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# *Society of Lifestyle A/S*

Industrivej 29, DK-7430 Ikast

## Annual Report for 2024

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CVR No. 26 65 24 05

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 14/5 2025

Klaus Juhl Pedersen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Society of Lifestyle A/S for the financial year 1 January - 31 December 2024.

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 2024 of the Company and of the results of the Company operations and cash flows for 2024.

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.

Ikast, 14 May 2025

## Executive Board

Klaus Juhl Pedersen  
Executive Officer

## Board of Directors

Dion Møberg Eriksen  
Chairman

Rikke Juhl Jensen

Gitte Juhl Capel

Klaus Juhl Pedersen

# Independent Auditor's report

To the shareholder of Society of Lifestyle A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Society of Lifestyle A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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.

Herning, 14 May 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Spencer Poulsen  
State Authorised Public Accountant  
mne23324

Hans Jørgen Andersen  
State Authorised Public Accountant  
mne30211

## Company information

|                           |  |
|---------------------------|--|
| <b>The Company</b>        | Society of Lifestyle A/S<br>Industrivej 29<br>DK-7430 Ikast<br><br>Telephone: +45 97252714<br>Email: denmark@societyoflifestyle.com<br>Website: www.societyoflifestyle.com<br><br>CVR No: 26 65 24 05<br>Financial period: 1 January - 31 December<br>Incorporated: 12 June 2002<br>Financial year: 23th financial year<br>Municipality of reg. office: Ikast-Brande |
| <b>Board of Directors</b> | Dion Møberg Eriksen, chairman<br>Rikke Juhl Jensen<br>Gitte Juhl Capel<br>Klaus Juhl Pedersen  |
| <b>Executive Board</b>    | Klaus Juhl Pedersen  |
| <b>Auditors</b>           | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Platanvej 4<br>DK-7400 Herning   |
| <b>Bankers</b>            | Jyske Bank<br>Haraldsgade 36<br>7400 Herning   |

# Financial Highlights

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

|  | 2024    | 2023    | 2022    | 2021    | 2020    |
|--|---------|---------|---------|---------|---------|
|  | TDKK    | TDKK    | TDKK    | TDKK    | TDKK    |
| <b>Key figures</b>                               |         |         |         |         |         |
| <b>Profit/loss</b>                               |         |         |         |         |         |
| Gross profit                                     | 65,954  | 74,868  | 81,138  | 120,450 | 112,704 |
| Profit/loss of primary operations                | 6,172   | 10,696  | -2,205  | 44,986  | 48,507  |
| Profit/loss of financial income and expenses     | -599    | -2,686  | 6,089   | -1,791  | 88      |
| Net profit/loss for the year                     | 4,478   | -7,611  | -7,591  | 33,555  | 38,671  |
| <b>Balance sheet</b>                             |         |         |         |         |         |
| Balance sheet total                              | 143,323 | 164,646 | 193,982 | 209,853 | 150,374 |
| Investment in property, plant and equipment      | 428     | 1,600   | 8,269   | 21,548  | 3,302   |
| Equity   | 89,087  | 84,276  | 92,292  | 123,850 | 87,630  |
| <b>Cash flows</b>                                |         |         |         |         |         |
| Cash flows from:                                 |         |         |         |         |         |
| - operating activities                           | 22,837  | 30,160  | -6,749  | -22,546 | 47,583  |
| - investing activities                           | -4,897  | -1,585  | -8,118  | -21,498 | -3,311  |
| - financing activities                           | -16,832 | -28,470 | 12,474  | 39,841  | -46,143 |
| Change in cash and cash equivalents for the year | 1,108   | 105     | -2,393  | -4,203  | -1,871  |
| Number of employees                              | 103     | 125     | 161     | 151     | 141     |
| <b>Ratios</b>                                    |         |         |         |         |         |
| Return on assets                                 | 4.3%    | 6.5%    | -1.1%   | 21.4%   | 32.3%   |
| Solvency ratio                                   | 62.2%   | 51.2%   | 47.6%   | 59.0%   | 58.3%   |
| Return on equity                                 | 5.2%    | -8.6%   | -7.0%   | 31.7%   | 42.1%   |

# Management's review

## Key activities

The activities of the Company consist of development and trading within interior and interior design under the brand House Doctor, within care products under the brand Meraki, within gourmet food products under the brand Nicolas Vahé and within bedding products under the brand ByNord.

