Up & Up Capital A/S

Industrivej 29, DK-7430 Ikast

Annual Report for 1 January - 31 December 2021

CVR No 38 06 12 75

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 5 /5 2022

Martin Skov Hansen
Chairman of the General Meeting

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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 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2021.

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

Ikast, 5 May 2022

Executive Board

Martin Skov Hansen
Executive Officer

Board of Directors

Klaus Juhl Pedersen Chairman	Rikke Juhl Jensen	Gitte Juhl Capel

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 2021 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 2021 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 2021, 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 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, 5 May 2022
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: 6th financial year Municipality of reg. office: Ikast-Brande
Board of Directors	Klaus Juhl Pedersen, Chairman Rikke Juhl Jensen Gitte Juhl Capel
Executive Board	Martin Skov Hansen
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				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	451,363	370,230	306,350	356,165	321,974
Gross profit/loss	123,778	117,548	74,734	111,717	109,874
Profit/loss before financial income and expenses	45,799	48,505	3,988	48,049	55,176
Net financials	-2,385	249	501	274	-426
Net profit/loss for the year	33,815	38,762	2,815	37,244	42,438
Balance sheet					
Balance sheet total	295,374	190,758	168,103	223,105	200,840
Equity	141,445	105,085	113,170	185,682	159,765
Cash flows					
Cash flows from:					
- operating activities	16,035	27,351	3,479	37,134	25,141
- investing activities	-59,930	-6,831	-7,716	-7,210	-6,726
including investment in property, plant and equipment	-58,429	-7,222	-6,398	-6,206	-7,339
- financing activities	52,810	-16,165	-68,197	-12,008	-12,021
Change in cash and cash equivalents for the year	8,916	4,356	-72,434	17,916	6,394
Number of employees	158	146	151	119	99
Ratios					
Gross margin	27.4%	31.7%	24.4%	31.4%	34.1%
Profit margin	10.1%	13.1%	1.3%	13.5%	17.1%
Return on assets	15.5%	25.4%	2.4%	21.5%	27.5%
Solvency ratio	47.9%	55.1%	67.3%	83.2%	79.5%
Return on equity	27.4%	35.5%	1.9%	21.6%	29.6%

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 four brands; Meraki (care products), Nicolas Vahé (gourmet food), ByNord (bedding) and Monograph (office supplies and storage).

Market overview

The Group has branches in Sweden, Spain, England, the Netherlands and Germany as well as a sales company in the USA.

Development in the year

The income statement of the Group for 2021 shows a profit of DKK 33,815,041, and at 31 December 2021 the balance sheet of the Group shows equity of DKK 141,445,425.

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

In 2021, the Group has continued to grow. The growth has occurred in the primary markets in Europe and primarily through increased trade with existing customers.

Sales are made primarily to retailers and the Group's products are sold in most of Europe and the United States.

The Group's result is significantly negatively affected by substantial rate increases on container freight.

In 2021, investments have been made in an Autostore logistics solution to prepare the company for the future growth journey.

In mid-2021, the Group launched another new brand, ByNord, which focuses on interiors for the bedroom.

The Group has also invested in the hotel Ny Hattenæs near Silkeborg, which has been under construction and renovation throughout 2021. The Group expects to open the hotel in the second half of 2022.

The financial year has not met management's expectations, as the majority of the earnings from the generated growth have been used for increased costs for container freight.

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 increase in activity level as well as a slight increase in earnings for the coming year. The Group has chosen to initiate significant investments in the growth of future markets and has decided to invest in the expansion of the administration building to consolidate the Group's administration at one address. New buildings, which also contain a new showroom, will be inaugurated in 2022.

A profit before tax in the range of DKK 40 - 60 million is expected in 2022.

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

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.

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 Society of Lifestyle A/S to make a positive contribution to society, both local and remote environment. We want to take on social responsibility and give something back. In 2021, for example, we have financially supported an organization that helps vulnerable children in Nigeria, Kenya and Ghana. In addition, we regularly donate to an organization that supports school projects in Kenya.

