Blazar ApS

Lindgreens Allé 9, DK-2300 København S

Annual Report for 1 January - 31 December 2022

CVR No 29 82 52 46

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/6 2023

Christian Francois Vangsted Arnstedt
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Blazar ApS for the financial year 1 January - 31 December 2022.

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

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

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

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

Copenhagen, 15 June 2023

Executive Board

Christian Francois Vangsted Arnstedt CEO	Pascar Paw Paramasivam	Vasilij Niiazi Brandt
Michael Anders Segelcke Lunau Thomsen		

Independent Auditor's Report

To the Shareholders of Blazar ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

Hellerup, 15 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen	Martin Birch
State Authorised Public Accountant	State Authorised Public Accountant
mne16675	mne42825

Company Information

The Company	Blazar ApS Lindgreens Allé 9 DK-2300 København S CVR No: 29 82 52 46 Financial period: 1 January - 31 December Incorporated: 1 November 2006 Financial year: 16th financial year Municipality of reg. office: Copenhagen
Executive Board	Christian Francois Vangsted Arnstedt Pascar Paw Paramasivam Vasilij Niiazi Brandt Michael Anders Segelcke Lunau Thomsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group		
	2022	2021	2020
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	159,557	147,678	116,565
Profit/loss before financial income and expenses	-31,573	-34,384	-19,706
Net financials	-11,560	-7,702	-11,867
Net profit/loss for the year	-43,271	-42,035	-31,452
Balance sheet			
Balance sheet total	145,435	158,265	77,110
Equity	90,591	110,860	-41,014
Cash flows			
Cash flows from:			
- operating activities	-37,127	-14,784	-37,158
- investing activities	-24,683	-9,657	-8,135
including investment in property, plant and equipment	-180	-93	-209
- financing activities	30,363	112,413	20,389
Change in cash and cash equivalents for the year	-31,447	87,972	-24,904
Number of employees	72	106	71
Ratios			
Gross margin	4.4%	-2.7%	0.8%
Profit margin	-19.8%	-23.3%	-16.9%
Return on assets	-21.7%	-21.7%	-25.6%
Solvency ratio	62.3%	70.0%	-53.2%
Return on equity	-43.0%	-120.4%	

As this is the second consolidated financial statements with comparative figures for the group, the comparative figures for 2019 and 2018 has not been stated and are omitted in accordance with the Danish Financial Statements Act, section 128.

Management's Review

Key activities

Blazar builds and invests in high potential brands. Blazar operates within consumer e-commerce and B2B, as well as within the technology space that supports e-commerce businesses. Blazar regularly works with high profile talents and influential people to elevate growth of our companies and/or build companies around these. The Blazar team has substantial experience with launching new brands at high pace and assists the businesses in creating and sustaining an accelerated growth journey, while also supporting the long-term development.

Several Blazar companies has had strong growth trajectory in 2022. This includes, but is not limited to, Chamberlain Coffee (an organic coffee brand created together with Emma Chamberlain), Moonboon (a baby equipment company that has developed an innovate electrical hammock), MessyWeekend (an urban sunglass and snow goggles brand), and Scandinavian Biolabs (a natural hair care brand).

To support the brands in the Blazar portfolio, Blazar has built an end-to-end e-commerce support model, building on experience in core functional areas such as Marketing & Sales, Supply Chain, Tech, and Finance, enabling Blazar to support companies in their growth journey. During 2022 Blazar has added multiple new supporting agencies to the portfolio with the aim of better supporting the e-commerce brands. This includes Mercive (Shopify agency), DreamInfluencers (influencer marketing platform), and Hakio (inventory forecasting tool). Algorize (marketing agency) has continued to support Blazar brands with social media and e-mail marketing.

Development in the year

2022 was a satisfactory year for Blazar in a challenging macro environment. Four of the five largest portfolio companies grew 24-87% versus 2021. The consolidated financial statements for Blazar show a revenue of TDKK 159,557 in 2022. It is important to note that Blazar has multiple investments in companies that are not consolidated in this report, hence the consolidated financial statements only reflect companies where Blazar owns at least 50% of the shares. In most of the companies that Blazar holds ownership in, Blazar owns less than 50% and this revenue is thus not consolidated into the Blazar group revenue.