## Market overview

The Company has branches in Sweden, United Kingdom, the Netherlands and Germany.

## Development in the year

The income statement of the Company for 2024 shows a profit of DKK 4,298,975 of continuing activities, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 89,037,928.

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

The global situation including crisis in Ukraine and Israel/Gaza continues to cause a challenging market situation as well as logistic challenges. Retailer customers continue to be nervous and reluctant despite the reduced inflation and the slightly reduced interest rates, and as a result we have not fully met the expectations for revenue and earnings despite the positive impact by the earlier implemented internal restructuring initiatives.

The close down of our physical representation in USA decided in 2023 was implemented during 2024 as planned, with only minor impact on the 2024 result.

During 2024 we decided to close down the By Nord bedding brand due to limited growth potential.

The result in 2024 has not fully met management's expectations, but we believe we have a strong setup for a positive outlook for the future.

## Special risks - operating risks and financial risks

### Foreign exchange risks

A significant part of the Company's purchases and sales is carried out in foreign currency. To cover the risk of negative exchange rate fluctuation the Company engage in hedging transactions lasting up to 12 months.

No special risks besides the common risk within the Company's industry has been identified.

## Targets and expectations for the year ahead

Management expects a continued challenging activity level in 2025 due to uncertainty in the global economy, caused by a high global crisis level which can influence on both market situation and logistics. Revenue is expected to be comparable to 2024. The effect of restructuring and sales price adjustments leads us to aim for a slightly better bottom line in 2025 than in 2024.

A profit before tax in the range of DKK 10 - 15 million is expected in 2025.

## External environment

The Company's activities are not considered to have a significant impact on the environment.

## Intellectual capital resources

The Company's future earnings depend on a high level of knowledge resources within the design of new products, branding to new and existing customers as well as purchasing and inventory management.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

# Management's review

## Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024 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 | 2024              | 2023              |
|---|------|-------------------|-------------------|
|   |      | DKK               | DKK               |
| <b>Gross profit</b>   |      | <b>65,954,190</b> | <b>74,867,608</b> |
| Staff expenses  | 1    | -53,905,997       | -58,083,302       |
| Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment | 2    | -5,875,908        | -6,088,079        |
| <b>Profit/loss before financial income and expenses</b>   |      | <b>6,172,285</b>  | <b>10,696,227</b> |
| Financial income  | 3    | 1,493,092         | 1,754,612         |
| Financial expenses  | 4    | -2,091,771        | -4,440,745        |
| <b>Profit/loss before tax</b>   |      | <b>5,573,606</b>  | <b>8,010,094</b>  |
| Tax on profit/loss for the year   | 5    | -1,225,631        | -2,231,352        |
| <b>Profit/loss of continuing activities</b>   |      | <b>4,347,975</b>  | <b>5,778,742</b>  |
| Discontinuing activities  | 7    | 130,028           | -13,389,591       |
| <b>Net profit/loss for the year</b>   | 6    | <b>4,478,003</b>  | <b>-7,610,849</b> |

