CC Toaster Holding I ApS

Øster Allé 42, 7., DK-2100 København Ø

Annual Report for 16 December 2020 - 31 December 2021

CVR No 41 95 45 90

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/3 2022

Mathias Lysholm Faaborg
Chairman of the General Meeting

Contents

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CC Toaster Holding I ApS for the financial year 16 December 2020 - 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 of consolidated cash flows for 2020/21.

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

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

København, 22 February 2022

Executive Board

Mathias Lysholm Faaborg
CEO

Board of Directors

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

Independent Auditor's Report

To the Shareholder of CC Toaster Holding I ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 16 December 2020 - 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 CC Toaster Holding I ApS for the financial year 16 December 2020 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor’s Report

audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 22 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen statsautoriseret revisor mne18628	Kristian Højgaard Carlsen statsautoriseret revisor mne44112

Company Information

The Company	CC Toaster Holding I ApS Øster Allé 42, 7. DK-2100 København Ø CVR No: 41 95 45 90 Financial period: 16. december 2020 - 31. december 2021 Municipality of reg. office: København
Board of Directors	Jens Christian Buhl, Chairman Vilhelm Eigil Hahn-Petersen Katrine Bjarkov Benthien Frederik Oliver Busch Peter Johan Sønderby-Wagner
Executive Board	Mathias Lysholm Faaborg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group 2020/21 TDKK
Key figures	
Profit/loss	
Operating profit/loss	-1.414
Profit/loss before financial income and expenses	-1.414
Net financials	-3.861
Net profit/loss for the year	-7.353
Balance sheet	
Balance sheet total	239.180
Equity	107.878
Cash flows	
Cash flows from:	
- operating activities	-2.013
- investing activities	-168.447
including investment in property, plant and equipment	-180
- financing activities	196.073
Change in cash and cash equivalents for the year	25.613
Number of employees	27
Ratios	
Return on assets	-0,6%
Solvency ratio	45,1%
Return on equity	-13,6%

As it is the Groups first financial year, there are no comparative figures.

Management's Review

The Annual Report of CC Toaster Holding I ApS ("Luxplus" or the "Company") for the year of 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C. The provisions governing reporting class C are applied pursuant to the amended Danish Financial Statements Act.

The private equity fund CataCap K/S II indirectly owns the majority of the shares in the Company as a result of the acquisition completed in the fiscal year 2021. CataCap is a member of Active Owners. As the company is categorized as medium-sized enterprise of reporting class C it is exempt from Active Owners' guidelines for annual reports released in 2019 but have chosen to comply with the guidelines with only few exceptions. From 2022 the company will be fully compliant with the guidelines of Active Owners.

Primary activities

The main activity of the Company is to invest in, and own shares in companies and subsidiaries in the Luxplus Group, which comprises, CC Toaster Holding II ApS, Luxplus ApS, Luxplus CEE A/S, Luxplus WE ApS and EchoEcho ApS (collectively referred to as the "Group" or "Luxplus").

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

Development in the year and expectations for next year

Through CC Toaster Holding II ApS, CC Toaster Holding I ApS purchased the Luxplus Group in the beginning of 2021 from the founders that are still part of the company as shareholders in CC Toaster Holding I and as employees in the Luxplus Group.

During 2021 the Company has continued its growth journey despite comparing to 2020 that due to the COVID-19 lockdown was an exceptional good year. Compound average growth rate from 2018 to 2021 is 20%.

Following the transaction, a new strategy was developed and deployed. As part of the strategic initiatives a significant strengthening of the organization was initiated to further develop and grow Luxplus. These investments in future performance and scalability have a negative impact on the 2021 earnings since the full effect of the investments will been seen during the following years. Further to the investments the earnings of 2021 are naturally negatively impacted by the non-recurring costs related to the transactions.

Please see below table showing proforma consolidated key figures for the Group.

Management's Review

Luxplus Group (Full year)	**2021**	**2020**	**2019**	**2018**
(Proforma consolidation)	MDKK	MDKK	MDKK	MDKK
Key figures				
Revenue	315,0	284,0	212,0	184,4
EBITDA before special items	21,9	26,2	19,6	8,2
EBITDA after special items	11,3	26,2	19,3	8,2

The income statement of the Group for 2021 shows a loss of TDKK 7.353, and on 31 December 2021 the balance sheet of the Group shows equity of TDKK 107.878. The Group result for 2021, when adjusting for non-recurring and extraordinary costs and investments, is considered satisfactory.

For 2022, the Group expects continued growth in membership base and revenue and positive earnings.

