and regulatory control exist. The Group does not experience significant risks in relation to human rights, corruption and the environment. The Group has not prepared policies for corruption and the environment. Regarding human rights we have no formal policy, but our employee handbook describes how we want to relate to each other, what can be expected from each other and each employee's responsibility in terms of cooperation and interacting; both internally and externally.

Work environment

The Group's operating company, Society of Lifestyle A/S, has focus on providing employees with the opportunity to achieve personal success. We want to provide a work climate and a leadership behavior where we aim to help the individual employee to be a success. For us, success is a matter of being happy so you can deliver your very best in any work situation.

The Group seeks to create a workplace where both the physical and mental work environment are given high priority. This is reflected in an active work environment organization that ensures modern facilities in the office, follow-up on illness, etc.

All employees are informed about safety and personnel policies in general and the health scheme ensures security for optimal options should the need for treatment arise. Society of Lifestyle A/S is aware of the well-being of its employees, and to ensure the right focus, we have annual employee satisfaction surveys, which we use to set up initiatives that need to be worked on.

Social responsibility

It is important for the Group to make a positive contribution to society, both local and remote environment. We want to take on social responsibility and give something back. In 2022 we have donated cash amounts to aid organizations.

The Group has no independent human rights policy but seeks to comply human rights of employees through personnel policies and work environment policies, which i.a. meets the right to equal treatment, the right to personal security, the right to rest and leisure, and the right to freedom of association. These policies are implemented in day-to-day operations and through our safety representatives and health and safety coordinators.

The Group has also ensured through the general terms and conditions of Society of Lifestyle A/S that subcontractors and consultants perform all work and services in accordance with the Company's "Code of Conduct " and has thus sought to ensure that there is no violation of human rights or anyone is discriminated against in any way in relation to religion, race or gender at all stages of the production process.

The Group has not registered any human rights violations in 2022.

Management’s Review

Going forward the Group will increase its focus on corporate social responsibility (CSR) by going into deeper dialogue with our vendors oversee to secure focus on CSR. Attention will be on securing sustainability and compliance in all stages of the value chain, from CSR at production facilities with our suppliers to a more sustainable version of each individual product.

Data ethics cf. Section 99 d of the Danish Financial Statements Act

The Group handles general data in the form of customer, supplier and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies. As the Group primarily sells B2B and has extremely limited processing of personally sensitive data, the Group's assessment is that there is no need for a policy for data ethics. The Group will continuously assess whether a policy is necessary.

Environment

The Group's activities do not significantly affect the external environment, but management is generally aware of measures that can protect the environment, including optimization of energy consumption onwarehouse and choice of transport solutions.The Group does not engage in research or development activities.

Statement on gender composition cf. Section 99 b of the Danish Financial Statements Act

The Group's top management level consists of the Board of Directors, which consists of the owners of the Group represented by one male and two female owners. It is assessed that an equal gender distribution has been achieved in accordance with the Danish Business Authority's guidelines.

As there are no employees in Up & Up Capital A/S, we have no obligation to prepare and explain a policy for increasing the underrepresented gender at other management levels.