## Balance sheet 31 December

### Assets

|  | Note      | 2024               | 2023               |
|--|-----------|--------------------|--------------------|
|  |           | DKK                | DKK                |
| Goodwill   |           | 0                  | 625,000            |
| Software   |           | 4,434,144          | 0                  |
| <b>Intangible assets</b>                           | <b>8</b>  | <b>4,434,144</b>   | <b>625,000</b>     |
| Other fixtures and fittings, tools and equipment   |           | 15,862,390         | 20,581,281         |
| Leasehold improvements                             |           | 178,365            | 247,198            |
| <b>Property, plant and equipment</b>               | <b>9</b>  | <b>16,040,755</b>  | <b>20,828,479</b>  |
| Other investments                                  | 10        | 30,000             | 30,000             |
| Deposits   | 10        | 1,816,056          | 1,816,056          |
| <b>Fixed asset investments</b>                     |           | <b>1,846,056</b>   | <b>1,846,056</b>   |
| <b>Fixed assets</b>                                |           | <b>22,320,955</b>  | <b>23,299,535</b>  |
| <b>Inventories</b>                                 | <b>11</b> | <b>61,653,570</b>  | <b>74,732,352</b>  |
| Trade receivables                                  |           | 18,295,657         | 19,356,175         |
| Receivables from group enterprises                 |           | 30,293,169         | 29,060,401         |
| Other receivables                                  |           | 180,210            | 182,417            |
| Deferred tax asset                                 | 12        | 2,808,000          | 3,991,000          |
| Prepayments  | 13        | 2,692,972          | 2,514,762          |
| <b>Receivables</b>                                 |           | <b>54,270,008</b>  | <b>55,104,755</b>  |
| <b>Cash at bank and in hand</b>                    |           | <b>4,129,213</b>   | <b>3,021,550</b>   |
| <b>Current assets</b>                              |           | <b>120,052,791</b> | <b>132,858,657</b> |
| <b>Assets relating to discontinuing activities</b> | <b>7</b>  | <b>949,358</b>     | <b>8,487,349</b>   |
| <b>Assets</b>                                      |           | <b>143,323,104</b> | <b>164,645,541</b> |

## Balance sheet 31 December

### Liabilities and equity

|  | Note | 2024               | 2023               |
|--|------|--------------------|--------------------|
|  |      | DKK                | DKK                |
| Share capital  |      | 20,000,000         | 20,000,000         |
| Reserve for hedging transactions                               |      | -563,325           | -941,361           |
| Other reserves   |      | -81,581            | -36,294            |
| Retained earnings  |      | 69,731,834         | 65,253,831         |
| <b>Equity</b>  |      | <b>89,086,928</b>  | <b>84,276,176</b>  |
| Lease obligations  |      | 7,062,228          | 9,398,602          |
| <b>Long-term debt</b>  | 14   | <b>7,062,228</b>   | <b>9,398,602</b>   |
| Credit institutions  |      | 1,033,616          | 6,733,203          |
| Lease obligations  | 14   | 2,337,618          | 2,301,307          |
| Prepayments received from customers                            |      | 125,942            | 692,430            |
| Trade payables   |      | 14,266,808         | 17,994,658         |
| Payables to group enterprises                                  |      | 25,410,867         | 34,243,283         |
| Corporation tax  |      | 362,796            | 434,106            |
| Other payables   | 15   | 3,636,301          | 6,048,413          |
| <b>Short-term debt</b>   |      | <b>47,173,948</b>  | <b>68,447,400</b>  |
| <b>Debt</b>  |      | <b>54,236,176</b>  | <b>77,846,002</b>  |
| <b>Liabilities relating to discontinuing activities</b>        | 7    | <b>0</b>           | <b>2,523,363</b>   |
| <b>Liabilities and equity</b>                                  |      | <b>143,323,104</b> | <b>164,645,541</b> |
| Contingent assets, liabilities and other financial obligations | 18   |                    |                    |
| Related parties  | 19   |                    |                    |
| Subsequent events  | 20   |                    |                    |
| Accounting Policies  | 21   |                    |                    |

## Statement of changes in equity

|   | Share capital     | Reserve for hedging transactions | Other reserves | Retained earnings | Total             |
|---|-------------------|----------------------------------|----------------|-------------------|-------------------|
|   | DKK               | DKK                              | DKK            | DKK               | DKK               |
| Equity at 1 January   | 20,000,000        | -941,361                         | -36,294        | 65,253,831        | 84,276,176        |
| Exchange adjustments  | 0                 | 0                                | -45,287        | 0                 | -45,287           |
| Fair value adjustment of hedging instruments, beginning of year | 0                 | 587,229                          | 0              | 0                 | 587,229           |
| Fair value adjustment of hedging instruments, end of year       | 0                 | -102,568                         | 0              | 0                 | -102,568          |
| Tax on adjustment of hedging instruments for the year           | 0                 | -106,625                         | 0              | 0                 | -106,625          |
| Net profit/loss for the year                                    | 0                 | 0                                | 0              | 4,478,003         | 4,478,003         |
| <b>Equity at 31 December</b>                                    | <b>20,000,000</b> | <b>-563,325</b>                  | <b>-81,581</b> | <b>69,731,834</b> | <b>89,086,928</b> |

