LUXPLUS ApS

Teglværksgade, 37, 1, DK-2100 København Ø

Annual Report for 2023

CVR No. 25 09 07 05

The Annual Report was presented and adopted at the Annual General Meeting of the company on 15/2 2024

Mathias Lysholm Faaborg
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LUXPLUS ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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, 15 February 2024

Executive Board

Mathias Lysholm Faaborg CEO	Jesper Bramming Chief Financial Officer

Board of Directors

Jens Christian Buhl Chairman	Frederik Oliver Busch Vice chairman	Peter Johan Sønderby-Wagner
Vilhelm Eigil Hahn-Petersen	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 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 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 2023, 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 Financial 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 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.

Independent Auditor's report

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 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, 15 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Kristian Højgaard Carlsen
State Authorised Public Accountant
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: 10th financial year
	Municipality of reg. office: Copenhagen
Board of Directors	Jens Christian Buhl, chairman Frederik Oliver Busch, vice chairman Peter Johan Sønderby-Wagner Vilhelm Eigil Hahn-Petersen Katrine Bjarkov Benthien
Executive Board	Mathias Lysholm Faaborg Jesper Bramming
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	43,374	27,694	31,934	28,800	23,509
Profit/loss of financial income and expenses	-1,015	-524	-806	3,362	956
Profit/loss before financial income and expenses	13,497	2,768	16,471	20,732	16,520
Net profit/loss for the year	9,764	1,745	12,117	19,273	13,977
Balance sheet					
Balance sheet total	73,463	80,789	82,672	85,340	55,544
Investment in property, plant and equipment	63	1,253	59	26	134
Equity	27,380	26,616	31,870	39,302	35,228
Number of employees	48	53	27	19	18
Ratios					
Solvency ratio	37.3%	32.9%	38.5%	46.1%	63.4%
Return on equity	36.2%	6.0%	34.0%	51.7%	61.6%

In connection with changes to accounting policies, the comparative figures back to 2019 have not been restated. See the description under accounting policies.

In 2022 the subsidiaries was merged into Luxplus ApS and the comparative figures for 2021 has been adjusted. The comparative figures from 2019-2020 has not been restated.

Management's review

Management’s Review

The Annual Report of Luxplus ApS ("Luxplus" or the "Company") for the year of 2023 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 a majority of the shares in the Company following 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.

Primary activities

Luxplus Aps is the operating company of the business.

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 the members access to material savings on more than 700 relevant brands with free shipment and fast delivery. Our headquarter is in Copenhagen and our external warehouse is in Northern Jutland. We employ around 50 employees in Copenhagen.

Development in the year and expectations for next year

In accordance with the Luxplus strategy, Luxplus has continued to add new brands enhancing the membership experience and creating more tangible savings for our members. This has led to a positive trend of growing sales and membership numbers in 2023 ending the year with the highest number paying members in the history of Luxplus.

We upgraded and expanded the proprietary technological foundation that Luxplus is built on. In 2023 we have continued the journey of building the foundation for scalability and capacity to enable future performance. This will continue in 2024 and deliver visible improvements in the member experience and efficiency of operations. In 2023 we overhauled the fulfilment processes of warehouse, delivery, and payment provider structures. This has realized visible savings end improvements enabling us to improve the membership benefits.

Please see below table 1 showing proforma consolidated group key figures from the Management review in the CC Toaster Holding I ApS Annual Report for 2023.

Table 1: Group Key Figures (Proforma consolidation)

Luxplus Group (Full year, DKKm)	**2023**	**2022**	**2021**	**2020**	**2019**
Revenue	317,8	309,7	315,0	284,0	212,0
Contribution Margin	54,9	41,9	42,8	40,7	33,6
EBITDA before special items	18,6	7,9	21,9	26,2	19,6
EBITDA after special items	16,6	3,8	11,3	26,2	19,3

The income statement of Luxplus for 2023 shows a profit of DKKm 9,8, and on 31 December 2023 the balance sheet of the shows equity of DKKm 27,4. The result for 2023 is considered satisfactory. For 2024, the company expects growth in membership base and revenue and EBITDA above 2023.