To limit food waste, agreements have been made with various crisis homes and relief organizations in the surrounding community, where we donate surplus food. Gifts have also been donated to these organizations in connection with the celebration of Holidays.

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 2021.

Going forward the Group will increase its focus on corporate social responsibility (CSR) by adding a dedicated management resource with a primary focus on this. 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

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 on warehouse and choice of transport solutions.

The Group does not engage in research or development activities.

Statement on gender composition

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 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 have not been affected by any unusual events.

Management's Review

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 2021	Group 2020	Parent Company 2021	Parent Company 2020
		DKK	DKK	DKK	DKK
Revenue	1	**451,363,089**	**370,229,866**	**0**	**0**
Other operating income		1,787,512	1,070	0	0
Expenses for raw materials and consumables		-272,333,959	-205,113,821	0	0
Other external expenses		-57,038,657	-47,568,812	-60,917	-57,101
Gross profit/loss		**123,777,985**	**117,548,303**	**-60,917**	**-57,101**
Staff expenses	2	-68,580,381	-61,295,430	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-9,398,506	-7,747,790	0	0
Profit/loss before financial income and expenses		**45,799,098**	**48,505,083**	**-60,917**	**-57,101**
Income from investments in subsidiaries		0	0	33,822,077	38,412,859
Income from investments in associates		346,694	476,809	346,694	476,809
Financial income	4	140,158	147,496	36,827	7,700
Financial expenses	5	-2,871,408	-375,101	-424,467	-115,952
Profit/loss before tax		**43,414,542**	**48,754,287**	**33,720,214**	**38,724,315**
Tax on profit/loss for the year	6	-9,599,501	-9,992,242	94,827	37,730
Net profit/loss for the year		**33,815,041**	**38,762,045**	**33,815,041**	**38,762,045**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Goodwill		3,016,778	3,689,723	0	0
Intangible assets	7	**3,016,778**	**3,689,723**	**0**	**0**
Land and buildings		47,843,880	34,325,695	0	0
Other fixtures and fittings, tools and equipment		22,954,577	8,361,667	0	0
Leasehold improvements		100,673	175,994	0	0
Property, plant and equipment in progress		22,869,683	1,201,792	0	0
Property, plant and equipment	8	**93,768,813**	**44,065,148**	**0**	**0**
Investments in subsidiaries	9	0	0	145,796,181	109,428,345
Investments in associates	10	2,532,443	635,748	2,532,443	635,748
Other investments	11	30,000	30,000	0	0
Deposits	11	1,836,000	1,885,483	0	0
Fixed asset investments		**4,398,443**	**2,551,231**	**148,328,624**	**110,064,093**
Fixed assets		**101,184,034**	**50,306,102**	**148,328,624**	**110,064,093**
Inventories	12	**128,168,180**	**83,276,294**	**0**	**0**
Trade receivables		31,459,750	30,100,770	0	0
Receivables from group enterprises		0	0	7,506,614	14,138,922
Other receivables		5,023,270	950,053	62,500	0
Deferred tax asset	16	0	0	3,000	0
Corporation tax		0	1,284,390	0	1,284,390
Corporation tax receivable from group enterprises		0	0	10,479,454	10,378,774
Prepayments	13	3,086,509	7,354,870	0	0
Receivables		**39,569,529**	**39,690,083**	**18,051,568**	**25,802,086**
Current asset investments	14	**0**	**1,271,937**	**0**	**0**
Cash at bank and in hand		**26,451,808**	**16,213,377**	**0**	**5,009,838**
Currents assets		**194,189,517**	**140,451,691**	**18,051,568**	**30,811,924**