## Cash flow statement 1 January - 31 December

|   | Note | 2024               | 2023               |
|---|------|--------------------|--------------------|
|   |      | DKK                | DKK                |
| Result of the year                                      |      | 4,478,003          | -7,610,849         |
| Adjustments   | 16   | 7,403,820          | 5,978,503          |
| Change in working capital                               | 17   | 11,523,368         | 33,307,337         |
| <b>Cash flow from operations before financial items</b> |      | <b>23,405,191</b>  | <b>31,674,991</b>  |
| Financial income  |      | 1,744,203          | 3,009,080          |
| Financial expenses                                      |      | -2,091,771         | -4,440,745         |
| <b>Cash flows from ordinary activities</b>              |      | <b>23,057,623</b>  | <b>30,243,326</b>  |
| Corporation tax paid                                    |      | -220,566           | -83,741            |
| <b>Cash flows from operating activities</b>             |      | <b>22,837,057</b>  | <b>30,159,585</b>  |
| Purchase of intangible assets                           |      | -4,469,144         | 0                  |
| Purchase of property, plant and equipment               |      | -428,184           | -1,600,133         |
| Fixed asset investments made etc                        |      | 0                  | 9,444              |
| Sale of property, plant and equipment                   |      | 0                  | 6,000              |
| <b>Cash flows from investing activities</b>             |      | <b>-4,897,328</b>  | <b>-1,584,689</b>  |
| Reduction of lease obligations                          |      | -2,300,063         | -2,078,117         |
| Repayment of payables to group enterprises              |      | -8,832,416         | -521,672           |
| Change in loans from credit institutions                |      | -5,699,587         | -25,870,157        |
| <b>Cash flows from financing activities</b>             |      | <b>-16,832,066</b> | <b>-28,469,946</b> |
| <b>Change in cash and cash equivalents</b>              |      | <b>1,107,663</b>   | <b>104,950</b>     |
| Cash and cash equivalents at 1 January                  |      | 3,021,550          | 2,916,600          |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>4,129,213</b>   | <b>3,021,550</b>   |
| Cash and cash equivalents are specified as follows:     |      |                    |                    |
| Cash at bank and in hand                                |      | 4,129,213          | 3,021,550          |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>4,129,213</b>   | <b>3,021,550</b>   |

# Notes to the Financial Statements

|   | <u>2024</u>       | <u>2023</u>       |
|---|-------------------|-------------------|
|   | DKK               | DKK               |
| <b>1. Staff expenses</b>  |                   |                   |
| Wages and salaries  | 49,418,342        | 53,224,518        |
| Pensions  | 3,261,964         | 3,517,328         |
| Other social security expenses  | 1,225,691         | 1,341,456         |
|   | <u>53,905,997</u> | <u>58,083,302</u> |
| <br>  |                   |                   |
| <b>Including remuneration to the Executive Board and Board of Directors</b>                                       | <u>1,759,974</u>  | <u>1,173,368</u>  |
| <br>  |                   |                   |
| <b>Average number of employees</b>  | <u>103</u>        | <u>125</u>        |
|   |                   |                   |
|   | <u>2024</u>       | <u>2023</u>       |
|   | DKK               | DKK               |
| <b>2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b> |                   |                   |
| Amortisation of intangible assets   | 150,000           | 150,000           |
| Depreciation of property, plant and equipment   | 5,250,908         | 5,938,079         |
| Impairment of intangible assets   | 475,000           | 0                 |
|   | <u>5,875,908</u>  | <u>6,088,079</u>  |
|   |                   |                   |
|   | <u>2024</u>       | <u>2023</u>       |
|   | DKK               | DKK               |
| <b>3. Financial income</b>  |                   |                   |
| Interest received from group enterprises  | 1,380,518         | 1,618,774         |
| Other financial income  | 112,574           | 135,838           |
|   | <u>1,493,092</u>  | <u>1,754,612</u>  |