Uncertainty relating to recognition and measurement

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

Unusual events

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

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Revenue	1	**396,017,479**	**451,363,089**	**0**	**0**
Other operating income		3,519,555	3,834,580	0	0
Expenses for raw materials and consumables		-260,868,973	-272,333,959	0	0
Other external expenses		-65,038,665	-57,038,657	-262,279	-60,917
Gross profit/loss		**73,629,396**	**125,825,053**	**-262,279**	**-60,917**
Staff expenses	2	-79,608,238	-70,627,449	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-9,696,993	-9,398,506	0	0
Other operating expenses		-19,040	0	0	0
Profit/loss before financial income and expenses		**-15,694,875**	**45,799,098**	**-262,279**	**-60,917**
Income from investments in subsidiaries		0	0	-9,843,979	33,822,077
Income from investments in associates		630,349	346,694	630,349	346,694
Financial income	4	7,568,273	140,158	1,112,146	36,827
Financial expenses	5	-4,864,106	-2,871,408	-1,644,501	-424,467
Profit/loss before tax		**-12,360,359**	**43,414,542**	**-10,008,264**	**33,720,214**
Tax on profit/loss for the year	6	2,518,095	-9,599,501	166,000	94,827
Net profit/loss for the year		**-9,842,264**	**33,815,041**	**-9,842,264**	**33,815,041**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Goodwill		2,343,833	3,016,778	0	0
Intangible assets	7	**2,343,833**	**3,016,778**	**0**	**0**
Land and buildings		104,728,765	47,843,880	0	0
Other fixtures and fittings, tools and equipment		27,258,553	22,954,577	0	0
Leasehold improvements		232,591	100,673	0	0
Property, plant and equipment in progress		0	22,869,683	0	0
Property, plant and equipment	8	**132,219,909**	**93,768,813**	**0**	**0**
Investments in subsidiaries	9	0	0	111,854,758	145,796,181
Investments in associates	10	602,792	2,532,443	602,792	2,532,443
Receivables from associates	11	2,569,792	0	2,569,792	0
Other investments	11	30,000	30,000	0	0
Deposits	11	2,197,620	1,836,000	0	0
Fixed asset investments		**5,400,204**	**4,398,443**	**115,027,342**	**148,328,624**
Fixed assets		**139,963,946**	**101,184,034**	**115,027,342**	**148,328,624**
Inventories	12	**103,436,662**	**128,168,180**	**0**	**0**
Trade receivables		26,276,310	31,459,750	0	0
Receivables from group enterprises		0	0	30,291,536	7,506,614
Other receivables		4,407,778	5,023,270	1,700,000	62,500
Deferred tax asset	15	2,014,000	0	169,000	3,000
Corporation tax		1,874,000	0	1,874,000	0
Corporation tax receivable from group enterprises		0	0	0	10,479,454
Prepayments	13	3,111,588	3,086,509	0	0
Receivables		**37,683,676**	**39,569,529**	**34,034,536**	**18,051,568**
Cash at bank and in hand		**5,537,889**	**26,451,808**	**0**	**0**
Currents assets		**146,658,227**	**194,189,517**	**34,034,536**	**18,051,568**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Assets		**286,622,173**	**295,373,551**	**149,061,878**	**166,380,192**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Share capital		1,050,000	1,050,000	1,050,000	1,050,000
Reserve for net revaluation under the equity method		261,442	261,442	67,771,435	69,068,879
Reserve for hedging transactions		-526,567	543,716	0	0
Other reserves		-72,995	154,166	0	0
Retained earnings		106,793,837	116,636,101	38,684,282	48,526,546
Proposed dividend for the year		0	22,800,000	0	22,800,000
Equity		**107,505,717**	**141,445,425**	**107,505,717**	**141,445,425**
Provision for deferred tax	15	0	994,000	0	0
Provisions		**0**	**994,000**	**0**	**0**
Mortgage loans		12,252,302	12,236,058	0	0
Lease obligations		11,699,911	13,916,385	0	0
Long-term debt	16	**23,952,213**	**26,152,443**	**0**	**0**
Mortgage loans	16	0	27,122	0	0
Credit institutions		96,800,453	67,217,376	16,241,871	12,580,098
Lease obligations	16	2,078,115	2,230,369	0	0
Prepayments received from customers		701,676	473,412	0	0
Trade payables		15,565,018	35,773,624	56,250	56,250
Payables to group enterprises		0	0	46,545	5,727,314
Payables to owners and Management		32,763,225	12,541,427	25,211,495	5,339,478
Corporation tax		339,488	1,076,500	0	810,440
Payables to group enterprises relating to corporation tax		0	0	0	421,187
Deposits		5,000	5,000	0	0
Other payables		6,911,268	7,436,853	0	0
Short-term debt		**155,164,243**	**126,781,683**	**41,556,161**	**24,934,767**
Debt		**179,116,456**	**152,934,126**	**41,556,161**	**24,934,767**
Liabilities and equity		**286,622,173**	**295,373,551**	**149,061,878**	**166,380,192**