Management's review

Risks

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

Market risks

The company 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 and members' fees being higher than purchases in those currencies. This exposes the company 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 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 company does not speculate in currency fluctuations. In 2023 the combined devaluation of SEK and NOK has impacted margins negatively.

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 continually lowered. In 2023 we have continued the process of bringing code quality and documentation up to the right level underpinning IT risk mitigation.

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, monthly chairmanship meetings are held. An 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 relevant economic and non-financial parameters, including risk assessment of investments and markets.

Environmental

We see very limited risks of Luxplus causing a significant environmental incident. Likewise, it is unlikely that a significant environmental development within our business causes major disturbances to the business or to the environment.

Statement of Social Responsibility

Human Rights

We have no policy on this area due to our size. We acknowledge that there are risks in this area such as use of child-labour and/or forced labour. However, we consider these risks to be immaterial. Luxplus primarily trade with Global or European scale companies of a size where our interests in this area is managed well by our suppliers. We thus base ourselves on the work that producers and suppliers of brands and products within the beauty industry is already doing.

Social and Personnel

Our staff policies are embedded in the “Staff Handbook” emphasizing our efforts to secure the wellbeing of our staff. The Staff Handbook’ lays out the internal guidelines for among other things ethics and moral behaviour among staffers. This has been handed out to our employees and is a part of the onboarding process of new staffers. The employee survey undertaken end 2023 shows high satisfaction and loyalty among our employees driven by a high degree of trust in direct management and executive management and high engagement in the work tasks.

We assess the risks to be immaterial and concurrent with any office of our size. Risks include workplace intimidation, unfair practices and not living up to legal and normal requirements for the terms offered to staff.

We will continue to use frequent employee surveys and personal development status meetings to ensure progress in this area.

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 2024.

Social and societal responsibility

Luxplus business model is a membership model, 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 a part of our societal responsibility and commitment Luxplus subscribes to the UN Global Compact.

Environmental Effects

Almost all the environmental effects of Luxplus are Category III resting with our suppliers both of product and logistic services.

The climate and environmental impact of our last mile deliveries can be serious even though it is far smaller than the production of the brands and products we sell. We have in 2023 worked in partnership with our warehouse and last-mile-delivery companies to offer deliveries with electric propulsion to lessen the environmental impact. Our cardboard for boxes is FSC and consciously sourced reused cardboard.

We have no specific measurable effects of our efforts in this area; however, we notice almost all suppliers are actively addressing the issue in a comprehensive way. We will engage actively with suppliers to enhance these efforts as we have in 2023. This is done through frequent meetings with suppliers including monthly meetings with the executive management of our warehouse and our logistics supplier, where we have the most direct influence on environmental effects.

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 in 2023 installed 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, and we continuously monitor our processes 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 technical solutions.

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. 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 the 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 (20%). There has been no change in the 5-member board in 2023 with only one representative of the underrepresented gender. We expect to achieve our goal-target of minimum 2 representatives (40%) from the underrepresented gender on the board before 2025. No measures were undertaken to further the achievement of this goal in 2023.

