Blazar ApS

Lindgreens Allé 9, DK-2300 København S

Annual Report for 1 January - 31 December 2021

CVR No 29 82 52 46

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 /6 2022

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 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

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

Copenhagen, 1 June 2022

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 2021 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 2021 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 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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, 1 June 2022
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: 15th 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 two-year period, the development of the Group is described by the following financial highlights:

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

As this is the first consolidated financial statements with comparative figures for the group, the comparative figures for 2019, 2018 and 2017 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 develops high potential companies both internally, with experienced entrepreneurs and/or partners as well as with external partners. It operates within direct-to-consumer (DTC) e-commerce businesses and technology businesses related to e-commerce. The Blazar team has deep experience in launching new brands at rapid speed and assists the businesses in creating and sustaining a highly accelerated growth journey, while also supporting the long-term scale-up.

Several Blazar companies have established themselves as strong players and have exhibited a significant growth journey in 2021. This includes, e.g., Nordgreen (sustainable watches), Chamberlain Coffee (organic coffee), Moonboon (baby equipment), MessyWeekend (sunglasses and snow goggles), and Scandinavian Biolabs (natural hair care).

To scale globally, Blazar has built an end-to-end e-commerce support model, building on the deep experience in core functional areas such as Marketing & Sales, Digital Supply Chain, Tech, and Finance, enabling Blazar to effectively scale a company.

Additionally, Blazar has over the years evolved into a large brand house, consisting of various brands within e-commerce and technology, eliciting strong knowledge sharing across core functions such as tech, marketing, finance etc. Hence, Blazar can utilize the different areas in combination to help scale our portfolio companies further.

Development in the year

2021 was a satisfactory year for Blazar with investments in several new cases that already demonstrate significant growth. The consolidated financial statements for Blazar show a revenue of TDKK 147,678 in 2021. 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.

Overall, the largest companies in Blazar's portfolio have exhibited noteworthy growth in 2021 with Chamberlain Coffee more than doubling its revenue compared to 2020 together with MessyWeekend that delivered a 68% increase in its topline compared to 2020. Additionally, Moonboon has been on a strong growth journey and has increased revenue by ~8x compared to 2020 and has become profitable in 2021. Furthermore, Scandinavian Biolabs has exhibited a significant growth trajectory with a topline 23x compared to 2020. Nordgreen has in 2021 focused on extending its product assortment contemporary with increased focus on its Giving Back Program, leading to a higher topline in 2021 than in 2020. Combined, Blazar's portfolio of brands grew the topline by ~80% in 2021 compared to 2020.

Throughout the year several other companies have strengthened their brands and improved profitability. Towards the end of 2021 the portfolio was extended with 9 new Løvens Hule (the Danish version of "Shark Tank", a TV show for entrepreneurs) companies with large growth potential. The majority sells consumer goods, allowing them to fit perfectly in the Blazar portfolio and thus utilize existing knowledge sharing across core function and expertise from the Blazar central team.

Management's Review

Blazar's consolidated income statement for 2021 shows a result after tax of TDKK -42,035 which is in line with the expectations and strategy that includes significant investments in future growth such as marketing, brand awareness, product development etc. On 31 December 2021 the balance sheet of the group shows an equity of TDKK 110,860. The positive development in equity is mainly due to the conversion of convertible loans contemporary with a share increase in March 2021 of TDKK 100,000 from Chr. Augustinus Fabrikker and other investors.

Covid-19 and its impact

Globally and domestically, the tendency among consumers have been to buy online because of lockdowns and to avoid potential infection, affecting e-commerce companies positively.

The management expects this tendency to continue since the consumers have discovered the convenience associated hereby. However, the lockdown has affected the respective companies' offline channels, but it has been outweighed by an increase in online sales.

OneBetterFuture

Blazar is aspiring to leave a positive impact on the planet and giving back to society by its open network, OneBetterFuture. It is inspired by social responsibility and is an integrated part of our own business with the purpose of encouraging our portfolio companies to be environmentally cautious and to strive for making a positive impact. The network operates by members connecting and sharing knowledge and experience with taking a more social and environmental approach to running a company. There is no oversight or monetization by OneBetterFuture, this network works purely based on our members experience, passion, and know-how.

