CC Toaster Holding I ApS

Teglværksgade 37, 1. tv, DK-2100 København Ø

Annual Report for 1 January - 31 December 2022

CVR No 41 95 45 90

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23/6 2023

Mathias Lysholm Faaborg
Chairman of the General Meeting

pwc

Contents

pwc

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 1 January - 31 December 2022.

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

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

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, 23 June 2023

Executive Board

Mathias Lysholm Faaborg CEO	Jesper Bramming CFO

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of CC Toaster Holding I ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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

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

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish 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, 23 June 2023
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 Teglværksgade 37, 1. tv DK-2100 København Ø CVR No: 41 95 45 90 Financial period: 1. january - 31. december 2022 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 Jesper Bramming
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group	
	2022	2021
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	308.915	314.975
Operating profit/loss	-8.928	-1.414
Profit/loss before financial income and expenses	-8.928	-1.414
Net financials	-4.042	-3.860
Net profit/loss for the year	-11.558	-7.353
Balance sheet		
Balance sheet total	225.741	239.179
Equity	99.081	107.879
Cash flows		
Cash flows from:		
- operating activities	-3.532	-2.013
- investing activities	-8.372	-168.448
including investment in property, plant and equipment	-1.589	-180
- financing activities	-2.240	196.073
Change in cash and cash equivalents for the year	-14.144	25.613
Number of employees	44	27
Ratios		
Gross margin	9,0%	7,8%
Profit margin	-2,9%	-0,4%
Return on assets	-4,0%	-0,6%
Solvency ratio	43,9%	45,1%
Return on equity	-11,2%	-13,6%

Management's Review

The Annual Report of CC Toaster Holding I ApS ("Luxplus" or the "Company") for the year of 2022 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 2022. 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 2023 the company will be fully compliant with the guidelines of Active Owners.

Primary activities

The subsidiary Luxplus Aps is now one company, after the fusion of subsidiaries 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, Netherlands, Belgium and the UK. A monthly membership fee gives access to great savings on more than 700 known brands with free shipment and fast delivery. 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

In accordance with the Luxplus Group strategy the organization has been significantly strengthened, SKU-count has more than doubled as new brands are taken in. Early 2022 Luxplus shifted to new and larger warehouse to accommodate further growth. Significant efforts have been put into upgrading and expanding the proprietary technological foundation that Luxplus is built on. The year has seen heavy investment in staff, technology and infrastructure are laying the foundation for scaleability and capacity to realize future performance. Though having a negative impact on 2022 earnings returns from these investments are improving the underlying base economics.

Please see below table showing proforma consolidated group key figures from the Management review in the CC Toaster Holding I ApS Annual Report for 2022.

Given Luxplus position as an ecommerce member club data ethics is of importance to both us and our members. We are supported by a team of external advisors specialized in "PersonDataSupport" in our continuous journey towards high standard for data management, data security, ethics and the general data protection regulation. PDS support us with recurring consulting, monitoring and progress within this area. Our personal data policy is available in all languages on the respective websites, has been created and is continuously monitored with the support of a top-tier law firm specializing in personal data, immaterial rights, and technology.

In adding new partners, suppliers and contractors Luxplus is committed to consider aspects of data security and data ethics in the way we create, handle, store, manage and delete data relating to our members and customers. We consider data ethical elements when adapting or implementing new technologies.

Furthermore, our personnel handbook cover data ethics and security requirements. We perform continuous GDPR control, and we expect everyone to stay updated and compliant with GDPR rules. All staffers have signed and thereby committed themselves to read and live up to our policies on (1) person-data and (2) information security.

Luxplus Group (Full year)	**2022**	**2021**	**2020**	**2019**	**2018**
(Proforma consolidation)	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	309,7	315,0	284,0	212,0	184,4
EBITDA before special items	3,8	21,9	26,2	19,6	8,2
EBITDA after special items	3,8	11,3	26,2	19,3	8,2

The income statement of Luxplus for 2022 shows a profit of TDKK 1.745, and on 31 December 2022 the balance sheet of the Group shows equity of TDKK 26.616. The Group result for 2022 is considered satisfactory when adjusting for significant investments in transforming the business along with other non-recurring and extraordinary costs.