## Notes to the Financial Statements

|                                    | <u>2024</u>      | <u>2023</u>       |
|------------------------------------|------------------|-------------------|
|                                    | DKK              | DKK               |
| <b>4. Financial expenses</b>       |                  |                   |
| Interest paid to group enterprises | 1,256,936        | 2,061,843         |
| Other financial expenses           | 679,916          | 1,740,856         |
| Exchange loss                      | 154,919          | 638,046           |
|                                    | <u>2,091,771</u> | <u>4,440,745</u>  |
|                                    |                  |                   |
|                                    | <u>2024</u>      | <u>2023</u>       |
|                                    | DKK              | DKK               |
| <b>5. Income tax expense</b>       |                  |                   |
| Current tax for the year           | 149,256          | 178,359           |
| Deferred tax for the year          | 1,183,000        | 1,936,000         |
|                                    | <u>1,332,256</u> | <u>2,114,359</u>  |
| thus distributed:                  |                  |                   |
| Income tax expense                 | 1,225,631        | 2,231,352         |
| Tax on equity movements            | 106,625          | -116,993          |
|                                    | <u>1,332,256</u> | <u>2,114,359</u>  |
|                                    |                  |                   |
|                                    | <u>2024</u>      | <u>2023</u>       |
|                                    | DKK              | DKK               |
| <b>6. Profit allocation</b>        |                  |                   |
| Retained earnings                  | 4,478,003        | -7,610,849        |
|                                    | <u>4,478,003</u> | <u>-7,610,849</u> |

## Notes to the Financial Statements

|  | 2024           | 2023               |
|--|----------------|--------------------|
|  | DKK            | DKK                |
| <b>7. Discontinuing activities</b>                       |                |                    |
| Gross profit/loss  | -121,083       | -18,420,059        |
| Financial income   | 251,111        | 1,254,468          |
| Profit/loss before tax                                   | <u>130,028</u> | <u>-17,165,591</u> |
| Tax on profit/loss for the year                          | 0              | 3,776,000          |
| Net profit/loss for the year of discontinuing activities | <u>130,028</u> | <u>-13,389,591</u> |
| Receivables  | 949,358        | 8,487,349          |
| Current assets   | <u>949,358</u> | <u>8,487,349</u>   |
| Assets relating to discontinuing activities              | <u>949,358</u> | <u>8,487,349</u>   |
| Debt   | 0              | 2,523,363          |
| Liabilities relating to discontinuing activities         | <u>0</u>       | <u>2,523,363</u>   |

## 8. Intangible fixed assets

|   | Goodwill         | Software         |
|---|------------------|------------------|
|   | DKK              | DKK              |
| Cost at 1 January                                 | 1,500,000        | 0                |
| Additions for the year                            | 0                | 4,469,144        |
| Cost at 31 December                               | <u>1,500,000</u> | <u>4,469,144</u> |
| Impairment losses and amortisation at 1 January   | 875,000          | 0                |
| Impairment losses for the year                    | 475,000          | 0                |
| Amortisation for the year                         | 150,000          | 35,000           |
| Impairment losses and amortisation at 31 December | <u>1,500,000</u> | <u>35,000</u>    |
| Carrying amount at 31 December                    | <u>0</u>         | <u>4,434,144</u> |
| Amortised over                                    | <u>10 years</u>  | <u>5 years</u>   |

# Notes to the Financial Statements

## 9. Property, plant and equipment

|  | Other fixtures<br>and fittings,<br>tools and<br>equipment | Leasehold<br>improve-<br>ments |
|--|---|--------------------------------|
|  | DKK   | DKK                            |
| Cost at 1 January                                  | 53,456,215  | 621,017                        |
| Additions for the year                             | 428,184   | 0                              |
| Cost at 31 December                                | <u>53,884,399</u>   | <u>621,017</u>                 |
| Impairment losses and depreciation at 1 January    | 32,874,934  | 373,819                        |
| Depreciation for the year                          | 5,147,075   | 68,833                         |
| Impairment losses and depreciation at 31 December  | <u>38,022,009</u>   | <u>442,652</u>                 |
| <b>Carrying amount at 31 December</b>              | <b><u>15,862,390</u></b>                                  | <b><u>178,365</u></b>          |
| Amortised over                                     | <u>3-7 years</u>  | <u>3-5 years</u>               |
| Including assets under finance leases amounting to | <u>9,398,606</u>  | <u>0</u>                       |