Some examples of specific Blazar companies CSR actions:

Motivated by Nordic values, Nordgreen believes that good health, a clean environment, and a full education are rights for all. This initiated their "Giving Back Program" that provides clean water to Central Africa, free education to kids in India, and protects the rainforest in Central America in collaboration with partners such as Water for Good, Cool Earth, and Pratham UK.

In addition to Nordgreen's Giving Back Program, Copenhagen Cartel has ensured that every product in its assortment is contributing to the removal of plastic from the ocean, thereby turning the problem into the solution. Furthermore, Moonboon is GOTS-certified, which ensures full sustainability throughout the life cycle of all their products and MessyWeekend helps ensure clean oceans through partnerships with NGOs and environmental organizations.

Management's Review

Scandinavian Biolabs started a large sustainability campaign together with The British CleanHub to become plastic neutral on all plastic bottles in 2022. Additionally, MessyWeekend has in 2021 donated TDKK 100 to Plastic change in order to prevent and fight the ocean plastic crisis. Furthermore, all their packaging has become sustainable in 2021.

Capital resources

The share capital increase of TDKK 100,000 in March 2021 has been propitious to Blazar and our portfolio companies and will increase the number of investments in 2022.

All subordinate loans have been converted into equity as per 30 March 2021, which together with the share increase, has resulted in total equity of TDKK 110,860 31 December 2021.

Outlook

The management expects Blazar to invest in new companies in 2022 and thus extend the portfolio, which is made possible due to the share capital increase in 2021. Adding to this sentiment, Blazar will invest additionally in existing portfolio companies to enable further growth and the launch of new initiatives and products in 2022.

Overall, the Blazar group has seen advantageous tendencies in 2021 with some of the largest companies outperforming their ambitious budgets and anticipates it to continue in 2022. Moreover, it is expected that several of the companies will launch new products and initiatives in 2022 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 30-40 % (only including fully consolidated companies as of 31 December 2021) with a similar net profit/loss is expected in 2022.

Risk and IT-security

Blazar focuses significantly on risk management for projects, operational, regulatory, and commercial risks.

In 2021, Blazar undertook GDPR and cyber security measures across multiple companies to improve it's standards.

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 2021	Consolidated 2020	Parent Company 2021	Parent Company 2020
		TDKK	TDKK	TDKK	TDKK
Revenue		**147,678**	**116,565**	**5,524**	**7,809**
Expenses for raw materials and consumables		-63,554	-46,627	-191	-1,902
Other external expenses		-88,157	-68,983	-4,768	-6,138
Gross profit/loss		**-4,033**	**955**	**565**	**-231**
Staff expenses	1	-28,743	-20,167	-5,089	-5,297
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-627	-494	-52	-46
Other operating expenses		-981	0	0	0
Profit/loss before financial income and expenses		**-34,384**	**-19,706**	**-4,576**	**-5,574**
Income from investments in subsidiaries		0	0	0	-1,148
Results from investments in associates		-3,936	772	-367	0
Financial income	3	199	445	1,039	0
Financial expenses	4	-3,965	-13,084	-2,105	-11,773
Profit/loss before tax		**-42,086**	**-31,573**	**-6,009**	**-18,495**
Tax on profit/loss for the year	5	51	121	51	37
Net profit/loss for the year		**-42,035**	**-31,452**	**-5,958**	**-18,458**

