
BLAZAR ApS

Lindgreens Allé 9, st., DK-2300 København S

Annual Report for 2020

CVR No. 29 82 52 46

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 18/6 2021

Christian Francois
Vangsted Arnstedt
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of BLAZAR ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen S, 7 May 2021

Executive Board

Christian Francois Vangsted
Arnstedt
CEO

Michael Anders Segelcke Lunau
Thomsen

Pascar Sivam

Vasilij Brandt

Independent Practitioner's Extended Review Report

To the shareholder of BLAZAR ApS

Conclusion

We have performed an extended review of the Financial Statements of BLAZAR ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility for the Financial Statements

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

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

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

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.

Independent Practitioner's Extended Review Report

In connection with our extended review 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 extended review, or otherwise appears to be materially misstated.

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

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

Hellerup, 7 May 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Company information

The Company	BLAZAR ApS Lindgreens Allé 9, st. DK-2300 København S CVR No: 29 82 52 46 Financial period: 1 January - 31 December Incorporated: 1 November 2006 Financial year: 14th financial year Municipality of reg. office: Copenhagen
Executive board	Christian Francois Vangsted Arnstedt Michael Anders Segelcke Lunau Thomsen Pascar Sivam Vasilij Brandt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The purpose of the company is to build a conglomerate of primarily wholly or partly owned consumer brands through the start-up, acquisition and operation of other projects, project development and sales of goods, as well as other related business.

Development in the year

The income statement of the Company for 2020 shows a loss of DKK 18,458,010, and at 31 December 2020 the balance sheet of the Company shows negative equity of DKK 21,959,711. The negative results, are mainly due to accrued interest for convertible loans, which have been converted into equity as per 26 March 2021.

Capital resources

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources. All subordinate loans have been converted into equity as per 30 March 2021, which together with share increase of DKK 97 million, has resulted in an increase of the equity of DKK 190 million after year end.

The annual report is presented in the presumption of the company's future existence. The management of the company expects the level of activity to be strengthened which together with the significant improved equity gives a strong basis for the future growth.

The management consider the capital resources sufficient for the company.

Subsequent events

All subordinate loans booked as per 31 December 2020 are converted into equity as per 30 March 2021.

Income statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		-231,234	812,987
Staff expenses	3	-5,296,623	-3,752,490
Depreciation and impairment losses of property, plant and equipment		-1,194,743	-27,054
Profit/loss before financial income and expenses		-6,722,600	-2,966,557
Financial income		30	9,259
Financial expenses		-11,772,549	-96,528
Profit/loss before tax		-18,495,119	-3,053,826
Tax on profit/loss for the year	4	37,109	26,920
Net profit/loss for the year		-18,458,010	-3,026,906

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
Retained earnings	-18,458,010	-3,026,906
	-18,458,010	-3,026,906

Balance sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Acquired other similar rights		0	9,362
Intangible assets	5	0	9,362
Leasehold improvements		160,324	16,314
Property, plant and equipment	6	160,324	16,314
Investments in subsidiaries	7	18,186,012	18,420,877
Investments in associates	8	908,843	425,000
Other investments	9	1,316,691	34,091
Deposits	9	599,550	281,053
Other receivables	9	0	20,000,000
Fixed asset investments		21,011,096	39,161,021
Fixed assets		21,171,420	39,186,697
Trade receivables		12,367	995,318
Receivables from group enterprises		21,347,171	3,318,600
Other receivables		17,000,000	56,000
Corporation tax receivable from group enterprises		0	26,920
Receivables		38,359,538	4,396,838
Cash at bank and in hand		8,987,617	30,463,858
Current assets		47,347,155	34,860,696
Assets		68,518,575	74,047,393

Balance sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		632,653	620,000
Share premium account		457,347	0
Retained earnings		-23,049,711	-4,591,701
Equity		-21,959,711	-3,971,701
Subordinate loan capital		77,100,000	77,100,000
Long-term debt	10	77,100,000	77,100,000
Subordinate loan capital		11,608,177	0
Trade payables		385,839	128,536
Payables to owners and Management		12,055	12,055
Deposits		108,000	217,740
Other payables		1,264,215	560,763
Short-term debt		13,378,286	919,094
Debt		90,478,286	78,019,094
Liabilities and equity		68,518,575	74,047,393
Going concern	1		
Subsequent events	2		
Contingent assets, liabilities and other financial obligations	11		
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	620,000	0	-4,591,701	-3,971,701
Cash capital increase	12,653	457,347	0	470,000
Net profit/loss for the year	0	0	-18,458,010	-18,458,010
Equity at 31 December	632,653	457,347	-23,049,711	-21,959,711

Notes to the Financial Statements

1. Going concern

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources. All subordinate loans have been converted into equity as per 30 March 2021, which together with share increase of DKK 97 million, has resulted in an increase of the equity of DKK 190 million after year end.