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Assets		**295,373,551**	**190,757,793**	**166,380,192**	**140,876,017**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Share capital		1,050,000	51,000	1,050,000	51,000
Reserve for net revaluation under the equity method		261,442	364,748	69,068,879	32,804,349
Reserve for hedging transactions		543,716	-2,133,774	0	0
Other reserves		154,166	285,897	0	0
Retained earnings		116,636,101	106,516,754	48,526,546	72,229,276
Proposed dividend for the year		22,800,000	0	22,800,000	0
Equity		**141,445,425**	**105,084,625**	**141,445,425**	**105,084,625**
Provision for deferred tax	16	994,000	843,000	0	0
Provisions		**994,000**	**843,000**	**0**	**0**
Mortgage loans		12,236,058	12,260,282	0	0
Lease obligations		13,916,385	0	0	0
Other payables		0	3,473,764	0	0
Long-term debt	17	**26,152,443**	**15,734,046**	**0**	**0**
Mortgage loans	17	27,122	20,840	0	0
Credit institutions		67,217,376	5,779,411	12,580,098	0
Lease obligations	17	2,230,369	0	0	0
Prepayments received from customers		473,412	338,714	0	0
Trade payables		35,773,624	14,720,943	56,250	56,250
Payables to group enterprises		0	0	5,727,314	5,425,488
Payables to owners and Management		12,541,427	37,297,966	5,339,478	30,184,220
Corporation tax		1,076,500	53,608	810,440	0
Payables to group enterprises relating to corporation tax		0	0	421,187	125,434
Deposits		5,000	5,000	0	0
Other payables	17	7,436,853	10,879,640	0	0
Short-term debt		**126,781,683**	**69,096,122**	**24,934,767**	**35,791,392**
Debt		**152,934,126**	**84,830,168**	**24,934,767**	**35,791,392**
Liabilities and equity		**295,373,551**	**190,757,793**	**166,380,192**	**140,876,017**

Balance Sheet 31 December

Liabilities and equity

	Note
Distribution of profit	15
Contingent assets, liabilities and other financial obligations	20
Related parties	21
Fee to auditors appointed at the general meeting	22
Accounting Policies	23

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	51,000	364,748	-2,133,774	285,897	106,516,754	0	105,084,625
Exchange adjustments	0	0	0	-131,731	0	0	-131,731
Share capital increase	999,000	0	0	0	-999,000	0	0
Fair value adjustment of hedging instruments, beginning of year	0	0	2,115,964	0	0	0	2,115,964
Fair value adjustment of hedging instruments, end of year	0	0	1,316,716	0	0	0	1,316,716
Tax on adjustment of hedging instruments for the year	0	0	-755,190	0	0	0	-755,190
Net profit/loss for the year	0	-103,306	0	0	11,118,347	22,800,000	33,815,041
Equity at 31 December	**1,050,000**	**261,442**	**543,716**	**154,166**	**116,636,101**	**22,800,000**	**141,445,425**