Overall, the largest companies in Blazar's portfolio have realized noteworthy growth in 2022 with Chamberlain Coffee achieving 54% increase in revenue compared to 2021 together with Messy Weekend that delivered a 53% increase in its topline compared to 2021. Additionally, Moonboon has been on a strong growth journey and has increased revenue by 24% compared to 2021. Furthermore, Scandinavian Biolabs has continued to exhibit a significant growth trajectory with an 87% increase in revenue compared to 2021.
However, due to decline in Nordgreen revenue, the Blazar group ended below the 30-40% growth that was listed in the 2021 annual report. A significant part of the brands that Blazar has ownership in that are not consolidated into the financial report experienced strong growth in 2022.

Blazar Labs is Blazar Capital's portfolio with smaller high potential growth cases. During 2022 the Blazar Labs grew further. The Blazar Labs portfolio topline increased by 189% vs 2021 (including both existing and new investments).

Blazar's five largest companies (Chamberlain Coffee, Nordgreen, Scandinavian Biolabs, Messy Weekend, and Moonboon – not all consolidated in this report) in addition to the ownership adjusted revenue (the portfolio companies revenue multiplied by Blazar share ownership percentage) of the remaining portfolio, generated a 2021 revenue of TDKK 252,000 and, 2022 revenue of TDKK 311,000.

The consolidated income statement for Blazar in 2022 reveals a post-tax result of TDKK -43,271. The post-tax result remains in close alignment with projections and the company's strategic direction. The result is expected as the majority of the portfolio is young companies that are not mature yet. The result includes considerable investments in areas such as marketing, brand awareness, product development, and other drivers of future growth. As of 31 December 2022, Blazar's group balance sheet reports an equity of TDKK 90,591.

Inflation and the war in Ukraine

The macroeconomic environment with high inflation and rising interest rates has a significant impact on e-commerce companies as consumers' disposable income has decreased leading to cautious consumer behavior. Blazar's portfolio companies have been impacted by this change in consumer behavior which has slowed growth; however, most companies within Blazar's portfolio have achieved noticeable growth. Nordgreen has been affected the most by this change in behavior as Nordgreen product sales price is among the highest in the Blazar portfolio, this has led to a change in strategy for 2023, with a higher focus on unit economics and less on growth.

Management's Review

Outlook

The management expects Blazar to invest in new companies in 2023 and thus extend the portfolio. Adding to this sentiment, Blazar expects to invest additionally in existing portfolio companies to enable further growth and the launch of new initiatives and products in 2023.

Together with portfolio companies Blazar has outlined its strategy for 2023, including refocusing operations to increase profitability rather than focusing on increasing topline. As a result of the changing market conditions profitability will be the top priority for more of Blazar's portfolio of brands in 2023. This includes revaluating sales channels, focusing on cost efficiency in relation to COGS, marketing, and SG&A.

Overall, the Blazar group has seen advantageous tendencies in 2022 with some of the largest companies outperforming their targets and anticipates it to continue in 2023. Moreover, it is expected that several of the companies will launch new products and initiatives in 2023 which will drive scale towards becoming more established players in their respective industries and thus increase both top-and bottom line. Following this, a revenue growth of 10-20% (only including fully consolidated companies as of 31 December 2022) with an improvement by 10% in net profit/loss expected in 2023. The group has cash and cash equivalents of TDKK 65,688 at the end of 2022 which shows that the group has a robust cash position which effectively safeguards the company's liquidity and ensures its financial stability. This cash reserve enables the organization to navigate market uncertainties and economic fluctuations.

External environment

The Blazar group strives to minimize its impact on the external environment and encourage the portfolio brands to adopt processes to minimize environmental footprints. In 2022 Nordgreen has become a certified B Corporation, a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. Blazar has contracted with external experts and suggested for the brands that Blazar has ownership positions in to work with these experts as external counselors.

Intellectual capital resources

Blazar has deep experience within the e-commerce industry with core competencies including incubating and developing new growth companies. Blazar assembles distinctive teams to manage its portfolio companies and help enable them to become international brands. Capitalizing on deep experience in developing new products and together with a network of specialists, Blazar has developed multiple consumer liked products. The Blazar group has deep experience within marketing and sales, supply chain, tech, and finance, enabling Blazar to effectively support the scale journey of companies.