Risks

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

Market risks

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

Management's Review

Currency risks

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

IT risks

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

Environment

Luxplus does not have any formal environmental policy in place but continuously consider environmentaleffects of strategic, tactical, and operational decisions to secure an ongoing improvement of Luxplus'environmental impact.

Management structure

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

Governance

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

Management's Review

Board of Directors

Jens Christian Buhl	**OTHER MANAGEMENT DUTIES**
CHAIRMAN Member since 2021 Affiliation: Non-Independent	***CHAIRMAN*** CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS.

Vilhelm Hahn-Petersen	**OTHER MANAGEMENT DUTIES**
DEPUTY CHAIRMAN Member since 2021 Affiliation: Non-Independent Partner, Catacap	***CHAIRMAN*** CC Green Wall Invest ApS, Luxplus CEE A/S, Luxplus WE ApS, EchoEcho ApS. ***Deputy Chairman of the Board*** Rekom Group A/S, CC Fly Holding I ApS, CC Fly Holding II A/S, CC Mist New Holding II ApS, CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS. ***Board Member*** CataCap General Partner II ApS, Lyngsoe Systems Holding A/S, Lyngsoe Systems A/S, CC Tool Invest ApS, G.S.V. Holding A/S, G.S.V. Materieludlejning A/S, TPA Holding I A/S, TPA Holding II A/S, TP Aerospace Holding A/S, Airhelp Limited, Atlantic HoldCo Limited, Atlantic OfferCo Limited, Aerfin Holdings Limited, Aerfin Limited, CC TRACK INVEST ApS. ***Executive Management*** Myco ApS, CataCap DM ApS, CataCap DM II ApS, CC II Management Invest 2017 GP ApS, CataCap Management A/S, CataCap General Partner I ApS, Catacap OP ApS, CataCap III General Partner ApS, CC Fly Invest ApS, Rekom ManCo ApS, TPA Green ManCo ApS, CC TRACK INVEST ApS, CC Globe Invest ApS, Globe ManCo ApS, CC Toaster Invest ApS, Luxplus MIIP ApS.

Management's Review

Governance, continued

Board of Directors, continued

Peter Johan Sønderby-Wagner	OTHER MANAGEMENT DUTIES
BOARD MEMBER Member since 2021 Affiliation: Non-Independent	***CHAIRMAN*** Peters Pengetank ApS. ***Board Member*** CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Luxplus CEE A/S, Luxplus WE ApS, EchoEcho ApS, Begravelsesguiden.dk ApS, Matterhorn ApS. ***Executive Management*** Peters Pengetank ApS, Peters Pengetank Holding ApS, Sophia Sebastian Sylvester Silke Holding ApS, Eiger ApS, Bolivar ApS, Kebnekaise ApS.

Frederik Oliver Busch	OTHER MANAGEMENT DUTIES
BOARD MEMBER Member since 2021 Affiliation: Non-Independent	***Board Member*** Luxplus CEE A/S, CC Toaster Holding I ApS, CC Toaster Holding II ApS. ***Executive Management*** FOB UP Invest ApS.

Katrine Bjarkov Benthien	OTHER MANAGEMENT DUTIES
BOARD MEMBER Member since 2021 Affiliation: Non-Independent	***Board Member*** CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Resino Trykfarver A/S. ***Executive Management*** Mediq Holding Danmark ApS, Mediq Danmark A/S

Management's Review

Governance, continued

Executive Board

Mathias Lysholm Faabord	OTHER MANAGEMENT DUTIES
CEO	***CHAIRMAN***
CEO since 2021	Atlas Capital ApS, Foreningsservice ApS.
	Board Member
	Spejder Sport A/S.
	Executive Management
	CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Luxplus CEE A/S, Luxplus WE ApS, EchoEcho ApS, Atlas Capital ApS, Faaborg Holding ApS, Th, Faaborg ApS, Faktor ApS.

Environment

Luxplus does not have any formal environmental policy in place but continuously consider environmentaleffects of strategic, tactical, and operational decisions to secure an ongoing improvement of Luxplus'environmental impact.