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	51,000	32,804,349	0	0	72,229,276	0	105,084,625
Share capital increase	999,000	0	0	0	-999,000	0	0
Exchange adjustments relating to foreign entities	0	-131,731	0	0	0	0	-131,731
Other equity movements	0	2,677,490	0	0	0	0	2,677,490
Net profit/loss for the year	0	33,718,771	0	0	-22,703,730	22,800,000	33,815,041
Equity at 31 December	**1,050,000**	**69,068,879**	**0**	**0**	**48,526,546**	**22,800,000**	**141,445,425**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
		DKK	DKK	DKK	DKK
Net profit/loss for the year		33,815,041	38,762,045	33,815,041	38,762,045
Adjustments	18	21,382,563	17,490,828	-33,875,958	-38,819,146
Change in working capital	19	-28,352,216	-23,467,617	-17,973,108	13,544,316
Cash flows from operating activities before financial income and expenses		**26,845,388**	**32,785,256**	**-18,034,025**	**13,487,215**
Financial income		140,158	147,484	36,827	7,700
Financial expenses		-3,053,685	-251,824	-424,467	-115,952
Cash flows from ordinary activities		**23,931,861**	**32,680,916**	**-18,421,665**	**13,378,963**
Corporation tax paid		-7,896,411	-5,329,627	2,381,730	-3,781,500
Cash flows from operating activities		**16,035,450**	**27,351,289**	**-16,039,935**	**9,597,463**
Purchase of property, plant and equipment		-58,429,224	-7,222,040	0	0
Fixed asset investments made etc		-2,100,522	-8,927	-2,000,001	-5,000,000
Sale of fixed asset investments etc		150,000	0	0	0
Dividends received from subsidiaries		0	0	0	45,000,000
Dividends received from associates		450,000	400,000	450,000	400,000
Cash flows from investing activities		**-59,929,746**	**-6,830,967**	**-1,550,001**	**40,400,000**
Repayment of mortgage loans		-17,942	-21,819	0	0
Reduction of lease obligations		-968,150	0	0	0
Change in loans from credit institutions		61,437,965	-1,142,922	12,580,098	0
Lease obligations incurred		17,114,904	0	0	0
Change in loans from owners and Management		-24,756,539	30,000,000	0	0
Dividend paid		0	-45,000,000	0	-45,000,000
Cash flows from financing activities		**52,810,238**	**-16,164,741**	**12,580,098**	**-45,000,000**
Change in cash and cash equivalents		**8,915,942**	**4,355,581**	**-5,009,838**	**4,997,463**

Cash Flow Statement 1 January - 31 December

	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Cash and cash equivalents at 1 January		17,485,314	13,189,422	5,009,838	12,375
Exchange adjustment of current asset investments		50,552	-59,689	0	0
Cash and cash equivalents at 31 December		**26,451,808**	**17,485,314**	**0**	**5,009,838**
Cash and cash equivalents are specified as follows:					
Cash at bank and in hand		26,451,808	16,213,377	0	5,009,838
Current asset investments		0	1,271,937	0	0
Cash and cash equivalents at 31 December		**26,451,808**	**17,485,314**	**0**	**5,009,838**

Notes to the Financial Statements

		Group		Parent Company	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
1	**Revenue**				
	Geographical segments				
	Revenue, Denmark	99,753,263	84,441,341	0	0
	Export sales, EU	239,423,840	215,361,735	0	0
	Export sales, other foreign countries	112,185,986	70,426,790	0	0
		451,363,089	**370,229,866**	**0**	**0**

		Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
2	**Staff expenses**				
	Wages and salaries	62,892,789	56,503,168	0	0
	Pensions	3,198,080	2,875,817	0	0
	Other social security expenses	2,489,512	1,916,445	0	0
		68,580,381	**61,295,430**	**0**	**0**
	Average number of employees	**158**	**146**	**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. In 2020, remuneration to the Executive Board was DKK 1,369,021.

		Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
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	8,725,561	7,074,845	0	0
		9,398,506	**7,747,790**	**0**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
4	**Financial income**				
	Interest received from group enterprises	0	0	35,542	1,639
	Other financial income	139,097	147,496	1,285	6,061
	Exchange adjustments	1,061	0	0	0
		140,158	**147,496**	**36,827**	**7,700**
5	**Financial expenses**				
	Interest paid to group enterprises	0	0	71,612	96,135
	Other financial expenses	987,494	283,428	352,855	19,817
	Exchange loss	1,883,914	91,673	0	0
		2,871,408	**375,101**	**424,467**	**115,952**
6	**Tax on profit/loss for the year**				
	Current tax for the year	10,102,649	10,230,052	-91,827	-37,730
	Deferred tax for the year	151,000	79,000	-3,000	0
	Adjustment of tax concerning previous years	101,042	67,969	0	0
		10,354,691	**10,377,021**	**-94,827**	**-37,730**
	which breaks down as follows:				
	Tax on profit/loss for the year	9,599,501	9,992,242	-94,827	-37,730
	Tax on changes in equity	755,190	384,779	0	0
		10,354,691	**10,377,021**	**-94,827**	**-37,730**