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	Consolidated 2022	Consolidated 2021	Parent Company 2022	Parent Company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue		**159,557**	**147,678**	**4,728**	**5,524**
Work on own account recognised in assets		889	0	0	0
Expenses for raw materials and consumables		-51,063	-63,554	-67	-191
Other external expenses		-102,350	-88,157	-5,855	-4,768
Gross profit/loss		**7,033**	**-4,033**	**-1,194**	**565**
Staff expenses	1	-37,440	-28,743	-6,206	-5,089
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-1,166	-627	-57	-52
Other operating expenses		0	-981	0	0
Profit/loss before financial income and expenses		**-31,573**	**-34,384**	**-7,457**	**-4,576**
Results from investments in associates		-7,760	-3,936	-432	-367
Financial income	3	210	199	732	1,039
Financial expenses	4	-4,010	-3,965	-2,379	-2,105
Profit/loss before tax		**-43,133**	**-42,086**	**-9,536**	**-6,009**
Tax on profit/loss for the year	5	-138	51	0	51
Net profit/loss for the year		**-43,271**	**-42,035**	**-9,536**	**-5,958**

Balance Sheet 31 December

Assets

		Consolidated		Parent Company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Completed development projects		2,659	0	0	0
Goodwill		7,839	2,802	0	0
Intangible assets	6	**10,498**	**2,802**	**0**	**0**
Other fixtures and fittings, tools and equipment		95	1,189	0	0
Leasehold improvements		165	139	105	139
Property, plant and equipment	7	**260**	**1,328**	**105**	**139**
Investments in subsidiaries	8	0	0	76,500	31,620
Investments in associates	9	15,536	8,631	1,823	2,013
Other investments	10	7,345	5,193	7,045	5,193
Deposits	10	884	779	654	600
Fixed asset investments		**23,765**	**14,603**	**86,022**	**39,426**
Fixed assets		**34,523**	**18,733**	**86,127**	**39,565**
Inventories	11	**32,502**	**26,009**	**0**	**0**
Trade receivables		9,113	12,595	1,696	91
Receivables from group enterprises		0	0	11,470	35,220
Other receivables		1,984	2,284	542	1,727
Prepayments	12	1,625	1,509	0	0
Receivables		**12,722**	**16,388**	**13,708**	**37,038**
Cash at bank and in hand		**65,688**	**97,135**	**59,180**	**86,550**
Currents assets		**110,912**	**139,532**	**72,888**	**123,588**
Assets		**145,435**	**158,265**	**159,015**	**163,153**

Balance Sheet 31 December

Liabilities and equity

	Note	Consolidated		Parent Company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		1,179	1,166	1,179	1,166
Reserve for exchange rate adjustments		-387	0	0	0
Retained earnings		91,191	111,905	157,076	161,229
Equity attributable to shareholders of the Parent Company		**91,983**	**113,071**	**158,255**	**162,395**
Minority interests		-1,392	-2,211	0	0
Equity		**90,591**	**110,860**	**158,255**	**162,395**
Other payables		13,157	8,428	0	0
Long-term debt	15	**13,157**	**8,428**	**0**	**0**
Credit institutions		10,405	7,865	0	0
Trade payables		17,980	22,126	403	32
Payables to owners and Management		12	12	12	12
Other payables	15	12,015	8,974	345	714
Deferred income	16	1,275	0	0	0
Short-term debt		**41,687**	**38,977**	**760**	**758**
Debt		**54,844**	**47,405**	**760**	**758**
Liabilities and equity		**145,435**	**158,265**	**159,015**	**163,153**

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Statement of Changes in Equity

Consolidated

	Share capital	Share premium account	Reserve for exchange rate adjustments	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,166	0	731	111,174	113,071	-2,211	110,860
Exchange adjustments	0	0	-1,118	0	-1,118	0	-1,118
Cash capital increase	13	5,383	0	0	5,396	17,698	23,094
Sale/Purchase with minorities	0	0	0	11,887	11,887	-11,887	0
Other equity movements	0	0	0	1,026	1,026	0	1,026
Net profit/loss for the year	0	0	0	-38,279	-38,279	-4,992	-43,271
Transfer from share premium account	0	-5,383	0	5,383	0	0	0
Equity at 31 December	**1,179**	**0**	**-387**	**91,191**	**91,983**	**-1,392**	**90,591**