Balance Sheet 31 December

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Other reserves	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,050,000	261,442	543,716	154,166	116,636,101	22,800,000	141,445,425
Exchange adjustments	0	0	0	-227,161	0	0	-227,161
Ordinary dividend paid	0	0	0	0	0	-22,800,000	-22,800,000
Fair value adjustment of hedging instruments, beginning of year	0	0	-1,316,716	0	0	0	-1,316,716
Fair value adjustment of hedging instruments, end of year	0	0	-55,442	0	0	0	-55,442
Tax on adjustment of hedging instruments for the year	0	0	301,875	0	0	0	301,875
Net profit/loss for the year	0	0	0	0	-9,842,264	0	-9,842,264
Equity at 31 December	**1,050,000**	**261,442**	**-526,567**	**-72,995**	**106,793,837**	**0**	**107,505,717**

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Other reserves	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,050,000	69,068,879	0	0	48,526,546	22,800,000	141,445,425
Ordinary dividend paid	0	0	0	0	0	-22,800,000	-22,800,000
Exchange adjustments relating to foreign entities	0	-227,161	0	0	0	0	-227,161
Other equity movements	0	-1,070,283	0	0	0	0	-1,070,283
Net profit/loss for the year	0	0	0	0	-9,842,264	0	-9,842,264
Equity at 31 December	**1,050,000**	**67,771,435**	**0**	**0**	**38,684,282**	**0**	**107,505,717**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Net profit/loss for the year		-9,842,264	33,815,041	-9,842,264	33,815,041
Adjustments	17	3,665,982	21,382,563	9,579,985	-33,875,958
Change in working capital	18	6,057,494	-28,352,216	-26,992,214	-17,973,108
Cash flows from operating activities before financial income and expenses		**-118,788**	**26,845,388**	**-27,254,493**	**-18,034,025**
Financial income		7,568,274	140,158	1,112,146	36,827
Financial expenses		-5,091,265	-3,053,685	-1,644,501	-424,467
Cash flows from ordinary activities		**2,358,221**	**23,931,861**	**-27,786,848**	**-18,421,665**
Corporation tax paid		-2,799,043	-7,896,411	7,373,827	2,381,730
Cash flows from operating activities		**-440,822**	**16,035,450**	**-20,413,021**	**-16,039,935**
Purchase of property, plant and equipment		-47,450,945	-58,429,224	0	0
Fixed asset investments made etc		-412,120	-2,100,522	-40,000	-2,000,001
Sale of property, plant and equipment		154,200	0	0	0
Sale of fixed asset investments etc		2,210,500	150,000	2,200,000	0
Dividends received from subsidiaries		0	0	22,800,000	0
Dividends received from associates		400,000	450,000	400,000	450,000
Cash flows from investing activities		**-45,098,365**	**-59,929,746**	**25,360,000**	**-1,550,001**
Repayment of mortgage loans		-10,878	-17,942	0	0
Reduction of lease obligations		-2,368,728	-968,150	0	0
Change in loans from credit institutions		29,583,076	61,437,965	3,661,773	12,580,098
Lease obligations incurred		0	17,114,904	0	0
Change in loans from group enterprises		0	0	-5,680,769	0
Change in loans from owners and Management		20,221,798	-24,756,539	19,872,017	0
Dividend paid		-22,800,000	0	-22,800,000	0
Cash flows from financing activities		**24,625,268**	**52,810,238**	**-4,946,979**	**12,580,098**

Cash Flow Statement 1 January - 31 December

	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Change in cash and cash equivalents		**-20,913,919**	**8,915,942**	**0**	**-5,009,838**
Cash and cash equivalents at 1 January		26,451,808	17,485,314	0	5,009,838
Exchange adjustment of current asset investments		0	50,552	0	0
Cash and cash equivalents at 31 December		**5,537,889**	**26,451,808**	**0**	**0**
Cash and cash equivalents are specified as follows:					
Cash at bank and in hand		5,537,889	26,451,808	0	0
Current asset investments		0	0	0	0
Cash and cash equivalents at 31 December		**5,537,889**	**26,451,808**	**0**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
1	**Revenue**				
	Geographical segments				
	Revenue, Denmark	90,611,006	99,753,263	0	0
	Export sales, EU	214,369,890	239,423,840	0	0
	Export sales, other foreign countries	91,036,583	112,185,986	0	0
		396,017,479	**451,363,089**	**0**	**0**