Balance Sheet 31 December

Assets

	Note	Consolidated 2021	Consolidated 2020	Parent Company 2021	Parent Company 2020
		TDKK	TDKK	TDKK	TDKK
Goodwill		2,802	3,168	0	0
Intangible assets	6	**2,802**	**3,168**	**0**	**0**
Other fixtures and fittings, tools and equipment		1,189	1,335	0	0
Leasehold improvements		139	160	139	160
Property, plant and equipment	7	**1,328**	**1,495**	**139**	**160**
Investments in subsidiaries	8	0	0	31,620	18,186
Investments in associates	9	8,631	6,949	2,013	909
Other investments	10	5,193	1,317	5,193	1,317
Deposits	10	779	710	600	600
Fixed asset investments		**14,603**	**8,976**	**39,426**	**21,012**
Fixed assets		**18,733**	**13,639**	**39,565**	**21,172**
Inventories	11	**26,009**	**16,075**	**0**	**0**
Trade receivables		12,595	16,966	91	12
Receivables from group enterprises		0	0	35,220	21,347
Other receivables		2,284	17,050	1,727	17,000
Prepayments	12	1,509	4,217	0	0
Receivables		**16,388**	**38,233**	**37,038**	**38,359**
Cash at bank and in hand		**97,135**	**9,163**	**86,550**	**8,988**
Currents assets		**139,532**	**63,471**	**123,588**	**47,347**
Assets		**158,265**	**77,110**	**163,153**	**68,519**

Balance Sheet 31 December

Liabilities and equity

	Note	Consolidated		Parent Company	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Share capital		1,166	633	1,166	633
Share premium account		0	715	0	457
Retained earnings		111,905	-41,930	161,229	-23,050
Equity attributable to shareholders of the Parent Company		**113,071**	**-40,582**	**162,395**	**-21,960**
Minority interests		-2,211	-432	0	0
Equity		**110,860**	**-41,014**	**162,395**	**-21,960**
Subordinate loan capital		0	77,100	0	77,100
Other payables		8,428	5,000	0	0
Long-term debt	15	**8,428**	**82,100**	**0**	**77,100**
Subordinate loan capital	15	0	11,608	0	11,608
Credit institutions		7,865	3,213	0	0
Trade payables		22,126	14,437	32	386
Payables to owners and Management		12	12	12	12
Deposits		0	108	0	108
Other payables	15	8,974	6,646	714	1,265
Short-term debt		**38,977**	**36,024**	**758**	**13,379**
Debt		**47,405**	**118,124**	**758**	**90,479**
Liabilities and equity		**158,265**	**77,110**	**163,153**	**68,519**

Distribution of profit	13
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Statement of Changes in Equity

Consolidated

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	633	715	-41,930	-40,582	-432	-41,014
Exchange adjustments	0	0	868	868	0	868
Cash capital increase	533	192,508	0	193,041	0	193,041
Net profit/loss for the year	0	0	-40,256	-40,256	-1,779	-42,035
Transfer from share premium account	0	-193,223	193,223	0	0	0
Equity at 31 December	**1,166**	**0**	**111,905**	**113,071**	**-2,211**	**110,860**

Parent Company

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	633	457	-23,050	-21,960	0	-21,960
Cash capital increase	533	189,780	0	190,313	0	190,313
Net profit/loss for the year	0	0	-5,958	-5,958	0	-5,958
Transfer from share premium account	0	-190,237	190,237	0	0	0
Equity at 31 December	**1,166**	**0**	**161,229**	**162,395**	**0**	**162,395**

Cash Flow Statement 1 January - 31 December

	Note	Consolidated 2021 TDKK	Consolidated 2020 TDKK
Net profit/loss for the year		-42,035	-31,452
Adjustments	16	9,186	11,067
Change in working capital	17	21,821	-4,134
Cash flows from operating activities before financial income and expenses		**-11,028**	**-24,519**
Financial income		199	445
Financial expenses		-3,955	-13,084
Cash flows from operating activities		**-14,784**	**-37,158**
Purchase of property, plant and equipment		-93	-209
Fixed asset investments made etc		-9,564	-7,926
Cash flows from investing activities		**-9,657**	**-8,135**
Repayment of loans from credit institutions		4,652	3,213
Repayment of other long-term debt		-85,280	16,706
Cash capital increase		193,041	470
Cash flows from financing activities		**112,413**	**20,389**
Change in cash and cash equivalents		**87,972**	**-24,904**
Cash and cash equivalents at 1 January		9,163	34,067
Cash and cash equivalents at 31 December		**97,135**	**9,163**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		97,135	9,163
Cash and cash equivalents at 31 December		**97,135**	**9,163**