For 2023, the Group expects 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 have been assessed as being particularly important:

Management's Review

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.

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 in same currency but for SEK, NOK, and GBP there is a net inflow due to sales being higher than purchases in those currencies. This exposes the Group to the risk of currency fluctuations. The risk is mostly related to product margin and is mitigated though ongoing price and margin monitoring both in the buying process and the consumer pricing process. Subscription revenue currency risk is to some extend mitigated through marketing costs being spend per market in local currency. Inventory turn is also high and thereby reducing the currency risk. Net inflow in SEK, NOK and GBP are sold on an ongoing basis to reduce exposure. The Group does not speculate in currency fluctuations.

IT risks

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

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.

Management's Review

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.

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, DAFA PropCo ApS, DAFA A/S.
	Deputy Chairman of the Board Rekom Group A/S, Rekom Group Holding ApS, 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, DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S.
	Board Member CataCap General Partner II ApS, 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.
	Executive Management CataCap DM ApS, CataCap DM II ApS, CataCap General Partner I ApS, CataCap General Partner III ApS, CataCap Management A/S, CataCap OP ApS, CC DAFA Invest ApS, CC Fly Invest ApS, CC Globe Invest ApS, CC II Management Invest 2017 GP ApS, CC North Invest ApS, CC TAP Invest ApS, CC Toaster Invest ApS,CC BidCo ApS, CC BidCo III ApS, CC HoldCo ApS, CC HoldCo III ApS, CC TopCo Invest ApS, CC TopCo III Invest ApS, CC Track Invest ApS, DAFA MIIP ApS, Globe ManCo ApS, Luxplus MIIP ApS, MyCo ApS, Rekom ManCo ApS, TPA Green ManCo ApS

Management's Review

Board of Directors, continued

Peter Johan Sønderby-Wagner

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

OTHER MANAGEMENT DUTIES

CHAIRMAN

Peters Pengetank ApS.

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus 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

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

OTHER MANAGEMENT DUTIES

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, DAFA Holding I ApS, DAFA Holding II ApS, DAFA PropCo ApS, DAFA Group A/S.

Executive Management

FOB UP Invest ApS.

Katrine Bjarkov Benthien

BOARD MEMBER

Member since 2021
Affiliation: Non-Independent

OTHER MANAGEMENT DUTIES

Board Member

CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS, Resino Inks A/S, Mediq Danmark A/S.

Executive Management

Mediq Holding Danmark ApS

Management’s Review

Executive Board

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

Jesper Bramming	**OTHER MANAGEMENT DUTIES**
CFO	
CFO since 2023	***Executive Management***
	Jesper Bramming Holding ApS, CC Toaster Holding I ApS, CC Toaster Holding II ApS, Luxplus ApS.

Environment

Our primary environmental effect is transport of goods to our members. We see no material risks here and have chosen not to have a policy within this area in 2022. We strive to consider environmental effects of strategic, tactical, and operational decisions in the future to secure an ongoing improvement of Luxplus’ environmental impact.

Human Rights

We have no policy on this area due to our size. We acknowledge that there are risks in this area however we consider them to be miniscule. Luxplus primarily trade with global or European scale companies of a size where our influence in this area is minimal. We center ourselves on the great work that producers and suppliers of brands and products within the beauty industry is already doing.

Management's Review

Social and Personnel

We have chosen to have no policy within this area due to our size. We assess the risks to be minimal and concurrent with any office of our size. We have created a 'staff handbook' which lays out the internal guidelines for among other things ethics and moral behavior among staffers. This has been handed out to everyone in 2022 and is a part of the onboarding process of all new staffers. We expect to continue to work within this area with a employee satisfaction reviews in 2023.

Anticorruption & Bribery

We have no policy in this area. Historically this is due to the structure and size of the company. We have had a significant overlap between owners, managers and employees within the departments where anticorruption & bribery should have focus, enabling decision-making and controls. We acknowledge that there are risks, e.g. within gift-giving and supplier relationships. It is an area where we want to develop a policy and clear recommendations, which we expect to have in place in 2023.

Social and societal responsibility

Luxplus business model is centered around a membership, providing free or low-cost shipping and significant savings on products and brands that the members appreciate and want. Read more on https://www.luxplus.dk/om_luxplus. On top of that we provide relevant articles in our luxmagazine a lifestyle and beauty journal focused on topics relevant to our members. You can access https://www.luxplus.dk/luxmagazine here.