		Group		Parent Company	
		2022	2021	2022	2021
2	**Staff expenses**				
	Wages and salaries	73,348,135	64,939,857	0	0
	Pensions	4,025,263	3,198,080	0	0
	Other social security expenses	2,234,840	2,489,512	0	0
		79,608,238	**70,627,449**	**0**	**0**
	Including remuneration to the Executive Board of:				
	Executive Board	1,820,160	0	0	0
		1,820,160	**0**	**0**	**0**
	Average number of employees	**167**	**158**	**0**	**0**

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

		Group		Parent Company	
		2022	2021	2022	2021
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	672,945	672,945	0	0
	Depreciation of property, plant and equipment	9,024,048	8,725,561	0	0
		9,696,993	**9,398,506**	**0**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
4	**Financial income**				
	Interest received from group enterprises	0	0	1,042,354	35,542
	Interest received from associates	69,792	0	69,792	0
	Other financial income	86,667	139,097	0	1,285
	Exchange adjustments	0	1,061	0	0
	Exchange gains	7,411,814	0	0	0
		7,568,273	**140,158**	**1,112,146**	**36,827**
5	**Financial expenses**				
	Interest paid to group enterprises	0	0	0	71,612
	Other financial expenses	4,750,949	987,494	1,644,501	352,855
	Exchange loss	113,157	1,883,914	0	0
		4,864,106	**2,871,408**	**1,644,501**	**424,467**
6	**Tax on profit/loss for the year**				
	Current tax for the year	190,586	10,102,649	0	-91,827
	Deferred tax for the year	-3,008,000	151,000	-166,000	-3,000
	Adjustment of tax concerning previous years	-2,556	101,042	0	0
		-2,819,970	**10,354,691**	**-166,000**	**-94,827**
	which breaks down as follows:				
	Tax on profit/loss for the year	-2,518,095	9,599,501	-166,000	-94,827
	Tax on changes in equity	-301,875	755,190	0	0
		-2,819,970	**10,354,691**	**-166,000**	**-94,827**

Notes to the Financial Statements

7 Intangible assets

Group

	Goodwill
	DKK
Cost at 1 January	6,729,448
Cost at 31 December	6,729,448
Impairment losses and amortisation at 1 January	3,712,670
Amortisation for the year	672,945
Impairment losses and amortisation at 31 December	4,385,615
Carrying amount at 31 December	**2,343,833**
Amortised over	10 years

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK
Cost at 1 January	64,784,270	46,499,671	3,320,103	22,869,683
Exchange adjustment	0	-1,172	0	0
Additions for the year	36,815,099	10,388,707	241,161	0
Disposals for the year	-223,904	-2,368,429	-3,043,252	0
Transfers for the year	22,869,683	0	0	-22,869,683
Cost at 31 December	124,245,148	54,518,777	518,012	0
Impairment losses and depreciation at 1 January	16,940,390	23,545,094	3,219,430	0
Exchange adjustment	0	-879	0	0
Depreciation for the year	2,799,897	6,065,398	109,243	0
Reversal of impairment and depreciation of sold assets	-223,904	-2,349,389	-3,043,252	0
Impairment losses and depreciation at 31 December	19,516,383	27,260,224	285,421	0
Carrying amount at 31 December	**104,728,765**	**27,258,553**	**232,591**	**0**
Depreciated over	5 - 30 years	3 - 7 years	3 - 5 years	