Notes to the Financial Statements

	Consolidated		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
1 Staff expenses				
Wages and salaries	27,182	19,108	5,053	4,778
Pensions	176	0	0	0
Other social security expenses	1,323	401	36	91
Other staff expenses	62	658	0	428
	28,743	**20,167**	**5,089**	**5,297**
Including remuneration to the Executive Board	**2,302**	**2,093**	**1,190**	**1,133**
Average number of employees	**106**	**71**	**19**	**19**

The Parent Company has provided warrant programmes for selected employees and executive management in group enterprises. The number of warrants issued are 36,421 warrants (nominal share capital DKK 36,421). 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.

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.

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

	Consolidated 2021 TDKK	Consolidated 2020 TDKK	Parent Company 2021 TDKK	Parent Company 2020 TDKK
Amortisation of intangible assets	366	300	0	0
Depreciation of property, plant and equipment	261	194	52	46
	627	**494**	**52**	**46**

Notes to the Financial Statements

		Consolidated		Parent Company	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
3	**Financial income**				
	Interest received from group enterprises	0	0	1,009	0
	Other financial income	199	445	30	0
		199	**445**	**1,039**	**0**
4	**Financial expenses**				
	Other financial expenses	3,938	13,083	2,078	11,772
	Exchange adjustments, expenses	27	1	27	1
		3,965	**13,084**	**2,105**	**11,773**
5	**Tax on profit/loss for the year**				
	Current tax for the year	-51	-121	-51	-37
		-51	**-121**	**-51**	**-37**

6 Intangible assets

Consolidated

	Goodwill
	TDKK
Cost at 1 January	3,662
Cost at 31 December	3,662
Impairment losses and amortisation at 1 January	494
Amortisation for the year	366
Impairment losses and amortisation at 31 December	860
Carrying amount at 31 December	**2,802**
Amortised over	10 years

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	8,708	269
Additions for the year	62	31
Cost at 31 December	8,770	300
Impairment losses and depreciation at 1 January	7,373	108
Depreciation for the year	208	53
Impairment losses and depreciation at 31 December	7,581	161
Carrying amount at 31 December	**1,189**	**139**
Depreciated over	5 years	5 years

Notes to the Financial Statements

8 Investments in subsidiaries

	Parent Company 2021 TDKK	Parent Company 2020 TDKK
Cost at 1 January	18,186	18,421
Additions for the year	13,434	367
Disposals for the year	0	-602
Carrying amount at 31 December	**31,620**	**18,186**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Nordgreen ApS	Copenhagen	135,217	82.2%	-5,575	-16,104
Messy Weekend ApS	Copenhagen	99,107	76.0%	-3,678	-3,955
Scandinavian Biolabs ApS	Copenhagen	2,933,332	85.7%	-3,415	-4,612
Sundhedsguiden Media ApS	Copenhagen	308,739	50.2%	478	-13
Jamie Looks ApS	Copenhagen	990,545	100.0%	-247	-374
Blazar Elite ApS	Copenhagen	1,000,000	100.0%	-573	-504
Blazar Elite Inc.	Los Angeles, CA	1,484	100.0%	-6,169	-6,565
Messy Weekend Inc.	Los Angeles, CA	609	76.0%	-335	0

Notes to the Financial Statements

9 Investments in associates

	Consolidated		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	7,113	425	909	425
Additions for the year	5,618	6,787	1,471	583
Disposals for the year	0	-99	0	-99
Cost at 31 December	12,731	7,113	2,380	909
Value adjustments at 1 January	-164	0	0	0
Net profit/loss for the year	-3,479	-153	0	0
Revaluations for the year, net	-367	0	-367	0
Amortisation of goodwill	-90	-11	0	0
Value adjustments at 31 December	-4,100	-164	-367	0
Carrying amount at 31 December	**8,631**	**6,949**	**2,013**	**909**
Positive differences arising on initial measurement of subsidiaries at net asset value	1,224	594	0	0
Remaining positive difference included in the above carrying amount at 31 December	1,091	552	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Copenhagen Cartel ApS	Copenhagen	94,586	25.0%
Wallpipe ApS	Randers	286,386	45.0%
O´tay ApS	Odense	90,000	20.0%
Chamberlain Coffee LLC	Los Angeles, CA	9,052,538	32.3%
Project Nord ApS	Copenhagen	400,000	30.0%
Algorize ApS	Copenhagen	106,667	25.0%
Errant ApS	Aalborg	57,031	20.0%