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	3,039,725
Amortisation for the year	672,945
Impairment losses and amortisation at 31 December	3,712,670
Carrying amount at 31 December	**3,016,778**
Amortised over	10 years

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	49,580,818	24,937,801	3,320,103	1,201,792
Exchange adjustment	0	5,389	0	0
Additions for the year	15,203,452	21,556,481	0	21,667,891
Cost at 31 December	64,784,270	46,499,671	3,320,103	22,869,683
Impairment losses and depreciation at 1 January	15,255,123	16,576,134	3,144,109	0
Exchange adjustment	0	3,197	0	0
Depreciation for the year	1,685,267	6,965,763	75,321	0
Impairment losses and depreciation at 31 December	16,940,390	23,545,094	3,219,430	0
Carrying amount at 31 December	**47,843,880**	**22,954,577**	**100,673**	**22,869,683**
Depreciated over	5 - 30 years	3 - 7 years	3 - 5 years	

Notes to the Financial Statements

	Parent Company	
	2021	2020
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January	76,988,744	71,988,744
Additions for the year	0	5,000,000
Cost at 31 December	76,988,744	76,988,744
Value adjustments at 1 January	32,439,601	40,874,619
Exchange adjustment	-131,731	285,897
Net profit/loss for the year	33,822,077	38,412,859
Dividend to the Parent Company	0	-45,000,000
Other equity movements, net	2,677,490	-2,133,774
Value adjustments at 31 December	68,807,437	32,439,601
Carrying amount at 31 December	**145,796,181**	**109,428,345**

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

10 Investments in associates

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
	DKK	DKK	DKK	DKK
Cost at 1 January	271,000	271,000	271,000	271,000
Additions for the year	2,100,001	0	2,100,001	0
Disposals for the year	-100,000	0	-100,000	0
Cost at 31 December	2,271,001	271,000	2,271,001	271,000
Value adjustments at 1 January	364,748	287,939	364,748	287,939
Net profit/loss for the year	418,694	476,809	418,694	476,809
Dividends received	-450,000	-400,000	-450,000	-400,000
Amortisation of goodwill	-72,000	0	-72,000	0
Value adjustments at 31 December	261,442	364,748	261,442	364,748
Carrying amount at 31 December	**2,532,443**	**635,748**	**2,532,443**	**635,748**
Positive differences arising on initial measurement of subsidiaries at net asset value	960,000	0	0	0
Remaining positive difference included in the above carrying amount at 31 December	888,000	0	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Nonstop-IT ApS (50% votes)	Herning	DKK 80.000	50%
The White Box A/S (50% votes)	Herning	DKK 1.000.000	40%
TWB Partners ApS (50% votes)	Herning	DKK 200.002	0%

Notes to the Financial Statements

11 Other fixed asset investments

	Group	
	Other investments	Deposits
	DKK	DKK
Cost at 1 January	30,000	1,885,483
Exchange adjustment	0	-4
Additions for the year	0	521
Disposals for the year	0	-50,000
Cost at 31 December	30,000	1,836,000
Carrying amount at 31 December	**30,000**	**1,836,000**

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK

12 Inventories

Finished goods and goods for resale	99,459,405	64,573,665	0	0
Prepayments for goods	28,708,775	18,702,629	0	0
	128,168,180	**83,276,294**	**0**	**0**

13 Prepayments

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

14 Current asset investments

Shares	0	1,271,937	0	0
	0	**1,271,937**	**0**	**0**

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
15 Distribution of profit				
Extraordinary dividend paid	0	45,000,000	0	45,000,000
Proposed dividend for the year	22,800,000	0	22,800,000	0
Reserve for net revaluation under the equity method	-103,306	-154,191	33,718,771	-6,510,332
Retained earnings	11,118,347	-6,083,764	-22,703,730	272,377
	33,815,041	**38,762,045**	**33,815,041**	**38,762,045**