Notes to the Financial Statements

	Parent Company	
	2022	2021
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January	76,988,744	76,988,744
Cost at 31 December	76,988,744	76,988,744
Value adjustments at 1 January	68,807,437	32,439,601
Exchange adjustment	-227,161	-131,731
Net profit/loss for the year	-9,843,979	33,822,077
Dividend to the Parent Company	-22,800,000	0
Other equity movements, net	-1,070,283	2,677,490
Value adjustments at 31 December	34,866,014	68,807,437
Carrying amount at 31 December	**111,854,758**	**145,796,181**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
House Doctor Group ApS	Ikast	DKK 125.000	100%
Ny Hattenæs, 2020 ApS	Ikast	DKK 40.000	100%

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
10 Investments in associates				
Cost at 1 January	2,271,001	271,000	2,271,001	271,000
Additions for the year	40,000	2,100,001	40,000	2,100,001
Disposals for the year	-2,000,001	-100,000	-2,000,001	-100,000
Cost at 31 December	311,000	2,271,001	311,000	2,271,001
Value adjustments at 1 January	261,442	364,748	261,442	364,748
Disposals for the year	66,838	0	66,838	0
Net profit/loss for the year	363,512	418,694	363,512	418,694
Dividends received	-400,000	-450,000	-400,000	-450,000
Amortisation of goodwill	0	-72,000	0	-72,000
Value adjustments at 31 December	291,792	261,442	291,792	261,442
Carrying amount at 31 December	**602,792**	**2,532,443**	**602,792**	**2,532,443**
Positive differences arising on initial measurement of subsidiaries at net asset value	0	960,000	0	0
Remaining positive difference included in the above carrying amount at 31 December	0	888,000	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Nonstop-IT ApS	Herning	DKK 80.000	50%
The White Box Brand Investments I A/S	Herning	DKK 200.000	40%

Notes to the Financial Statements

11 Other fixed asset investments

	Group			Parent Compan
	Receivables from associates	Other investments	Deposits	Rece from as
	DKK	DKK	DKK	D
Cost at 1 January	0	30,000	1,836,000	
Additions for the year	2,569,792	0	372,120	2
Disposals for the year	0	0	-10,500	
Cost at 31 December	2,569,792	30,000	2,197,620	2
Carrying amount at 31 December	**2,569,792**	**30,000**	**2,197,620**	**2**

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

12 Inventories

Raw materials and consumables	251,169	0	0	0
Finished goods and goods for resale	94,207,293	99,459,405	0	0
Prepayments for goods	8,978,200	28,708,775	0	0
	103,436,662	**128,168,180**	**0**	**0**

13 Prepayments

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

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

14 Distribution of profit

Proposed dividend for the year	0	22,800,000	0	22,800,000
Reserve for net revaluation under the equity method	0	-103,306	0	33,718,771
Retained earnings	-9,842,264	11,118,347	-9,842,264	-22,703,730
	-9,842,264	**33,815,041**	**-9,842,264**	**33,815,041**

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

15 Deferred tax asset

	2022	2021	2022	2021
Deferred tax asset at 1 January	-994,000	-843,000	3,000	0
Amounts recognised in the income statement for the year	2,706,125	604,190	166,000	3,000
Amounts recognised in equity for the year	301,875	-755,190	0	0
Deferred tax asset at 31 December	**2,014,000**	**-994,000**	**169,000**	**3,000**

The recognised tax asset comprises tax loss carry-forward expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, emphasis has been placed on thefact that several factors have given rise to extra costs in 2022, which are not expected to occur again in the coming years. Therefore, it is expected that the Group's revenue will be increasing.