Parent Company

	Share capital	Share premium account	Reserve for exchange rate adjustments	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	1,166	0	0	161,229	162,395	0	162,395
Cash capital increase	13	5,383	0	0	5,396	0	5,396
Net profit/loss for the year	0	0	0	-9,536	-9,536	0	-9,536
Transfer from share premium account	0	-5,383	0	5,383	0	0	0
Equity at 31 December	**1,179**	**0**	**0**	**157,076**	**158,255**	**0**	**158,255**

Cash Flow Statement 1 January - 31 December

	Note	Consolidated 2022	Consolidated 2021
		TDKK	TDKK
Net profit/loss for the year		-43,271	-42,035
Adjustments	17	12,610	9,186
Change in working capital	18	-2,657	21,821
Cash flows from operating activities before financial income and expenses		**-33,318**	**-11,028**
Financial income		188	199
Financial expenses		-3,997	-3,955
Cash flows from operating activities		**-37,127**	**-14,784**
Purchase of intangible assets		-7,560	0
Purchase of property, plant and equipment		-180	-93
Fixed asset investments made etc		-16,992	-9,564
Dividends received from associates		49	0
Cash flows from investing activities		**-24,683**	**-9,657**
Repayment of loans from credit institutions		0	4,652
Repayment of other long-term debt		0	-85,280
Raising of loans from credit institutions		2,540	0
Raising of other long-term debt		4,729	0
Cash capital increase		23,094	193,041
Cash flows from financing activities		**30,363**	**112,413**
Change in cash and cash equivalents		**-31,447**	**87,972**
Cash and cash equivalents at 1 January		97,135	9,163
Cash and cash equivalents at 31 December		**65,688**	**97,135**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		65,688	97,135
Cash and cash equivalents at 31 December		**65,688**	**97,135**

Notes to the Financial Statements

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1 Staff expenses				
Wages and salaries	35,822	27,182	6,005	5,053
Pensions	467	176	0	0
Other social security expenses	613	1,323	120	36
Other staff expenses	538	62	81	0
	37,440	**28,743**	**6,206**	**5,089**
Including remuneration to the Executive Board	**2,549**	**2,302**	**1,945**	**1,190**
Average number of employees	**72**	**106**	**14**	**19**

The Parent Company has provided warrant programmes for selected employees and executive management in group enterprises. The number of warrants issued are 55,897 warrants (nominal share capital DKK 55,897). The exercise price has been determined individually for each warrant agreement.

The maturity period varies from 4-10 years from the time of granting and programmes have been granted from 2017 and onwards.

Warrant programmes have also been provided for subsidiaries. Information in regard to these programmes have been disclosed in the respective Financial Statements.

Incentive programmes are not recognised in the Financial Statements.

	Consolidated 2022	Consolidated 2021	Parent Company 2022	Parent Company 2021
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	1,067	366	0	0
Depreciation of property, plant and equipment	99	261	57	52
	1,166	**627**	**57**	**52**

Notes to the Financial Statements

		Consolidated		Parent Company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
3	**Financial income**				
	Income from fixed asset investments	150	0	150	0
	Interest received from group enterprises	0	0	574	1,009
	Other financial income	60	199	8	30
		210	**199**	**732**	**1,039**
4	**Financial expenses**				
	Other financial expenses	4,010	3,938	2,379	2,078
	Exchange adjustments, expenses	0	27	0	27
		4,010	**3,965**	**2,379**	**2,105**
5	**Tax on profit/loss for the year**				
	Current tax for the year	0	-51	0	-51
	Deferred tax for the year	138	0	0	0
		138	**-51**	**0**	**-51**

Notes to the Financial Statements

6 Intangible assets

Consolidated

	Completed development projects	Goodwill
	TDKK	TDKK
Cost at 1 January	8,250	3,662
Additions for the year	1,801	5,759
Cost at 31 December	10,051	9,421
Impairment losses and amortisation at 1 January	7,101	860
Exchange adjustment	0	-54
Amortisation for the year	291	776
Impairment losses and amortisation at 31 December	7,392	1,582
Carrying amount at 31 December	**2,659**	**7,839**
Amortised over	5-10 years	10 years

Development projects relate to the development of new versions of one Company in the Groups existing software and mechanical products. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The internal projects is expected to be utilised in the Company's operations and contribute to efficiency and improve margins in the Company's business activities. The cost is recognised at cost at the date of acquisition, and subsequently amortised on a straight-line basis.