As an online business Luxplus affects our society, the people, climate, and environment just as we are affected by these circumstances and what happens in world. We are in tune with our members and get frequent feedback on our business. We provide the brands and products desired by our members and in that strive to pay specific attention to the fast paced development in the consumer world. A strong trend on 'clean' beauty products with few or no perfumes and additives has affected our assortment. Likewise, the Russian invasion of Ukraine meant we delisted Russian-made brands and products.

Luxplus is committed to leaving the world a little better than we found it. As part of the social commitment Luxplus has donated to Women's Shelters, is a corporate sponsor of the World Wildlife Fund and UNICEF Denmark. Further to this Luxplus has donated relief aid to Ukraine both direct and indirect, and supported our founder in a personal support initiative of Ukraine. As a part of our societal responsibility and commitment Luxplus subscribes to the UN Global Compact.

Risks

Environmental effects on climate in packaging and transport. The climate and environmental impact of our last mile deliveries can be serious even though it is likely far smaller than the production of the brands and products we sell. We are working in partnership with our warehouse and last-mile-delivery companies to offer deliveries with electric propulsion in an effort to lessen the environmental impact. All of our cardboard for boxes are FSC and consciously sourced reused cardboard.

Working environmental for all staffers, data ethics and security. We have a code of conduct and employee handbook combined with an external whistleblower-setup. In a desire to improve office environment we have CO2-measurement devices in all offices and meeting rooms.

Data ethics and data protection

Given Luxplus position as an ecommerce member club data ethics is of importance to both us and our members. We are supported by a team of external advisors specialized in "PersonDataSupport" in our continuous journey towards high standard for data management, data security, ethics and the general data protection regulation. PDS support us with recurring consulting, monitoring and progress within this area.
Our personal data policy is available in all languages on the respective websites, has been created and is continuously monitored with the support of a top-tier law firm specializing in personal data, immaterial rights, and technology.

In adding new partners, suppliers and contractors Luxplus is committed to consider aspects of data security and data ethics in the way we create, handle, store, manage and delete data relating to our members and customers. We consider data ethical elements when adapting or implementing new technologies.

Furthermore, our personnel handbook cover data ethics and security requirements.
We perform continuous GDPR control, and we expect everyone to stay updated and compliant with GDPR rules. All staffers have signed and thereby committed themselves to read and live up to our policies on (1) person-data and (2) information security.

Share of an underrepresented gender in the board

The board consist of five people elected at the general assembly, consisting of four males and one female. The Danish authorities define gender equality as having a minimum of two representatives from the underrepresented gender. There has been no change in the board in 2022. Concurrent with authorities we expect to achieve our goal-target of minimum 2 females on the board before 2025.

Share of an underrepresented gender in Management

The management team consist of six people consistent of three males and three females. It is our policy to ensure equal representation starting from the number of candidates in a recruitment process to the final composition of our management team. We aim to have no gender represent more than 2/3 of the management team, and a minimum of 2 of the underrepresented gender.

The management team consist of six people consistent of three males and three females. It is our policy to ensure equal representation starting from the number of candidates in a recruitment process to the final composition of our management team. We aim to have no gender represent more than 2/3 of the management team, and a minimum of 2 of the underrepresented gender.

Management's Review

Unusual events

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

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent 2022	Parent 16.12.2020 - 31.12.2021
		DKK	DKK	DKK	DKK
Revenue	1	**308.914.928**	**314.974.520**	**0**	**0**
Change in inventories of finished goods, work in progress and goods for resale		-217.431.934	-226.789.541	0	0
Other external expenses		-63.679.523	-63.650.008	-89.086	-71.191
Gross profit/loss		**27.803.471**	**24.534.971**	**-89.086**	**-71.191**
Staff expenses	2	-23.955.107	-14.189.945	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-12.776.495	-11.758.941	0	0
Profit/loss before financial income and expenses		**-8.928.131**	**-1.413.915**	**-89.086**	**-71.191**
Income from investments in subsidiaries		0	0	-11.492.976	-7.297.138
Financial income	4	1.316.637	144.204	8.135	0
Financial expenses	5	-5.358.944	-4.004.697	-2.705	-36
Profit/loss before tax		**-12.970.438**	**-5.274.408**	**-11.576.632**	**-7.368.365**
Tax on profit/loss for the year	6	1.412.210	-2.078.287	18.404	15.670
Net profit/loss for the year		**-11.558.228**	**-7.352.695**	**-11.558.228**	**-7.352.695**