16 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
Mortgage loans				
After 5 years	7,858,544	8,573,765	0	0
Between 1 and 5 years	4,393,758	3,662,293	0	0
Long-term part	12,252,302	12,236,058	0	0
Within 1 year	0	27,122	0	0
	12,252,302	**12,263,180**	**0**	**0**
Lease obligations				
After 5 years	2,274,517	3,836,485	0	0
Between 1 and 5 years	9,425,394	10,079,900	0	0
Long-term part	11,699,911	13,916,385	0	0
Within 1 year	2,078,115	2,230,369	0	0
	13,778,026	**16,146,754**	**0**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
17	**Cash flow statement - adjustments**				
	Financial income	-7,568,273	-140,158	-1,112,146	-36,827
	Financial expenses	4,864,106	2,871,408	1,644,501	424,467
	Depreciation, amortisation and impairment losses, including losses and gains on sales	9,518,593	9,398,506	0	0
	Income from investments in subsidiaries	0	0	9,843,979	-33,822,077
	Income from investments in associates	-630,349	-346,694	-630,349	-346,694
	Tax on profit/loss for the year	-2,518,095	9,599,501	-166,000	-94,827
		3,665,982	**21,382,563**	**9,579,985**	**-33,875,958**
18	**Cash flow statement - change in working capital**				
	Change in inventories	24,731,518	-44,891,887	0	0
	Change in receivables	3,204,061	-1,163,837	-26,992,214	6,569,808
	Change in trade payables, etc	-20,505,927	14,270,828	0	-24,542,916
	Fair value adjustments of hedging instruments	-1,372,158	3,432,680	0	0
		6,057,494	**-28,352,216**	**-26,992,214**	**-17,973,108**

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
19 Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with an accounting value of	69,665,473	35,843,880	0	0
The following assets have been placed as security with bankers:				
Corporate mortgage totaling TDKK 30,000. which provides a mortgage on inventories, receivables from sales and services, other fixtures and fittings, tools and equipment as well as intangible assets to a total carrying amount of	134,706,000	0	0	0
Owner mortgage deeds totaling TDKK 12,000, which provide a mortgage on land and buildings with a total carrying amount of	61,821,000	25,532,000	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	693,000	884,000	0	0
Between 1 and 5 years	330,000	463,000	0	0
	1,023,000	**1,347,000**	**0**	**0**
Leases with a total lease obligation during the notice period of	16,782,000	18,890,000	0	0

Notes to the Financial Statements

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

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 339,488. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

20 Related parties

	Basis
Other related parties	
KJP Holding ApS	Parent Company
RJJ Holding ApS	Parent Company
GJC Holding ApS	Parent Company
Ny Hattenæs, 2020 ApS	Subsidiary
House Doctor Group ApS	Subsidiary
Society of Lifestyle A/S	Subsidiary
Nordmark Invest ApS	Subsidiary
Society of Lifestyle US Inc.	Subsidiary
Society of Lifestyle Asia	Subsidiary

Transactions

During the year, apart from intra-group transactions and normal management remuneration, no transactions were carried out with the Board of Directors, the Executive Board, senior executives, significant shareholders, affiliated companies or other related parties that were not carried out on normal market terms pursuant to section 98 c, subsection 7.

Notes to the Financial Statements

21 Fee to auditors appointed at the general meeting

	Group 2022	Group 2021
	DKK	DKK
PricewaterhouseCoopers		
Audit fee	300,250	305,000
Tax advisory services	278,285	528,910
Other services	211,735	649,834
	790,270	**1,483,744**

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Up & Up Capital A/S 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 Consolidated and Parent Company Financial Statements for 2022 are presented in DKK.

Changes in accounting policies

A few reclassifications have been made in the comparative figures. The reclassifications have no effect onthe result, balance sheet or equity. In addition, the accounting policies used are unchanged compared topprevious years.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

22 Accounting Policies (continued)

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Up & Up Capital 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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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

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 retained earnings 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.

Revenue

Information on geographical segments based on the Companys risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

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 subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

22 Accounting Policies (continued)

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 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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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:

Buildings	5 - 20 years
Other fixtures and fittings, tools and equipment	3 - 7 years
Leasehold improvements	3 - 5 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.

Investments in subsidiaries and associates

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

The items"Investments in subsidiaries" and "Investments in associates" in the balance sheet include the

Notes to the Financial Statements

22 Accounting Policies (continued)

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 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 and associates 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 and the associates.

Subsidiaries and associates 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.

Fixed asset investments

Fixed asset investments, which consist of unlisted shares, are measured at cost price at the balance sheet date.

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. 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 amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Notes to the Financial Statements

22 Accounting Policies (continued)

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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, 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 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 mortgage loans and 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´s and the Parent Company´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 and the Parent Company´s cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

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” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$

Notes to the Financial Statements

22 Accounting Policies (continued)

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