16 Provision for deferred tax

Provision for deferred tax at 1 January	843,000	764,000	0	0
Amounts recognised in the income statement for the year	151,000	79,000	-3,000	0
Provision for deferred tax at 31 December	**994,000**	**843,000**	**-3,000**	**0**

17 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:

Mortgage loans				
After 5 years	8,573,765	9,797,924	0	0
Between 1 and 5 years	3,662,293	2,462,358	0	0
Long-term part	12,236,058	12,260,282	0	0
Within 1 year	27,122	20,840	0	0
	12,263,180	**12,281,122**	**0**	**0**
Lease obligations				
After 5 years	3,836,485	0	0	0
Between 1 and 5 years	10,079,900	0	0	0
Long-term part	13,916,385	0	0	0
Within 1 year	2,230,369	0	0	0
	16,146,754	**0**	**0**	**0**

Notes to the Financial Statements

17 **Long-term debt** (continued)

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Other payables				
Between 1 and 5 years	0	3,473,764	0	0
Long-term part	0	3,473,764	0	0
Other short-term payables	7,436,853	10,879,640	0	0
	7,436,853	**14,353,404**	**0**	**0**

18 Cash flow statement - adjustments

Financial income	-140,158	-147,496	-36,827	-7,700
Financial expenses	2,871,408	375,101	424,467	115,952
Depreciation, amortisation and impairment losses, including losses and gains on sales	9,398,506	7,747,790	0	0
Income from investments in subsidiaries	0	0	-33,822,077	-38,412,859
Income from investments in associates	-346,694	-476,809	-346,694	-476,809
Tax on profit/loss for the year	9,599,501	9,992,242	-94,827	-37,730
	21,382,563	**17,490,828**	**-33,875,958**	**-38,819,146**

19 Cash flow statement - change in working capital

Change in inventories	-44,891,887	-14,129,613	0	0
Change in receivables	-1,163,837	-9,468,491	6,569,808	-14,011,386
Change in trade payables, etc	14,270,828	1,879,482	-24,542,916	27,555,702
Fair value adjustments of hedging instruments	3,432,680	-1,748,995	0	0
	-28,352,216	**-23,467,617**	**-17,973,108**	**13,544,316**

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK

20 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	35,843,880	34,325,695	0	0

The following assets have been placed as security with bankers:

Owner mortgage deeds totaling TDKK 12,000, which provide a mortgage on land and buildings with a total carrying amount of	25,532,283	23,815,150	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	884,000	1,267,000	0	0
Between 1 and 5 years	463,000	678,000	0	0
	1,347,000	**1,945,000**	**0**	**0**
Leases with a total lease obligation during the notice period of	18,890,000	20,593,000	0	0

Other contingent liabilities

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 by the Group amounts to DKK 1,076,500. 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.

Notes to the Financial Statements

21 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.

22 Fee to auditors appointed at the general meeting

	Group	
	2021	2020
	DKK	DKK
PricewaterhouseCoopers		
Audit fee	305,000	290,000
Tax advisory services	528,910	178,413
Other services	649,834	100,300
	1,483,744	**568,713**

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of Up & Up Capital A/S for 2021 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 applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in DKK.

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.

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.

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

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

Notes to the Financial Statements

23 Accounting Policies (continued)

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 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

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

Notes to the Financial Statements

23 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 - 30 years
Other fixtures and fittings, tools and equipment	3 - 7 years
Leasehold improvements	3 - 5 years

The residual values are estimated at the following percentage of the cost:

Buildings	0 - 50 %

The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Notes to the Financial Statements

23 Accounting Policies (continued)

Investments in subsidiaries 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 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

Prepayments

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

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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