Notes to the Financial Statements

7 Property, plant and equipment

Consolidated

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	520	300
Additions for the year	97	83
Cost at 31 December	617	383
Impairment losses and depreciation at 1 January	480	161
Depreciation for the year	42	57
Impairment losses and depreciation at 31 December	522	218
Carrying amount at 31 December	**95**	**165**
Depreciated over	5 years	5 years

Notes to the Financial Statements

	Parent Company	
	2022	2021
	TDKK	TDKK

8 Investments in subsidiaries

	2022 TDKK	2021 TDKK
Cost at 1 January	31,620	18,186
Additions for the year	44,880	13,434
Carrying amount at 31 December	**76,500**	**31,620**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nordgreen ApS	Copenhagen	148,350	79.5%
Messy Weekend ApS	Copenhagen	149,663	55.0%
Scandinavian Biolabs ApS	Copenhagen	2,933,332	85.7%
Sundhedsguiden Media ApS	Copenhagen	308,739	50.2%
Jamie Looks ApS	Copenhagen	990,545	100.0%
Blazar Elite ApS	Copenhagen	1,000,000	100.0%
Blazar Elite Inc.	Los Angeles, CA	34,634,997	100.0%
Messy Weekend Inc.	Los Angeles, CA	695	55.0%
Zeirishi Okawa Hiroshi	Japan	289,690	79.5%
Dreaminfluencers ApS	Copenhagen	80,000	100.0%

Notes to the Financial Statements

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
9 Investments in associates				
Cost at 1 January	12,731	7,113	2,380	909
Exchange adjustment	775	0	0	0
Additions for the year	14,368	5,618	290	1,471
Disposals for the year	-300	0	-300	0
Cost at 31 December	27,574	12,731	2,370	2,380
Value adjustments at 1 January	-4,100	-164	-367	0
Exchange adjustment	-556	0	0	0
Net profit/loss for the year	-6,553	-3,479	0	0
Dividends received	-49	0	0	0
Revaluations for the year, net	0	-367	-180	-367
Other equity movements, net	-352	0	0	0
Amortisation of goodwill	-820	-90	0	0
Reversals for the year of revaluations in previous years	392	0	0	0
Value adjustments at 31 December	-12,038	-4,100	-547	-367
Carrying amount at 31 December	**15,536**	**8,631**	**1,823**	**2,013**
Positive differences arising on initial measurement of subsidiaries at net asset value	6,769	1,224	0	0
Remaining positive difference included in the above carrying amount at 31 December	5,860	1,091	0	0

Notes to the Financial Statements

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Copenhagen Cartel ApS	Copenhagen	94,586	20.6%
Mercive ApS	Copenhagen	100,000	40.0%
O´tay ApS	Odense	90,000	20.0%
Chamberlain Coffee LLC	Los Angeles, CA	65,970,161	30.6%
Project Nord ApS	Copenhagen	400,000	30.0%
Algorize ApS	Copenhagen	106,667	25.0%
Errant ApS	Aalborg	57,031	20.0%

10 Other fixed asset investments

	Consolidated		Parent Company	
	Other investments	Deposits	Other investments	Deposits
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	5,193	779	5,193	550
Additions for the year	2,519	105	2,219	104
Disposals for the year	-367	0	-367	0
Cost at 31 December	7,345	884	7,045	654
Carrying amount at 31 December	**7,345**	**884**	**7,045**	**654**

11 Inventories

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Raw materials and consumables	706	0	0	0
Finished goods and goods for resale	30,939	25,968	0	0
Prepayments for goods	857	41	0	0
	32,502	**26,009**	**0**	**0**

Notes to the Financial Statements

12 Prepayments

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

13 Distribution of profit

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Minority interests' share of net profit/loss of subsidiaries	-4,992	-1,779	0	0
Retained earnings	-38,279	-40,256	-9,536	-5,958
	-43,271	**-42,035**	**-9,536**	**-5,958**

14 Deferred tax

The Group have an unrecognised deferred tax assets as per 31 December 2021. Hence no movements is recognised in the profit and loss or equity.