Balance Sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		DKK	DKK	DKK	DKK
Completed development projects		7.745.037	3.181.584	0	0
Acquired trademarks		211.694	3.961.694	0	0
Goodwill		141.400.371	149.208.140	0	0
Intangible assets	7	**149.357.102**	**156.351.418**	**0**	**0**
Other fixtures and fittings, tools and equipment		369.473	55.409	0	0
Leasehold improvements		1.116.788	56.882	0	0
Property, plant and equipment	8	**1.486.261**	**112.291**	**0**	**0**
Investments in subsidiaries	9	0	0	94.231.219	105.724.195
Deposits	10	1.440.809	224.902	0	0
Fixed asset investments		**1.440.809**	**224.902**	**94.231.219**	**105.724.195**
Fixed assets		**152.284.172**	**156.688.611**	**94.231.219**	**105.724.195**
Inventories	11	**54.083.769**	**45.309.605**	**0**	**0**
Trade receivables		6.297.690	6.526.648	0	0
Receivables from group enterprises		0	0	2.000.000	2.170.120
Other receivables		550.514	4.690.154	0	0
Deferred tax asset	13	0	0	18.404	0
Corporation tax receivable from group enterprises		0	0	15.670	15.670
Prepayments		1.055.170	350.900	0	0
Receivables		**7.903.374**	**11.567.702**	**2.034.074**	**2.185.790**
Cash at bank and in hand		**11.469.206**	**25.612.811**	**2.866.509**	**10.961**
Currents assets		**73.456.349**	**82.490.118**	**4.900.583**	**2.196.751**
Assets		**225.740.521**	**239.178.729**	**99.131.802**	**107.920.946**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent	
	Note	2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Share capital		1.285.566	1.190.489	1.285.566	1.190.489
Retained earnings		97.795.114	106.688.269	97.795.114	106.688.269
Equity		**99.080.680**	**107.878.758**	**99.080.680**	**107.878.758**
Provision for deferred tax	13	491.309	1.533.519	0	0
Provisions		**491.309**	**1.533.519**	**0**	**0**
Credit institutions		53.304.317	60.000.000	0	0
Other payables		16.483.191	16.483.191	0	0
Long-term debt	14	**69.787.508**	**76.483.191**	**0**	**0**
Credit institutions	14	6.000.000	5.000.000	0	0
Prepayments received from customers		4.266.540	4.280.315	0	0
Trade payables		30.479.019	31.740.927	9.122	2.188
Corporation tax		2.257.768	2.627.768	0	0
Other payables	14	10.367.777	8.414.134	42.000	40.000
Deferred income	15	3.009.920	1.220.117	0	0
Short-term debt		**56.381.024**	**53.283.261**	**51.122**	**42.188**
Debt		**126.168.532**	**129.766.452**	**51.122**	**42.188**
Liabilities and equity		**225.740.521**	**239.178.729**	**99.131.802**	**107.920.946**

Distribution of profit	12
Contingent assets, liabilities and other financial obligations	18
Fee to auditors appointed at the general meeting	19
Accounting Policies	20

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1.190.489	106.688.269	107.878.758
Cash capital increase	95.077	2.730.133	2.825.210
Purchase of treasury shares	0	-65.060	-65.060
Net profit/loss for the year	0	-11.558.228	-11.558.228
Equity at 31 December	**1.285.566**	**97.795.114**	**99.080.680**

Parent

	Share capital	Retained earnings	Total
Equity at 1 January	1.190.489	106.688.269	107.878.758
Cash capital increase	95.077	2.730.133	2.825.210
Purchase of treasury shares	0	-65.060	-65.060
Net profit/loss for the year	0	-11.558.228	-11.558.228
Equity at 31 December	**1.285.566**	**97.795.114**	**99.080.680**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021
		DKK	DKK
Net profit/loss for the year		-11.558.228	-7.352.695
Adjustments	16	15.406.592	17.697.720
Change in working capital	17	-3.903.432	-10.580.622
Cash flows from operating activities before financial income and expenses		**-55.068**	**-235.597**
Financial income		1.316.638	144.203
Financial expenses		-5.358.945	-4.004.698
Cash flows from ordinary activities		**-4.097.375**	**-4.096.092**
Other adjustments		565.676	2.083.000
Cash flows from operating activities		**-3.531.699**	**-2.013.092**
Purchase of intangible assets		-5.567.551	-168.042.426
Purchase of property, plant and equipment		-1.588.598	-180.222
Fixed asset investments made etc		-1.215.907	-224.902
Cash flows from investing activities		**-8.372.056**	**-168.447.550**
Repayment of loans from credit institutions		-5.000.000	0
Raising of loans from credit institutions		0	65.000.000
Raising of loans from other payables		0	15.842.000
Purchase of treasury shares		-65.060	0
Cash capital increase		2.825.210	115.231.453
Cash flows from financing activities		**-2.239.850**	**196.073.453**
Change in cash and cash equivalents		**-14.143.605**	**25.612.811**
Cash and cash equivalents at 1 January		25.612.811	0
Cash and cash equivalents at 31 December		**11.469.206**	**25.612.811**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11.469.206	25.612.811
Cash and cash equivalents at 31 December		**11.469.206**	**25.612.811**

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
1 Revenue				
Geographical segments				
Revenue, Denmark	153.466.143	149.590.478	0	0
Revenue, Netherlands	44.207.370	46.600.586	0	0
Revenue, Sweden	51.977.765	61.765.655	0	0
Revenuer, other	59.263.650	57.017.801	0	0
	308.914.928	**314.974.520**	**0**	**0**

2 Staff expenses

	Group 2022	Group 2021	Parent 2022	Parent 2021
Wages and salaries	19.965.908	10.971.903	0	0
Pensions	1.662.778	217.947	0	0
Other social security expenses	376.453	198.265	0	0
Other staff expenses	1.949.968	2.801.830	0	0
	23.955.107	**14.189.945**	**0**	**0**
Including remuneration to the Executive Board of:				
Executive Board	2.475.000	0	0	0
	2.475.000	**0**	**0**	**0**
Average number of employees	**44**	**27**	**0**	**0**

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

	Group 2022	Group 2021	Parent 2022	Parent 2021
Amortisation of intangible assets	12.561.867	11.162.850	0	0
Depreciation of property, plant and equipment	214.628	67.932	0	0
Impairment of intangible assets	0	528.159	0	0
	12.776.495	**11.758.941**	**0**	**0**

Notes to the Financial Statements

4 Financial income

Other financial income	57.549	7.893	8.135	0
Exchange gains	1.259.088	136.311	0	0
	1.316.637	**144.204**	**8.135**	**0**

5 Financial expenses

Other financial expenses	3.660.411	3.433.889	2.705	36
Exchange loss	1.698.533	570.808	0	0
	5.358.944	**4.004.697**	**2.705**	**36**

6 Tax on profit/loss for the year

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Current tax for the year	-370.000	2.627.768	0	-15.670
Deferred tax for the year	-1.042.210	-549.481	-18.404	0
	-1.412.210	**2.078.287**	**-18.404**	**-15.670**

Notes to the Financial Statements

7 Intangible assets

Group

	Completed development projects	Acquired trade-marks	Goodwill	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	5.721.478	7.500.000	156.155.375	169.376.853
Additions for the year	5.567.551	0	0	5.567.551
Cost at 31 December	11.289.029	7.500.000	156.155.375	174.944.404
Impairment losses and amortisation at 1 January	2.539.894	3.538.306	6.947.235	13.025.435
Amortisation for the year	1.004.098	3.750.000	7.807.769	12.561.867
Impairment losses and amortisation at 31 December	3.543.992	7.288.306	14.755.004	25.587.302
Carrying amount at 31 December	**7.745.037**	**211.694**	**141.400.371**	**149.357.102**
Amortised over	5 years years	2 years years	20 years 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 2022.

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	148.386	1.074.385
Additions for the year	335.557	1.253.042
Disposals for the year	0	-66.120
Cost at 31 December	483.943	2.261.307
Impairment losses and depreciation at 1 January	91.504	1.018.976
Depreciation for the year	22.966	191.659
Reversal of impairment and depreciation of sold assets	0	-66.116
Impairment losses and depreciation at 31 December	114.470	1.144.519
Carrying amount at 31 December	**369.473**	**1.116.788**
Depreciated over	3-5 years years	5 years years

9 Investments in subsidiaries

	Parent	
	2022	2021
	DKK	DKK
Cost at 1 January	105.724.195	105.724.195
Cost at 31 December	105.724.195	105.724.195
Value adjustments at 1 January	0	0
Net profit/loss for the year	-11.492.976	0
Value adjustments at 31 December	-11.492.976	0
Carrying amount at 31 December	**94.231.219**	**105.724.195**

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%	94.231.219	-11.492.976

Notes to the Financial Statements

10 Other fixed asset investments

	Group
	Deposits
	DKK
Cost at 1 January	224.902
Additions for the year	1.215.907
Cost at 31 December	1.440.809
Impairment losses at 31 December	0
Carrying amount at 31 December	**1.440.809**

11 Inventories

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Finished goods and goods for resale	54.083.769	45.309.605	0	0
	54.083.769	**45.309.605**	**0**	**0**

12 Distribution of profit

	Parent	
	2022	2021
	DKK	DKK
Retained earnings	-11.558.228	-7.352.695
	-11.558.228	**-7.352.695**

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

13 Provision for deferred tax

Provision for deferred tax at 1 January	1.533.519	0	0	0
Amounts recognised in the income statement for the year	-1.042.210	-549.481	-18.404	0
Amounts recognised in equity for the year	0	2.083.000	0	0
Provision for deferred tax at 31 December	**491.309**	**1.533.519**	**-18.404**	**0**

14 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

Between 1 and 5 years	53.304.317	60.000.000	0	0
Long-term part	53.304.317	60.000.000	0	0
Within 1 year	6.000.000	5.000.000	0	0
	59.304.317	**65.000.000**	**0**	**0**

Other payables

Between 1 and 5 years	16.483.191	16.483.191	0	0
Long-term part	16.483.191	16.483.191	0	0
Other short-term payables	10.367.777	8.414.135	42.000	40.000
	26.850.968	**24.897.326**	**42.000**	**40.000**

15 Deferred income

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

Notes to the Financial Statements

	Group	
	2022	2021
	DKK	DKK

16 Cash flow statement - adjustments

	2022 DKK	2021 DKK
Financial income	-1.316.637	-144.204
Financial expenses	5.358.944	4.004.697
Depreciation, amortisation and impairment losses, including losses and gains on sales	12.776.495	11.758.940
Tax on profit/loss for the year	-1.412.210	2.078.287
	15.406.592	**17.697.720**

17 Cash flow statement - change in working capital

	2022 DKK	2021 DKK
Change in inventories	-8.774.164	-45.309.605
Change in receivables	2.402.969	-11.567.701
Change in trade payables, etc	2.467.763	46.296.684
	-3.903.432	**-10.580.622**

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

18 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	6.036.960	2.740.316	0	0
Between 1 and 5 years	9.600.000	9.600.000	0	0
After 5 years	5.200.000	7.600.000	0	0
	20.836.960	**19.940.316**	**0**	**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.

19 Fee to auditors appointed at the general meeting

PricewaterhouseCoopers				
Audit fee	400.000	400.000	25.000	25.000
Other assurance engagements	150.000	150.000	25.000	25.000
Other services	428.800	543.228	0	0
	978.800	**1.093.228**	**50.000**	**50.000**

Notes to the Financial Statements

20 Accounting Policies

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

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 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.

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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Notes to the Financial Statements

20 Accounting Policies (continued)

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 finan-

20 Accounting Policies (continued)

cial 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 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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

Intangible assets

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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

Notes to the Financial Statements

20 Accounting Policies (continued)

“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 .

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

Receivables

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

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as 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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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

Gross margin	$\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\dfrac{\text{Profit before financials x 100}}{\text{Revenue}}$

Notes to the Financial Statements

20 Accounting Policies (continued)

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