
LUXPLUS ApS

Teglværksgade, 37, 1, DK-2100 København Ø

Annual Report for 2021

CVR No 25 09 07 05

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



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LUXPLUS ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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 Ø, 22 February 2022

Executive Board

Mathias Lysholm Faaborg
CEO

Board of Directors

Jens Christian Buhl
Chairman

Vilhelm Eigil Hahn-Petersen
Vice chairman

Peter Johan Sønderby-Wagner

Frederik Oliver Busch

Katrine Bjarkov Benthien

Independent Auditor's Report

To the Shareholder of LUXPLUS ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of LUXPLUS ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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

Independent Auditor's Report

misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing 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 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the

Independent Auditor's Report

disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

LUXPLUS ApS
Teglværksgade, 37, 1
DK-2100 København Ø

CVR No: 25 09 07 05
Financial period: 1 January - 31 December
Incorporated: 26 November 2013
Financial year: 8th financial year

Board of Directors

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

Executive Board

Mathias Lysholm Faaborg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

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

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Gross profit/loss	24,868	28,800	23,509	13,037	17,879
Profit/loss before financial income and expenses	11,346	20,732	16,520	7,580	11,787
Net profit/loss for the year	12,305	19,273	13,977	5,196	7,488
Balance sheet					
Balance sheet total	85,020	85,340	55,544	42,510	36,693
Investment in property, plant and equipment	59	26	134	43	196
Equity	31,870	39,302	35,228	21,567	17,654
Number of employees	23	19	18	13	16
Ratios					
Solvency ratio	37.5%	46.1%	63.4%	50.7%	48.1%
Return on equity	34.6%	51.7%	49.2%	26.5%	53.8%

With reference to ÅRL § 101 section 3, the changed accounting policies, cf. the annual report for 2019, have not been corrected for the comparison year 2017.

Management's Review

The Annual Report of Luxplus ApS (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

Luxplus comprises of Luxplus ApS and its 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, 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

Luxplus Group was sold to CC Toaster Holding II ApS in the beginning of 2021 from the founders that are still part of the company as indirect shareholders and as employees in the Group. As part of that transaction Luxplus ApS purchased the minority shares of Luxplus CEE A/S so that all subsidiaries are now fully owned by Luxplus ApS.

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 be seen during the following years.

This Annual Report for Luxplus ApS is not a consolidated report but a parent company report. Consolidated numbers are reported in the Annual Report for CC Toaster Holding I ApS.

Please see below table showing proforma consolidated group key figures from the Management review in

Management's Review

the CC Toaster Holding I ApS Annual Report for 2021

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 Luxplus for 2021 shows a profit of TDKK 12.305, and on 31 December 2021 the balance sheet of the Company shows equity of TDKK 31.870. 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 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 through ongoing price and margin monitoring both in the buying process and the consumer pricing process. Subscription revenue currency risk is to some extent 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.

Environment

Luxplus does not have any formal environmental policy in place but continuously consider environmental effects 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

CHAIRMAN

Member since 2021

Affiliation: Non-Independent

OTHER MANAGEMENT DUTIES

CHAIRMAN

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

Vilhelm Hahn-Petersen

DEPUTY CHAIRMAN

Member since 2021

Affiliation: Non-Independent

Partner, Catacap

OTHER MANAGEMENT DUTIES

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 Faaborg

CEO

CEO since 2021

OTHER MANAGEMENT DUTIES

CHAIRMAN

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 environmental effects 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 Company and the results of the activities of the Company for the financial year for 2021 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	2021 DKK	2020 DKK
Gross profit/loss		24,868,089	28,799,874
Staff expenses	1	-12,944,089	-7,416,162
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-577,588	-651,746
Profit/loss before financial income and expenses		11,346,412	20,731,966
Income from investments in subsidiaries		3,994,544	2,894,506
Financial income	3	120,773	600,120
Financial expenses	4	-752,709	-132,343
Profit/loss before tax		14,709,020	24,094,249
Tax on profit/loss for the year	5	-2,403,554	-4,820,815
Net profit/loss for the year		12,305,466	19,273,434