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 2020/21 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 16 December - 31 December

	Note	Group 21.1.2021 - 31.12.2021 TDKK	Parent 16.12.2020 - 31.12.2021 TDKK
Gross profit/loss		**24.535**	**-72**
Staff expenses	1	-14.190	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-11.759	0
Profit/loss before financial income and expenses		**-1.414**	**-72**
Income from investments in subsidiaries		0	-7.297
Financial income	3	144	0
Financial expenses	4	-4.005	0
Profit/loss before tax		**-5.275**	**-7.369**
Tax on profit/loss for the year	5	-2.078	16
Net profit/loss for the year		**-7.353**	**-7.353**

Balance Sheet 31 December

Assets

	Note	Group 2021 TDKK	Parent 2021 TDKK
Completed development projects		3.182	0
Acquired trademarks		3.962	0
Goodwill		149.208	0
Intangible assets	6	**156.352**	**0**
Other fixtures and fittings, tools and equipment		55	0
Leasehold improvements		57	0
Property, plant and equipment	7	**112**	**0**
Investments in subsidiaries	8	0	105.724
Deposits	9	225	0
Fixed asset investments		**225**	**105.724**
Fixed assets		**156.689**	**105.724**
Inventories	10	**45.310**	**0**
Trade receivables		6.527	0
Receivables from group enterprises		0	2.170
Other receivables		4.690	0
Corporation tax receivable from group enterprises		0	16
Prepayments		351	0
Receivables		**11.568**	**2.186**
Cash at bank and in hand		**25.613**	**11**
Currents assets		**82.491**	**2.197**
Assets		**239.180**	**107.921**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2021 TDKK	Parent 2021 TDKK
Share capital		1.190	1.190
Retained earnings		106.688	106.688
Equity		**107.878**	**107.878**
Provision for deferred tax	12	1.534	0
Provisions		**1.534**	**0**
Credit institutions		60.000	0
Other payables		16.483	0
Long-term debt	13	**76.483**	**0**
Credit institutions	13	5.000	0
Prepayments received from customers		4.280	0
Trade payables		31.781	42
Corporation tax		2.628	0
Other payables	13	8.376	1
Deferred income	14	1.220	0
Short-term debt		**53.285**	**43**
Debt		**129.768**	**43**
Liabilities and equity		**239.180**	**107.921**
Distribution of profit	11		
Contingent assets, liabilities and other financial obligations	17		
Accounting Policies	18		

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Cash payment concerning formation of entity	40	0	40
Cash capital increase	1.150	114.041	115.191
Net profit/loss for the year	0	-7.353	-7.353
Equity at 31 December	**1.190**	**106.688**	**107.878**

Parent

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 16 December	0	0	0
Cash payment concerning formation of entity	40	0	40
Cash capital increase	1.150	114.041	115.191
Net profit/loss for the year	0	-7.353	-7.353
Equity at 31 December	**1.190**	**106.688**	**107.878**

Cash Flow Statement 16 December - 31 December

	Note	Group 21.1.2021 - 31.12.2021 TDKK
Net profit/loss for the year		-7.353
Adjustments	15	17.698
Change in working capital	16	-10.581
Cash flows from operating activities before financial income and expenses		**-236**
Financial income		144
Financial expenses		-4.004
Cash flows from ordinary activities		**-4.096**
Other adjustments		2.083
Cash flows from operating activities		**-2.013**
Purchase of intangible assets		-168.042
Purchase of property, plant and equipment		-180
Fixed asset investments made etc		-225
Cash flows from investing activities		**-168.447**
Raising of loans from credit institutions		65.000
Raising of loans from other payables		15.842
Cash capital increase		115.231
Cash flows from financing activities		**196.073**
Change in cash and cash equivalents		**25.613**
Cash and cash equivalents at 21 Januar 2021		0
Cash and cash equivalents at 31 December 2021		**25.613**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		25.613
Cash and cash equivalents at 31 December 2021		**25.613**

Notes to the Financial Statements

		Group	Parent
		21.1.2021 - 31.12.2021	16.12.2020 - 31.12.2021
		TDKK	TDKK
1	**Staff expenses**		
	Wages and salaries	10.972	0
	Pensions	218	0
	Other social security expenses	198	0
	Other staff expenses	2.802	0
		14.190	**0**
	Average number of employees	**27**	**0**

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

		Group	Parent
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	11.163	0
	Depreciation of property, plant and equipment	68	0
	Impairment of intangible assets	528	0
		11.759	**0**
3	**Financial income**		
	Other financial income	8	0
	Exchange gains	136	0
		144	**0**
4	**Financial expenses**		
	Other financial expenses	3.434	0
	Exchange loss	571	0
		4.005	**0**

Notes to the Financial Statements

	Group	Parent
	21.1.2021 - 31.12.2021	16.12.2020 - 31.12.2021
	TDKK	TDKK
5 Tax on profit/loss for the year		
Current tax for the year	2.627	-16
Deferred tax for the year	-549	0
	2.078	**-16**

6 Intangible assets

Group

	Completed development projects	Acquired trade-marks	Goodwill
	TDKK	TDKK	TDKK
Cost at 16 December	0	0	0
Additions for the year	4.390	7.500	156.153
Cost at 31 December	4.390	7.500	156.153
Impairment losses and amortisation at 16 December	0	0	0
Impairment losses for the year	528	0	0
Amortisation for the year	680	3.538	6.945
Impairment losses and amortisation at 31 December	1.208	3.538	6.945
Carrying amount at 31 December	**3.182**	**3.962**	**149.208**
Amortised over	5 years	2 years	20 years

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

Goodwill relates to the acquisition of the Luxplus Group Goodwill related to the acquisitions is amortised over a 20 year period. Goodwill is tested at an aggregated level for Luxplus Group. The individual entities cannot be assessed separately because the value-creating processes are generated across the Group, including synergies from combined operations, economies of scale and future growth potential.