## 10. Other fixed asset investments

|                                       | Other<br>investments | Deposits                |
|---------------------------------------|----------------------|-------------------------|
|                                       | DKK                  | DKK                     |
| Cost at 1 January                     | 30,000               | 1,816,056               |
| Cost at 31 December                   | <u>30,000</u>        | <u>1,816,056</u>        |
| <b>Carrying amount at 31 December</b> | <b><u>30,000</u></b> | <b><u>1,816,056</u></b> |

## 11. Inventories

|                                     | 2024              | 2023              |
|-------------------------------------|-------------------|-------------------|
|                                     | DKK               | DKK               |
| Finished goods and goods for resale | 52,545,153        | 64,960,372        |
| Prepayments for goods               | 9,108,417         | 9,771,980         |
|                                     | <u>61,653,570</u> | <u>74,732,352</u> |

## Notes to the Financial Statements

|   | 2024             | 2023             |
|---|------------------|------------------|
|   | DKK              | DKK              |
| <b>12. Deferred tax asset</b>                           |                  |                  |
| Deferred tax asset at 1 January                         | 3,991,000        | 2,151,000        |
| Amounts recognised in the income statement for the year | -1,076,375       | 1,723,007        |
| Amounts recognised in equity for the year               | -106,625         | 116,993          |
| <b>Deferred tax asset at 31 December</b>                | <b>2,808,000</b> | <b>3,991,000</b> |

The recognised tax asset comprises tax loss carry-forward expected to be utilised within the next three to five years.

### 13. Prepayments

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

|                           | 2024 | 2023 |
|---------------------------|------|------|
|                           | DKK  | DKK  |
| <b>14. Long-term debt</b> |      |      |

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:

|                          |                  |                   |
|--------------------------|------------------|-------------------|
| <b>Lease obligations</b> |                  |                   |
| After 5 years            | 0                | 0                 |
| Between 1 and 5 years    | 7,062,228        | 9,398,602         |
| Long-term part           | 7,062,228        | 9,398,602         |
| Within 1 year            | 2,337,618        | 2,301,307         |
|                          | <b>9,399,846</b> | <b>11,699,909</b> |

## Notes to the Financial Statements

| 2024 | 2023 |
|------|------|
| DKK  | DKK  |

### 15. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

|   |         |          |
|---|---------|----------|
| Liabilities                               | 102,568 | 587,229  |
| Change in fair value recognized in equity | 484,661 | -531,787 |

Forward exchange contracts have been concluded to hedge future purchase of goods in USD and EUR and sale of goods in SEK, NOK, GBP, EUR and USD. At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK 102,568. Purchase of goods in USD and EUR of DKK 7,3 mio. has been hedged. Sale of goods in SEK, NOK, GBP, EUR and USD of DKK 26,3 mio. has been hedged. The forward exchange contracts have a term of 1-5 months.

| 2024 | 2023 |
|------|------|
| DKK  | DKK  |

### 16. Cash flow statement - Adjustments

|   |                  |                  |
|---|------------------|------------------|
| Financial income  | -1,744,203       | -3,009,080       |
| Financial expenses  | 2,091,771        | 4,440,745        |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 5,875,908        | 6,082,079        |
| Tax on profit/loss for the year   | 1,225,631        | -1,544,648       |
| Exchange adjustments  | -45,287          | 9,407            |
|   | <b>7,403,820</b> | <b>5,978,503</b> |

| 2024 | 2023 |
|------|------|
| DKK  | DKK  |

### 17. Cash flow statement - Change in working capital

|   |                   |                   |
|---|-------------------|-------------------|
| Change in inventories                         | 13,078,782        | 9,513,627         |
| Change in receivables                         | 7,189,738         | 17,270,601        |
| Change in trade payables, etc                 | -9,229,813        | 7,054,896         |
| Fair value adjustments of hedging instruments | 484,661           | -531,787          |
|   | <b>11,523,368</b> | <b>33,307,337</b> |