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:

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	13,157	8,428	0	0
Long-term part	13,157	8,428	0	0
Other short-term payables	12,015	8,974	345	714
	25,172	**17,402**	**345**	**714**

Notes to the Financial Statements

16 Deferred income

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

17 Cash flow statement - adjustments

	Consolidated	
	2022	2021
	TDKK	TDKK
Financial income	-210	-199
Financial expenses	4,010	3,965
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,166	627
Results from investments in associates	7,760	3,965
Tax on profit/loss for the year	138	-51
Other adjustments	-254	879
	12,610	**9,186**

18 Cash flow statement - change in working capital

	2022	2021
Change in inventories	-6,493	-9,934
Change in receivables	3,667	21,845
Change in trade payables, etc	169	9,910
	-2,657	**21,821**

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

19 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Mortgage of shares in investments has been placed as security for investment's loans towards Vækstfonden.

Nordgreen ApS has registered floating company charge totalling TDKK 10,000, providing security on trade receivables, inventory, intagible assets as well as property, plant and equipment.

Scandinavian Biolabs ApS has registered floating company charge totalling TDKK 1,500, providing security on trade receivables, inventory, intagible assets as well as property, plant and equipment.

DreamInfluencers ApS has registered floating company charge totalling TDKK 4,000, providing security on trade receivables, inventory, intagible assets as well as property, plant and equipment.

Rental and lease obligations

	Consolidated 2022 TDKK	Consolidated 2021 TDKK	Parent Company 2022 TDKK	Parent Company 2021 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,321	1,408	1,321	1,199
Between 1 and 5 years	0	1,440	0	1,199
	1,321	**2,848**	**1,321**	**2,398**

	Consolidated		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
19 Contingent assets, liabilities and other financial obligations (continued)				
Guarantee obligations				
Blazar ApS has placed surety for Nordgreen ApS totalling:	11,000	11,000	11,000	11,000
Blazar ApS has issued support to Copenhagen Cartel ApS totalling:	363	250	363	250
Blazar ApS has issued support for payroll distribution to the employees of Copenhagen Cartel ApS if liquidity is not sufficient totalling:	0	250	0	250
Blazar ApS has placed surety for DreamInfluencers ApS totalling:	1,200	0	1,200	0
Blazar ApS has placed surety for Scandinavian Biolabs ApS totalling:	1,168	1,168	1,168	1,168
Blazar ApS has placed surety for Moonboon International ApS totalling:	282	0	282	0

Other contingent liabilities

Blazar ApS has issued letters of support to subsidiaries stating that to the extent possible they will extend existing loans and loans will not be called unless the liquidity position of the entity is adequate to justify such repayment. These Letter of financial support is effective for the entity to be able to continue to operate as a going concern until 31 December 2022. Letter of supports has been issued to Scandinavian Biolabs ApS, Nordgreen ApS, Messy Weekend ApS and Jamie Looks ApS.

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 by the Group amounts to TDKK 0. 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

20 Related parties

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.

There have not been any transaction not made on an arm's length basis.

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Blazar ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Certain numbers has been reclassified for presentation matters beside that the accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

All 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.

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.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Notes to the Financial Statements

21 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

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

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 and distribution as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

21 Accounting Policies (continued)

Income from investments in subsidiaries, associates og participating interests

Parent

Dividends from subsidiaries, associates and participating interests are recognised as income in the income statement when adopted at the General Meeting of the companies. However, dividends relating to earnings in the companies before they were acquired by the Parent Company are set off against the cost of the companies.

Group

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

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 Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

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

Notes to the Financial Statements

21 Accounting Policies (continued)

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries, associates and participating interests

Parent

Investments in subsidiaries, associates and participating interests are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Group

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

The item "Investments in associates" in the balance sheet includes 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 associates 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 associates.

Notes to the Financial Statements

21 Accounting Policies (continued)

Associates 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.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

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

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

Deferred income

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$