



Sparkle Nordics II ApS

Rygårds Alle 133
2900 Hellerup
CVR No. 31426170

Annual report 2021

The Annual General Meeting adopted the
annual report on 26.04.2022

Asger Norup Rothenborg
Chairman of the General Meeting

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Entity details

Entity

Sparkle Nordics II ApS

Rygårds Alle 133

2900 Hellerup

Business Registration No.: 31426170

Registered office: Gentofte

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Michael Hecker, chairman

Asger Norup Rothenborg

Simon Justin Claeys

Flemming Lyngholm

Executive Board

Asger Norup Rothenborg, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sparkle Nordics II ApS for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 26.04.2022

Executive Board

Asger Norup Rothenborg
CEO

Board of Directors

Michael Hecker
chairman

Asger Norup Rothenborg

Simon Justin Claeys

Flemming Lyngholm

Independent auditor's report

To the shareholders of Sparkle Nordics II ApS

Opinion

We have audited the financial statements of Sparkle Nordics II ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

København, 26.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The main activity of the Company is to trade with coffee, coffee machines and products related to coffee brewing as well as investments and related services.

The income statement for 2021 shows a profit of DKK 446,494 against a loss of DKK 1,309,143 last year. The results are considered acceptable.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. At the current stage in time, the conflict in Ukraine is not expected to have any significant effect on the Company's results.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	12,765,238	10,595,641
Staff costs	2	(11,678,749)	(11,604,154)
Depreciation, amortisation and impairment losses	3	(435,834)	(472,263)
Operating profit/loss		650,655	(1,480,776)
Other financial income	4	222,015	318,717
Other financial expenses	5	(301,176)	(479,421)
Profit/loss before tax		571,494	(1,641,480)
Tax on profit/loss for the year	6	(125,000)	332,337
Profit/loss for the year		446,494	(1,309,143)
Proposed distribution of profit and loss			
Retained earnings		446,494	(1,309,143)
Proposed distribution of profit and loss		446,494	(1,309,143)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		1,714,428	1,949,724
Property, plant and equipment	7	1,714,428	1,949,724
Receivables from group enterprises		8,232,755	11,856,381
Deposits		716,357	671,388
Deferred tax		793,439	918,439
Financial assets		9,742,551	13,446,208
Fixed assets		11,456,979	15,395,932
Manufactured goods and goods for resale		5,602,677	6,301,664
Inventories		5,602,677	6,301,664
Trade receivables		5,074,555	3,547,123
Other receivables		202,235	998,241
Income tax receivable		156,000	118,000
Prepayments		107,451	80,148
Receivables		5,540,241	4,743,512
Current assets		11,142,918	11,045,176
Assets		22,599,897	26,441,108

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		10,118,697	9,672,203
Equity		10,618,697	10,172,203
Other payables		1,162,645	1,148,119
Non-current liabilities other than provisions	8	1,162,645	1,148,119
Bank loans		426,756	6,393,314
Prepayments received from customers		2,676,877	1,746,165
Trade payables		3,968,111	4,394,093
Payables to group enterprises		5,167	604,015
Other payables		3,741,644	1,983,199
Current liabilities other than provisions		10,818,555	15,120,786
Liabilities other than provisions		11,981,200	16,268,905
Equity and liabilities		22,599,897	26,441,108
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	9,672,203	10,172,203
Profit/loss for the year	0	446,494	446,494
Equity end of year	500,000	10,118,697	10,618,697

Notes

1 Gross profit/loss

The company has received compensation from the Danish Government due to the coronavirus outbreak.

The company has in 2020 received 872,179 DKK in compensation for repatriated employees and 1,477,686 DKK in compensation for fixed costs.

The compensation for the month of December 2021 is estimated. The estimate amounts to 225,000 DKK for fixed costs. The receivable compensation is the company's best estimate. An adjustment is possible, when the final settlement is made by the Danish Government.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	10,535,226	10,708,115
Pension costs	639,607	629,194
Other social security costs	147,869	91,549
Other staff costs	356,047	175,296
	11,678,749	11,604,154
Average number of full-time employees	19	20

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation of property, plant and equipment	435,834	472,263
	435,834	472,263

4 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	195,704	254,973
Other interest income	26,311	63,744
	222,015	318,717

5 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	19,147	34,478
Other financial expenses	282,029	444,943
	301,176	479,421

6 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Change in deferred tax	125,000	(354,623)
Adjustment concerning previous years	0	22,286
	125,000	(332,337)

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	3,831,289
Additions	374,842
Disposals	(174,304)
Cost end of year	4,031,827
Depreciation and impairment losses beginning of year	(1,881,565)
Depreciation for the year	(435,834)
Depreciation and impairment losses end of year	(2,317,399)
Carrying amount end of year	1,714,428

8 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	1,162,645	1,130,937
	1,162,645	1,130,937

9 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	8,091,236	10,535,146

10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

11 Assets charged and collateral

The Company has placed assets as security for the Company's bank debt. The security amounts to 10.000.000 DKK. Assets charged includes trade debtors, inventory and operating fixtures and equipment / machinery and equipment. The company has issued a first demand bank guarantee of 149.000 DKK.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including Covid-19 held aid packages.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Other fixtures and fittings, tools and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.