Notes to the Financial Statements

10 Other fixed asset investments

	Consolidated		Parent Company	
	Other investments	Deposits	Other investments	Deposits
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	1,316	710	1,316	600
Additions for the year	3,877	69	3,877	0
Cost at 31 December	5,193	779	5,193	600
Carrying amount at 31 December	**5,193**	**779**	**5,193**	**600**

	Consolidated		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

11 Inventories

Finished goods and goods for resale	25,968	13,830	0	0
Prepayments for goods	41	2,245	0	0
	26,009	**16,075**	**0**	**0**

12 Prepayments

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

13 Distribution of profit

Minority interests' share of net profit/loss of subsidiaries	-1,779	-432	0	0
Retained earnings	-40,256	-31,020	-5,958	-18,458
	-42,035	**-31,452**	**-5,958**	**-18,458**

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.

Notes to the Financial Statements

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	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Subordinate loan capital				
Between 1 and 5 years	0	77,100	0	77,100
Long-term part	0	77,100	0	77,100
Within 1 year	0	11,608	0	11,608
	0	**88,708**	**0**	**88,708**
Other payables				
Between 1 and 5 years	8,428	5,000	0	0
Long-term part	8,428	5,000	0	0
Other short-term payables	8,975	6,647	714	1,265
	17,403	**11,647**	**714**	**1,265**

Notes to the Financial Statements

	Consolidated	
	2021	2020
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-199	-445
Financial expenses	3,965	13,084
Depreciation, amortisation and impairment losses, including losses and gains on sales	627	80
Results from investments in associates	3,965	-772
Tax on profit/loss for the year	-51	-121
Other adjustments	879	-759
	9,186	**11,067**

17 Cash flow statement - change in working capital

Change in inventories	-9,934	-6,946
Change in receivables	21,845	-10,272
Change in trade payables, etc	9,910	13,084
	21,821	**-4,134**

Notes to the Financial Statements

	Consolidated		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

18 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 15,000, 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.

Rental and lease obligations

	Consolidated 2021 TDKK	Consolidated 2020 TDKK	Parent Company 2021 TDKK	Parent Company 2020 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,408	1,110	1,199	1,066
Between 1 and 5 years	1,440	2,352	1,199	2,132
	2,848	**3,462**	**2,398**	**3,198**

Guarantee obligations

	Consolidated 2021 TDKK	Consolidated 2020 TDKK	Parent Company 2021 TDKK	Parent Company 2020 TDKK
Blazar ApS has placed surety for Nordgreen ApS totalling:	11,000	11,000	0	0
Blazar ApS has issued support to Copenhagen Cartel ApS totalling:	1,000	250	0	0
Blazar ApS has issued support for payroll distribution to the employees of Copenhagen Cartel ApS if liquidity is not sufficient totalling:	250	300	0	0
Blazar ApS has placed surety for Messy Weekend ApS totalling:	0	2,550	0	0
Blazar ApS has placed surety for Scandinavian Biolabs ApS totalling:	1,168	0	0	0

Notes to the Financial Statements

	Consolidated		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

18 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

Blazar ApS has issued letters of support to subsidiaries to the extent possible 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.

Blazar Elite ApS has issued a letter of support to subsidiary to the extent possible will extend existing loans and loans will not be called unless the liquidity position of the entity is adequate to justify such repayment. This Letter of financial support is effective for the entity to be able to continue to operate as a going concern until 31 December 2022.

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.

19 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

20 Accounting Policies

The Annual Report of Blazar ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 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

20 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

20 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

20 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

20 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

20 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 under the FIFO method and net realisable value.

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

The cost of goods for resale equals landed cost.

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

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

20 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.

Notes to the Financial Statements

20 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

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