The annual report is presented in the presumption of the company's future existence. The management of the company expects the level of activity to be strengthened which together with the significant improved equity gives a strong basis for the future growth.

The management consider the capital resources sufficient for the company.

2. Subsequent events

All subordinate loans booked as per 31 December 2020 are converted into equity as per 30 March 2021.

3. Staff Expenses

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Wages and salaries	4,777,592	3,261,634
Other social security expenses	90,717	51,334
Other staff expenses	428,314	439,522
	<u>5,296,623</u>	<u>3,752,490</u>
Average number of employees	<u>19</u>	<u>13</u>

4. Income tax expense

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Current tax for the year	-37,109	-26,920
	<u>-37,109</u>	<u>-26,920</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Acquired other similar rights
	DKK
Cost at 1 January	64,257
Cost at 31 December	<u>64,257</u>
Impairment losses and amortisation at 1 January	54,895
Amortisation for the year	9,362
Impairment losses and amortisation at 31 December	<u>64,257</u>
Carrying amount at 31 December	<u>0</u>

6. Property, plant and equipment

	Leasehold improvements
	DKK
Cost at 1 January	40,783
Additions for the year	190,208
Cost at 31 December	<u>230,991</u>
Impairment losses and depreciation at 1 January	24,469
Depreciation for the year	46,198
Impairment losses and depreciation at 31 December	<u>70,667</u>
Carrying amount at 31 December	<u>160,324</u>
Amortised over	<u>5 years</u>

Notes to the Financial Statements

	2020	2019
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	18,420,877	3,828,492
Additions for the year	367,454	14,599,885
Disposals for the year	-602,319	-7,500
Cost at 31 December	<u>18,186,012</u>	<u>18,420,877</u>
Carrying amount at 31 December	<u>18,186,012</u>	<u>18,420,877</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Jamie Looks ApS	Copenhagen S	990,545	100%
Messy Weekend ApS	Copenhagen S	50,001	77.87%
Nordgreen ApS	Copenhagen S	115,459	82.16%
Blazar Elite ApS	Copenhagen S	1,000,000	100%
Sundhedsguiden Media ApS	Copenhagen S	308,739	50.2%
Scandinavian Biolabs ApS	Copenhagen S	40,000	100%
Project Nord ApS	Copenhagen S	400,000	75%

Notes to the Financial Statements

	2020	2019
	DKK	DKK
8. Investments in associated companies		
Cost at 1 January	425,000	0
Additions for the year	583,333	425,000
Disposals for the year	-99,490	0
Cost at 31 December	<u>908,843</u>	<u>425,000</u>
Carrying amount at 31 December	<u>908,843</u>	<u>425,000</u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
WallPipe ApS	Randers SV	286,386	45%
Copenhagen Cartel ApS	Copenhagen S	94,586	25%

9. Other fixed asset investments

	Other investments	Deposits
	DKK	DKK
Cost at 1 January	34,091	281,053
Additions for the year	1,282,600	318,497
Cost at 31 December	<u>1,316,691</u>	<u>599,550</u>
Carrying amount at 31 December	<u>1,316,691</u>	<u>599,550</u>

Notes to the Financial Statements

10. 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:

	2020	2019
	DKK	DKK
Subordinate loan capital		
After 5 years	0	0
Between 1 and 5 years	77,100,000	77,100,000
Long-term part	77,100,000	77,100,000
Within 1 year	11,608,177	0
	88,708,177	77,100,000

All subordinate loans are converted into equity as per 30 March 2021.

	2020	2019
	DKK	DKK

11. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations, period of non-terminability	3,197,600	140,526
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Guarantee obligations

Other contingent liabilities

Blazar ApS has placed surety for Messy Weekend ApS totalling:	2,550,000	1,550,000
Blazar ApS has placed surety for Nordgreen ApS totalling:	11,000,000	0
Blazar ApS has issued support to Copenhagen Cartel ApS totalling:	250,000	0
Blazar ApS has issued support for payroll distribution to the employees of Copenhagen Cartel ApS if liquidity is not sufficient totalling:	300,000	0

The surety placed for Messy Weekend has after period end been removed.

Blazar ApS has issued a letter of support to Blazar Elite ApS to provide sufficient funding to Blazar Elite ApS in order for the entity to meet all external and internal obligations when they fall due. Further, loan extended and additional future loans that will be extended to the entity will not be called unless the liquidity position of the entity is adequate to justify such repayment.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

12. Accounting policies

The Annual Report of BLAZAR ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

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

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

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

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

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. 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.

Income statement

Net sales

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

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

Notes to the Financial Statements

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 as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries and associates

Dividends from subsidiaries and associates 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.

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

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3 year.

Property, plant and equipment

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

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

Notes to the Financial Statements

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:

Leasehold improvements	5 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries and associates

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

Other fixed asset investments

Other fixed asset investments consist of deposits

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.

Financial debts

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