Management has not identified any indications of impairment in 2020/21.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 16 December	0	0
Additions for the year	114	66
Cost at 31 December	114	66
Impairment losses and depreciation at 16 December	0	0
Depreciation for the year	59	9
Impairment losses and depreciation at 31 December	59	9
Carrying amount at 31 December	**55**	**57**
Depreciated over	3-5 years	5 years

8 Investments in subsidiaries

	Parent
	2021
	TDKK
Additions for the year	113.021
Cost at 31 December	113.021
Net profit/loss for the year	-7.297
Value adjustments at 31 December	-7.297
Carrying amount at 31 December	**105.724**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
CC Toaster Holding II ApS	København	736.899	100%	105.724.195	-7.297.138

Notes to the Financial Statements

9 Other fixed asset investments

	Group
	Deposits
	TDKK
Cost at 16 December	0
Additions for the year	419
Disposals for the year	-194
Cost at 31 December	225
Revaluations at 16 December	0
Revaluations at 31 December	0
Impairment losses at 16 December	0
Impairment losses at 31 December	0
Carrying amount at 31 December	**225**

10 Inventories

	Group	Parent
	2021	2021
	TDKK	TDKK
Finished goods and goods for resale	45.310	0
	45.310	**0**

11 Distribution of profit

	Parent
	16.12.2020 - 31.12.2021
	TDKK
Retained earnings	-7.353
	-7.353

Notes to the Financial Statements

	Group	Parent
	2021	2021
	TDKK	TDKK

12 Provision for deferred tax

	Group 2021 TDKK	Parent 2021 TDKK
Provision for deferred tax at 16 December	0	0
Amounts recognised in the income statement for the year	-549	0
Amounts recognised in equity for the year	2.083	0
Provision for deferred tax at 31 December	**1.534**	**0**

13 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:

Credit institutions

	Group 2021 TDKK	Parent 2021 TDKK
Between 1 and 5 years	60.000	0
Long-term part	60.000	0
Within 1 year	5.000	0
	65.000	**0**

Other payables

	Group 2021 TDKK	Parent 2021 TDKK
Between 1 and 5 years	16.483	0
Long-term part	16.483	0
Other short-term payables	8.375	1
	24.858	**1**

14 Deferred income

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

Notes to the Financial Statements

	Group
	21.1.2021 - 31.12.2021
	TDKK

15 Cash flow statement - adjustments

Financial income	-144
Financial expenses	4.005
Depreciation, amortisation and impairment losses, including losses and gains on sales	11.759
Tax on profit/loss for the year	2.078
	17.698

16 Cash flow statement - change in working capital

Change in inventories	-45.310
Change in receivables	-11.568
Change in trade payables, etc	46.297
	-10.581

Notes to the Financial Statements

	Group	Parent
	2021	2021
	TDKK	TDKK

17 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.740	0
Between 1 and 5 years	9.600	0
After 5 years	7.600	0
	19.940	**0**

Other contingent liabilities

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

Notes to the Financial Statements

18 Accounting Policies

The Annual Report of CC Toaster Holding I ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020/21 are presented in TDKK.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, CC Toaster Holding I ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

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

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

Notes to the Financial Statements

18 Accounting Policies (continued)

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.

- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.

- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.

- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.

- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

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.

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.

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

Notes to the Financial Statements

18 Accounting Policies (continued)

the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

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.

Income from investments in subsidiaries

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

Financial income and expenses

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

Notes to the Financial Statements

18 Accounting Policies (continued)

Tax on profit/loss for the year

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

The Company is jointly taxed with CC Toaster Invest ApS and other companies in Denmark. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 2 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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:

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

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

18 Accounting Policies (continued)

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

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

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

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

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. 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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indi-

Notes to the Financial Statements

18 Accounting Policies (continued)

rect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

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

Prepayments

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

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

18 Accounting Policies (continued)

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

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

Deferred income

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Notes to the Financial Statements

18 Accounting Policies (continued)

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$