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		3,181,584	1,643,831
Intangible assets	7	3,181,584	1,643,831
Other fixtures and fittings, tools and equipment		55,409	114,154
Leasehold improvements		56,882	6,683
Property, plant and equipment	8	112,291	120,837
Investments in subsidiaries	9	7,353,100	2,742,158
Deposits	10	224,902	419,118
Fixed asset investments		7,578,002	3,161,276
Fixed assets		10,871,877	4,925,944
Finished goods and goods for resale		45,309,605	38,216,808
Inventories		45,309,605	38,216,808
Trade receivables		5,443,395	6,134,322
Receivables from group enterprises		180,883	3,449,884
Other receivables		872,985	615,144
Prepayments	11	325,720	40,191
Receivables		6,822,983	10,239,541
Cash at bank and in hand		22,015,554	31,957,483
Currents assets		74,148,142	80,413,832
Assets		85,020,019	85,339,776

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		80,000	80,000
Reserve for net revaluation under the equity method		0	2,102,158
Reserve for development costs		2,481,636	1,282,188
Retained earnings		29,308,680	35,837,400
Equity		31,870,316	39,301,746
Provision for deferred tax	12	661,946	319,000
Provisions		661,946	319,000
Other payables		491,091	485,588
Long-term debt	13	491,091	485,588
Credit institutions		0	161,377
Prepayments received from customers		3,415,632	2,826,757
Trade payables		29,661,237	13,700,735
Payables to group enterprises		9,496,280	10,640,000
Corporation tax		0	4,745,815
Payables to group enterprises relating to corporation tax		2,060,608	0
Other payables	13,14	6,783,256	13,158,758
Deferred income	15	579,653	0
Short-term debt		51,996,666	45,233,442
Debt		52,487,757	45,719,030
Liabilities and equity		85,020,019	85,339,776
Profit allocation	6		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Accounting Policies	18		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	80,000	2,102,158	1,282,188	35,837,400	39,301,746
Extraordinary dividend paid	0	0	0	-7,500,000	-7,500,000
Other equity movements	0	-2,102,158	0	-10,134,738	-12,236,896
Development costs for the year	0	0	1,199,448	-1,199,448	0
Net profit/loss for the year	0	0	0	12,305,466	12,305,466
Equity at 31 December	80,000	0	2,481,636	29,308,680	31,870,316

Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
1 Staff expenses		
Wages and salaries	9,773,401	6,500,417
Pensions	196,595	42,000
Other social security expenses	175,477	137,954
Other staff expenses	2,798,616	735,791
	<u>12,944,089</u>	<u>7,416,162</u>
Average number of employees	<u>23</u>	<u>19</u>
 Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
	2021 <u>DKK</u>	2020 <u>DKK</u>
2 Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	509,656	473,806
Depreciation of property, plant and equipment	67,932	177,940
	<u>577,588</u>	<u>651,746</u>
	2021 <u>DKK</u>	2020 <u>DKK</u>
3 Financial income		
Other financial income	298	8
Exchange adjustments	120,475	600,112
	<u>120,773</u>	<u>600,120</u>
	2021 <u>DKK</u>	2020 <u>DKK</u>
4 Financial expenses		
Other financial expenses	310,931	132,343
Exchange loss	441,778	0
	<u>752,709</u>	<u>132,343</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
5 Income tax expenses		
Current tax for the year	2,060,608	4,745,815
Adjustment of deferred tax concerning previous years	342,946	75,000
	<u>2,403,554</u>	<u>4,820,815</u>

	2021 DKK	2020 DKK
6 Profit allocation		
Extraordinary dividend paid	7,500,000	15,200,000
Retained earnings	4,805,466	4,073,434
	<u>12,305,466</u>	<u>19,273,434</u>

7 Intangible fixed assets	Completed development projects DKK
Cost at 1 January	3,674,069
Additions for the year	<u>2,047,409</u>
Cost at 31 December	<u>5,721,478</u>
Impairment losses and amortisation at 1 January	2,030,238
Amortisation for the year	<u>509,656</u>
Impairment losses and amortisation at 31 December	<u>2,539,894</u>
Carrying amount at 31 December	<u>3,181,584</u>

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.

Notes to the Financial Statements

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	1,074,385	89,000
Additions for the year	<u>0</u>	<u>59,386</u>
Cost at 31 December	<u>1,074,385</u>	<u>148,386</u>
Impairment losses and depreciation at 1 January	960,231	82,317
Depreciation for the year	<u>58,745</u>	<u>9,187</u>
Impairment losses and depreciation at 31 December	<u>1,018,976</u>	<u>91,504</u>
Carrying amount at 31 December	<u>55,409</u>	<u>56,882</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
9 Investments in subsidiaries		
Cost at 1 January	640,000	640,000
Net effect from merger and acquisition	12,300,000	0
Cost at 31 December	<u>12,940,000</u>	<u>640,000</u>
Value adjustments at 1 January	2,102,158	175,774
Net profit/loss for the year	3,994,544	2,894,506
Revaluations for the year, net	0	-1,101,775
Other adjustments	-12,236,898	0
Value adjustments at 31 December	<u>-6,140,196</u>	<u>1,968,505</u>
Equity investments with negative net asset value amortised over receivables	<u>553,296</u>	<u>133,653</u>
Carrying amount at 31 December	<u>7,353,100</u>	<u>2,742,158</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Luxplus WE ApS	København	80.000	100%
Luxplus CEE A/S	København	1.000.000	100%
EchoEcho ApS	København	50.000	100%

10 Other fixed asset investments

	Deposits DKK
Cost at 1 January	419,118
Disposals for the year	-194,216
Cost at 31 December	<u>224,902</u>
Carrying amount at 31 December	<u>224,902</u>

Notes to the Financial Statements

11 Prepayments

Prepayments and accrued income consist of prepaid expenses relating to subsequent financial years.

	2021 DKK	2020 DKK
12 Provision for deferred tax		
Deferred tax liabilities at 1 January	319,000	244,000
Tax loss carry-forward	342,946	75,000
Deferred tax liabilities af 31 December	661,946	319,000

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:

	2021 DKK	2020 DKK
Other payables		
After 5 years	491,091	485,588
Long-term part	491,091	485,588
Other short-term payables	6,783,256	13,158,758
	7,274,347	13,644,346
14 Other payables		
Value added tax etc	6,097,180	7,529,785
Accrued wages and salaries	331,555	786,462
Holiday par obligation	354,521	288,802
Other debt	0	4,553,709
	6,783,256	13,158,758

Notes to the Financial Statements

15 Deferred income

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

	2021	2020
	DKK	DKK
16 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2,740,316	427,922
Between 1 and 5 years	9,600,000	0
After 5 years	7,600,000	0
	19,940,316	427,922

Guarantee obligations

The company has submitted a Letter of Comfort for its investment in EchoEcho ApS.

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.

The company is involved in normal business disputes. Although the final outcome of these cases is unpredictable, in the opinion of the management, these cases will not have any significant effect on the company's result or financial situation.

Notes to the Financial Statements

17 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the group:

<u>Name</u>	<u>Place of registered office</u>
CC Toaster Holding I ApS	C/O CataCap Management A/S Øster Allé 42, 7. 2100 København Ø

Notes to the Financial Statements

18 Accounting Policies

The Annual Report of LUXPLUS ApS for 2021 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 Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of CC Toaster Holding I ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of CC Toaster Holding I ApS, the Company has not prepared a cash flow statement.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of

Notes to the Financial Statements

18 Accounting Policies (continued)

payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income Statement

Net sales

Net revenue includes subscription revenues and sales of merchandise and finished goods. Sales of merchandise and finished goods are recognized in the income statement when delivery and risk transfer to the buyer have taken place. Subscription income is recognized in the income statement when accrued over the subscription period.

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.

Notes to the Financial Statements

18 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with CC Toaster Invest ApS and other companies in Denmark. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or

Notes to the Financial Statements

18 Accounting Policies (continued)

losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Intangible assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Property, plant and equipment

Other 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.

Notes to the Financial Statements

18 Accounting Policies (continued)

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

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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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.

Notes to the Financial Statements

18 Accounting Policies (continued)

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

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

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.

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

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