## Notes to the Financial Statements

|   | <u>2024</u>      | <u>2023</u>    |
|---|------------------|----------------|
|   | DKK              | DKK            |
| <b>18. Contingent assets, liabilities and other financial obligations</b>   |                  |                |
| <b>Charges and security</b>   |                  |                |
| The following assets have been placed as security with bankers:   |                  |                |
| Corporate mortgage totaling TDKK 50,000 which provides a mortgage on inventories, receivables from sales and services, other fixtures and fittings, tools and equipment as well as intangible assets to a total carrying amount of  | 100,196,000      | 115,237,000    |
| <b>Rental and lease obligations</b>   |                  |                |
| Lease obligations under operating leases. Total future lease payments:  |                  |                |
| Within 1 year   | 707,000          | 749,000        |
| Between 1 and 5 years   | 821,000          | 236,000        |
|   | <u>1,528,000</u> | <u>985,000</u> |
| Leases with a total lease obligation during the notice period of  | 13,271,000       | 12,391,000     |
| <b>Other contingent liabilities</b>   |                  |                |
| The company has issued an unlimited surety bond to Nordmark Invest ApS' balances with credit institutions.  |                  |                |
| The company has provided a bank guarantee to a third party totaling TEUR 55.  |                  |                |
| 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 Up & Up Capital A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability. |                  |                |

# Notes to the Financial Statements

## 19. Related parties and disclosure of consolidated financial statements

|                              | <u>Basis</u>             |
|------------------------------|--------------------------|
| <b>Controlling interest</b>  |                          |
| Up & Up Capital A/S          | Parent company, ultimate |
| House Doctor Group ApS       | Parent company           |
| <b>Other related parties</b> |                          |
| Nordmark Invest ApS          | Sister company           |
| Society of Lifestyle US Inc. | Sister company           |
| Society of Lifestyle Asia    | Sister company           |

### Transactions

During the year, apart from intra-group transactions and normal management remuneration, no transactions were carried out with the Board of Directors, the Executive Board, senior executives, significant shareholders, affiliated companies or other related parties that were not carried out on normal market terms pursuant to section 98 c, subsection 7.

### Consolidated Financial Statements

The company is included in the consolidated report for:

| <u>Name</u>         | <u>Place of registered office</u> |
|---------------------|-----------------------------------|
| Up & Up Capital A/S | Ikast                             |

## 20. Subsequent events

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

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of Society of Lifestyle A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2024 are presented in DKK.

### Changes in accounting policies

A few reclassifications have been made in the comparative figures. The reclassifications have no effect on the result, balance sheet or equity. In addition, the accounting policies used are unchanged compared to previous years.

### Recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

# Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

## Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

## Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

## 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 Company.

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, other operating income, expenses for raw materials and consumables and other external expenses.

# Notes to the Financial Statements

## Staff expenses

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

## Amortisation, depreciation and impairment losses

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

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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 Up & Up Capital A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

#### *Other intangible fixed assets*

Software are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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 | 3-7 years |
| Leasehold improvements                           | 3-5 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 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.

## **Fixed asset investments**

Fixed asset investments, which consist of unlisted shares, are measured at cost price at the balance sheet date.

## **Other fixed asset investments**

Other fixed asset investments consist of deposits.

## **Inventories**

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

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

The cost of goods for resale equals landed cost.

## **Receivables**

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

## **Prepayments**

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

## **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.

# Notes to the Financial Statements

## Financial liabilities

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

## Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company'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".

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

## Financial Highlights

### Explanation of financial ratios

|                  |   |
|------------------|---|
| Return on assets | $\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$ |
| Solvency ratio   | $\text{Equity at year end} \times 100 / \text{Total assets at year end}$                |
| Return on equity | $\text{Net profit for the year} \times 100 / \text{Average equity}$                     |