Share of the underrepresented gender in Management

The management team comprise six people consisting of three males and three females. We thus fulfil the requirements according to our 40% target and have no underrepresented gender.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue	1	317,721,526	308,914,928
Change in inventories of finished goods, work in progress and goods for resale		-229,745,114	-224,829,320
Other external expenses		-44,602,677	-56,391,151
Gross profit		**43,373,735**	**27,694,457**
Staff expenses	2,3	-26,738,831	-23,707,244
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-3,137,634	-1,218,727
Profit/loss before financial income and expenses		**13,497,270**	**2,768,486**
Income from investments in subsidiaries		-411,257	0
Financial income	5	1,672,744	1,299,063
Financial expenses	6	-2,276,853	-1,822,840
Profit/loss before tax		**12,481,904**	**2,244,709**
Tax on profit/loss for the year	7	-2,717,532	-499,475
Net profit/loss for the year	8	**9,764,372**	**1,745,234**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		9,283,642	7,745,036
Intangible assets	9	**9,283,642**	**7,745,036**
Other fixtures and fittings, tools and equipment		225,953	1,116,788
Leasehold improvements		282,690	369,473
Property, plant and equipment	10	**508,643**	**1,486,261**
Investments in subsidiaries	11	0	0
Deposits	12	287,097	1,440,809
Fixed asset investments		**287,097**	**1,440,809**
Fixed assets		**10,079,382**	**10,672,106**
Finished goods and goods for resale		44,606,194	54,083,769
Inventories		**44,606,194**	**54,083,769**
Trade receivables		9,169,471	6,297,690
Receivables from group enterprises		712,610	0
Other receivables		961,553	1,004,782
Prepayments	13	1,038,471	594,440
Receivables		**11,882,105**	**7,896,912**
Cash at bank and in hand		**6,895,772**	**8,135,816**
Current assets		**63,384,071**	**70,116,497**
Assets		**73,463,453**	**80,788,603**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		80,000	80,000
Reserve for development costs		7,241,241	6,041,128
Retained earnings		20,058,681	20,494,422
Equity		**27,379,922**	**26,615,550**
Provision for deferred tax	14	1,843,686	1,161,421
Provisions		**1,843,686**	**1,161,421**
Other payables		0	665,099
Long-term debt	15	**0**	**665,099**
Prepayments received from customers		3,804,670	4,266,540
Trade payables		15,608,552	30,852,678
Payables to group enterprises		2,304,285	2,000,000
Payables to group enterprises relating to corporation tax		2,459,020	3,318,677
Other payables	15	14,714,410	9,452,463
Deferred income	16	5,348,908	2,456,175
Short-term debt		**44,239,845**	**52,346,533**
Debt		**44,239,845**	**53,011,632**
Liabilities and equity		**73,463,453**	**80,788,603**
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Accounting Policies	19		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80,000	6,041,128	20,494,422	26,615,550
Extraordinary dividend paid	0	0	-9,000,000	-9,000,000
Development costs for the year	0	1,200,113	-1,200,113	0
Net profit/loss for the year	0	0	9,764,372	9,764,372
Equity at 31 December	**80,000**	**7,241,241**	**20,058,681**	**27,379,922**

Notes to the Financial Statements

	2023	2022
	DKK	DKK

1. Revenue

	2023 DKK	2022 DKK
Geographical segments		
Revenue, Denmark	146,804,598	153,466,143
Revenue, Netherlands	44,622,297	44,207,370
Revenue, Norway	37,790,721	10,841,542
Revenue, Sweden	60,288,663	51,977,765
Revenue, other	28,215,247	48,422,108
	317,721,526	**308,914,928**
Business segments		
Revenue, sale of goods	237,260,467	226,370,702
Revenue, subscriptions	80,461,059	82,544,226
	317,721,526	**308,914,928**

	2023	2022
	DKK	DKK

2. Staff Expenses

	2023 DKK	2022 DKK
Wages and salaries	22,431,771	19,937,013
Pensions	1,459,379	1,662,778
Other social security expenses	438,289	366,788
Other staff expenses	2,409,392	1,740,665
	26,738,831	**23,707,244**
Including remuneration to the Executive Board and Board of Directors:		
Executive board	3,975,000	2,475,000
Board of directors	650,330	19,343
	4,625,330	**2,494,343**
Average number of employees	**48**	**53**

Notes to the Financial Statements

	2023	2022
	DKK	DKK
3. Special items		
Staff expenses - restructuring	1,971,056	0
	1,971,056	**0**

	2023	2022
	DKK	DKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2,097,090	1,004,099
Depreciation of property, plant and equipment	279,299	214,628
Gain and loss on disposal	761,245	0
	3,137,634	**1,218,727**

	2023	2022
	DKK	DKK
5. Financial income		
Other financial income	144,748	38,661
Exchange adjustments	658,096	1,260,402
Exchange gains	869,900	0
	1,672,744	**1,299,063**

	2023	2022
	DKK	DKK
6. Financial expenses		
Other financial expenses	442,875	128,208
Exchange adjustments, expenses	608,736	0
Exchange loss	1,225,242	1,694,632
	2,276,853	**1,822,840**

Notes to the Financial Statements

	2023	2022
	DKK	DKK

7. Income tax expense

	2023	2022
Current tax for the year	2,171,752	0
Deferred tax for the year	682,265	499,475
Adjustment of tax concerning previous years	-136,485	0
	2,717,532	**499,475**

8. Profit allocation

	2023 DKK	2022 DKK
Extraordinary dividend paid	9,000,000	7,000,000
Retained earnings	764,372	-5,254,766
	9,764,372	**1,745,234**

9. Intangible fixed assets

	Completed development projects DKK
Cost at 1. January	11,289,029
Additions for the year	3,635,696
Cost at 31. December	14,924,725
Impairment losses and depreciation at 1. January	3,543,993
Depreciation for the year	2,097,090
Impairment losses and depreciation at 31. December	5,641,083
Carrying amount at 31. December	**9,283,642**

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.

The amortisation period of completed development projects is 5 year

Notes to the Financial Statements

10. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1. January	2,261,307	483,943
Additions for the year	62,925	0
Disposals for the year	-1,055,280	-79,303
Cost at 31. December	1,268,952	404,640
Impairment losses and depreciation at 1. January	1,144,519	114,470
Depreciation for the year	246,706	32,593
Reversal of impairment and depreciation of sold assets	-348,226	-25,113
Impairment losses and depreciation at 31. December	1,042,999	121,950
Carrying amount at 31. December	**225,953**	**282,690**
Amortised over	3-5 years	5 years

11. Investments in subsidiaries

	2023	2022
	DKK	DKK
Cost at 1 January	0	0
Net effect from merger and acquisition	40,001	0
Cost at 31 December	40,001	0
Net profit/loss for the year	-411,257	0
Value adjustments at 31 December	-411,257	0
Equity investments with negative net asset value amortised over receivables	371,256	0
Carrying amount at 31 December	**0**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
P Noergaard by LUXPLUS ApS	København	40.000	100%

Notes to the Financial Statements

12. Other fixed asset investments

	Deposits
	DKK
Cost at 1. January	1,440,809
Additions for the year	170,000
Disposals for the year	-1,323,712
Cost at 31. December	287,097
Carrying amount at 31. December	**287,097**

13. Prepayments

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

	2023	2022
	DKK	DKK

14. Provision for deferred tax

	2023	2022
Deferred tax liabilities at 1 January	1,161,421	661,946
Inventories	0	-206,000
Amounts recognised in the income statement for the year	682,265	705,475
Deferred tax liabilities at 31 December	**1,843,686**	**1,161,421**

	2023	2022
	DKK	DKK

15. 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:

	2023	2022
Other payables		
After 5 years	0	665,099
Long-term part	0	665,099
Other short-term payables	14,714,410	9,452,463
	14,714,410	**10,117,562**

16. Deferred income

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

17. Contingent assets, liabilities and other financial obligations

	2023	2022
	DKK	DKK
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	559,144	6,036,960
Between 1 and 5 years	0	9,600,000
After 5 years	0	5,200,000
	559,144	**20,836,960**

	2023	2022
	DKK	DKK

17. Contingent assets, liabilities and other financial obligations

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.

18. Related parties and disclosure of consolidated financial statements

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:

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of LUXPLUS ApS for 2023 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 2023 are presented in DKK.

Adjustment of comparative figures

The comparative figures for revenue and cost of sales have been restated due to the merger in 2022. The restatement does have an impact on the net profit/loss for the year.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 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

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. 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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

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 expenses for premises, sales as well as office expenses, etc.

Gross profit

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, 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.

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.

Notes to the Financial Statements

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 on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed 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

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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

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.

Notes to the Financial Statements

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.

Financial liabilities

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

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity