

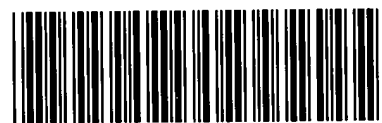
Registered No. 08492819

# **SharkNinja Europe Ltd**

## **Reports and Financial Statements**

31 December 2021

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COMPANIES HOUSE

## **SharkNinja Europe Ltd**

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### **Directors**

X Wang

D Stevenson (Appointed 16 November 2021)

J Wright (Appointed 16 November 2021)

### **Company Secretary**

Ward Hadaway Company Secretarial Services Limited

### **Auditors**

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

West Yorkshire

LS11 5QR

### **Registered Office**

1<sup>st</sup>/2<sup>nd</sup> Floor

Building 3150

Thorpe Park

Century Way

Leeds

West Yorkshire

LS15 8ZB

## SharkNinja Europe Ltd

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### Strategic report

The directors present their strategic report for the year ended 31 December 2021.

#### Principal activity and review of the business

The company is a trading parent company and the principal activity of the group and company is the sale of small kitchen appliances under the Ninja brand name and floor care appliances under the Shark brand name ("SharkNinja group").

#### Review of the business

In the year, the company achieved sales of £440,979,854 (Year ended 31 December 2020: £337,845,325), an increase of 31% over the previous year. Gross profits increased to £153,337,849 in the year ended 31 December 2021 from £137,804,545 in the year ended 31 December 2020. The directors consider the improvement in sales and gross profit to be a satisfactory result.

The directors continue to adopt a going concern basis in preparing the financial statements.

#### Principal risks and uncertainties

SharkNinja Europe Ltd is committed to effectively identifying and managing its risks and embedding the process of risk management into the business management system.

#### Impact of Covid

The novel coronavirus ("COVID-19") outbreak has caused a global health emergency that is impacting our business in a number of ways. The health and safety of our employees and their families, suppliers and other business partners and customers has been our top priority throughout this pandemic, so we have proactively implemented preventative health measures. The impact of COVID-19 has been visible since mid-March 2020 and the situation continues to be actively managed by the company. During the first half of 2021, the dynamic actions taken by Governments around the world to contain the spread of COVID-19 resulted in continued disruption to the supply chain and routes to market for the company. Consumers stayed home, and retailers announced the closure of offline stores. The shift seen in 2020 towards online sales channels has continued into 2021 and so based on trading results since the onset of the pandemic in the UK, we have not experienced a negative impact on trading results and would expect that to continue. During the second half of 2021 many countries returned to trading as normal on the high street, and the Directors believe that going into 2022 our trading performance will continue to be largely unaffected by COVID-19.

**SharkNinja Europe Ltd**

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**Strategic report (continued)****Other economic conditions**

The UK left the European Union as of 31 December 2020. Uncertainty still remains over the medium to long-term impacts of leaving the European Union. Adverse effects of the transition could be volatility in global stock markets and in turn a devaluation of the sterling against foreign currencies and therefore the company could be impacted by such outcomes. The directors do not believe that the withdrawal will have a material impact on the company's results but continue to actively monitor the economic conditions, and have not noted any material adverse impacts to date.

The rising costs of sea freight towards the end of 2021 and into 2022 have seen increasing costs incurred by the business in order to continue trading. The directors have mitigated the impact of this by changing sea freight providers to take advantage of lower fixed freight rates.

**Other risks**

The other key business risks affecting the company are considered to relate to pressure on margins due to foreign exchange rates or increases in costs, product substitute and the general state of economic activity in the UK and Europe.

**Section 172 (1) statement**

The directors of the company have reviewed, both individually and collectively, that they have acted in the way they consider, would be the most likely to promote the success of the company for the benefits of its shareholders whilst having due regard to its key stakeholders as set out in section 172 (1) of the Companies Act 2006 during the year ended 31 December 2021. Section 172 (1) assesses the above with key considerations in respect of the interests of the company's employees, business relationships with customers, suppliers and others, the impact of the company's operations on the community and the environment and the desirability of the company of maintaining a reputation for high standards of business conduct. The directors have fulfilled their duties in respect of section 172 (1) as follows:

**Working for the benefit of our shareholder**

The corporate governance policies and procedures in place largely derived from the governance framework mandated by SharkNinja group. This ensures a continuous and structured dialogue with the Board of SharkNinja Europe Ltd ("SNE") and includes regular visits and detailed corporate governance sign-off procedures. In addition, X Wang is a member of the board of our immediate parent and ultimate parent. We engage with SharkNinja group on significant capital projects and prior approval is required for certain monetary commitments or risk criteria. Principal investments during the year relate to the creation of our subsidiary network and intellectual property rights. Strategic plans and associated annual financial targets are discussed and signed off by both the SNE Board and SharkNinja group. Post sign off there is regular communication between SharkNinja group and the SNE Board regarding performance against these financial targets. Please see the KPIs section included within the Strategic Report for highlights of the year. Various functions within SNE – including Legal and Compliance – have an independent direct reporting line into SharkNinja group and, on behalf of SharkNinja group, these functions formally test and report on compliance with key financial and ethical regulations applied in SNE. SharkNinja group also has formal oversight of these processes and play a role in ensuring that improvements are implemented where required.

## SharkNinja Europe Ltd

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### Strategic report (continued)

#### **Engaging with our employees**

The company has a well-developed structure through which it engages regularly with its employees. In order to provide employees with the necessary information to understand the financial and economic factors affecting the company's performance, the company holds town-hall meetings every quarter.

#### **Fostering business relationships**

##### *Customers*

We have a dedicated National Account Manager for each major retailer. We engage with our retail customers through a variety of channels including gaining feedback through customer demonstrations of our products. Selling products direct to consumers through our SharkNinja website or television shopping platforms, enables the company to obtain first-hand knowledge of consumer behaviours.

Furthermore, the consumer insights team is responsible for gathering and disseminating consumer feedback in support of product development and commercial strategies.

##### *Supply chain and suppliers*

To monitor our finished product inventory levels and minimise obsolete inventory, we have a strict inventory control policy whilst closely monitoring sales records of our distributors and retailers. Through various data feeds and discussions with distributors, we are able to monitor the sales performance of the distributors and retailers, understand the latest market demand on our products, prepare sales forecasts and production schedules and maintain an optimal inventory level which can satisfy the market demand in a timely manner but without increasing the risk of inventory obsolescence.

We work closely with our suppliers to strengthen and enhance our relationship with them, implement our quality control standards and improve our bargaining power in terms of pricing and overall risk management. We report on our payment practices in accordance with The Small Business, Enterprise and Employment Act 2015.

The company sources finished goods and critical components to support the sales and marketing of our business. We seek to only deal with reputable suppliers and suppliers that share our zero tolerance policy in respect of human trafficking and slavery. We conduct routine internal social compliance audits with our first tier suppliers, with human trafficking and slavery being one of the key areas we assess. During these audits, we speak at random to supplier employees to assess their voluntary employment, their employment freedom and the holding of identification documentation.

We require and oversee our first tier suppliers conducting their own audits of our second tier suppliers, and we review their audit reports constantly.

##### *Community*

We are supported by external consultants to assess environmental risks and opportunities, including areas such as carbon management, waste management and data management.

#### **Maintaining a reputation for high standards of business conduct**

In accordance with our procedures, our in-house legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We set out systematic internal rules and guidelines for our employees, including best commercial practice, work ethics and a prevention mechanism to avoid fraud, negligence and corruption. We provide employees with regular training and resources to keep them abreast of the guidelines contained in the employee handbook. In addition, we provide regular and specialized trainings tailored to the needs of our employees in different departments. Through such training, we ensure that our employees' skill sets remain up-to-date. The company has formal anti-bribery and corruption policies, supported by a whistleblowing process and, where necessary, proportionate and independent investigation and follow up of any matters reported.

## SharkNinja Europe Ltd

# Strategic report (continued)

## Energy and Greenhouse Gas Report

SharkNinja has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used. Scope 3 outsourced logistics emissions (sea and road) have been calculated in conformance with the Global Logistics Emissions Council Framework for Logistics Emissions Methodologies (GLEC Framework).

The table below summarises the GHG emissions for reporting year: 1st January 2021 to 31st December 2021 for SharkNinja Europe Ltd. As a business we have been assessing our carbon emissions since 2018 and have provided last year's assessment results for comparison.

Scope	Activity	2021	2020
Scope 1	Company car travel	1.74	1.00
<b>Scope 1 Sub Total</b>		<b>1.74</b>	<b>1.00</b>
Scope 2	Electricity generation	29.25	22.03
<b>Scope 2 Sub Total</b>		<b>29.25</b>	<b>22.03</b>
	Sea freight	23,261.59*	7,921.83
	Lorry freight	6,856.36*	1,373.43
	Flights	33.30	156.53
	Air freight	-	-
	Grey fleet	36.14	23.30
Scope 3	Waste	17.08	12.38
	Paper	-	1.91
	Electricity transmission and distribution	2.59	1.89
	Water	2.10	-
	Rail travel	0.12	1.36
	Taxi travel	0.46	0.4
	Ferry travel	0.05	-
<b>Scope 3 Sub Total</b>		<b>30,209.79</b>	<b>9,493.03</b>
<b>Total tonnes of CO2e</b>		<b>30,240.78</b>	<b>9,516.06</b>
<b>Total tonnes of CO2e per employee</b>		<b>146.09</b>	<b>73.77</b>
<b>Total tonnes of CO2e per £M turnover</b>		<b>68.57</b>	<b>28.17</b>
<b>Kilograms of CO2e per unit sold</b>		<b>6.84</b>	<b>2.90</b>
<b>Total Energy Consumption</b>		<b>302,616</b>	<b>196,767</b>

\* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

\*Calculated in conformance with the Global Logistics Emissions Council Framework for Logistics Emissions Methodologies (GLEC Framework)

In 2021 SharkNinja Europe launched an employee led sustainability network; a community of employees who share a passion for the environment. The committee meet regularly to discuss ways to reduce the company's environmental impacts, including opportunities to use energy more efficiently.

## SharkNinja Europe Ltd

## Strategic report (continued)

### Key performance indicators

The company uses a number of measures, both financial and non-financial to monitor the performance of the company:

#### Financial

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
Revenue	440,980	337,845
Adjusted operating profit*	66,265	66,167

#### \*Non-GAAP measures

To supplement the income statement, which is presented in accordance with FRS101 using IFRS measurement standards, the Company also uses adjusted operating profit as non-IFRS measures, which are unaudited and not required by, or presented in accordance with, IFRS. The Company believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to potential users of the financial statements and management in facilitating a comparison of the Company's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Company's ongoing operating performance, including expenses arising from group management charges and depreciation and amortisation. Such non-IFRS measures allow users to consider matrices used by the Company's management in evaluating the Company's performance. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS.


#### Non-Financial

- 5 star customer service – ensuring every customer receives 5 star purchasing experience in both product and service; and
- Complete and on time deliveries – monitoring and maintaining high service levels.

#### Future Outlook

The company is looking forward to consolidating its position in the EU and expanding into further European markets whilst still challenging and pushing forward in its aim to become market leader across Europe.

Approved by the Board and signed on its behalf by:

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D Stevenson  
Director

28 September 2022

## SharkNinja Europe Ltd

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Registered No. 08492819

### Directors' report

The directors present their report and financial statements for the year ended 31 December 2021.

#### Results and dividends

The profit for the year after taxation amounted to £11,307,507 (Year ended 31 December 2020: £12,507,125). The directors do not recommend a final dividend for the year ended 31 December 2021 (Year ended 31 December 2020: £nil).

#### Strategic Report

The directors have chosen in accordance with section 414C (11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company. To this end, future developments and Energy & Greenhouse Gas Reporting have been covered in the Strategic Report.

#### Post Balance Sheet Events

On 20 May 2022, SharkNinja Iberia S.L. was incorporated in Spain. SharkNinja Iberia S.L. has a share capital of €3,000 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

#### Directors

The directors who served the company during the year and to the date of this report were as follows:

X Wang

M Broadway (Resigned 27 January 2022)

D Stevenson (Appointed 16 November 2021)

J Wright (Appointed 16 November 2021)

#### Directors' qualifying third party indemnity provisions

The company has granted an indemnity to all of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

#### Disclosure of information to the auditors


So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

D Stevenson  
Director

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28 September 2022



## SharkNinja Europe Ltd

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### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Independent Auditors' Report to The Members Of SharkNinja Europe Ltd**

## **Opinion**

We have audited the financial statements of SharkNinja Europe Ltd for the year ended 31 December 2021 which comprise the Income statement and other comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern from when the financial statements are authorised for issue until 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

## **Independent Auditors' Report To The Members of SharkNinja Europe Ltd (Continued)**

apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

## Independent Auditors' Report To The Members of SharkNinja Europe Ltd (Continued)

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

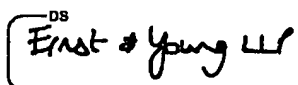
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, (FRS 101 and The Companies Act 2006) and the relevant direct and indirect tax laws and regulations in the UK.
- We understood how SharkNinja Europe Ltd is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated the results of our enquiries through reading the board minutes and correspondence with UK tax authorities to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering previous EY experience with the company, inquiring with management from various parts of the business to understand where they considered there was susceptibility to fraud and what entity level controls are in place. We also identified the existence of performance targets and their potential influence on management to manage earnings by manipulating Revenue. We considered the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Specifically, we identified a fraud risk in relation to revenue recognition and performed detailed audit procedures over the revenue accounts utilising our analytics tools and paying particular attention to manual journals in order to address the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Buckler (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds, UK

29 September 2022

## SharkNinja Europe Ltd

**Income statement and other comprehensive income****for the year ended 31 December 2021**

		<i>Year ended 31 December 2021</i>	<i>Year ended 31 December 2020</i>
	<i>Notes</i>	<i>£000s</i>	<i>£000s</i>
<b>Revenue</b>	2	<b>440,980</b>	<b>337,845</b>
<b>Cost of sales</b>		<b>(287,642)</b>	<b>(200,040)</b>
<b>Gross profit</b>		<b>153,338</b>	<b>137,805</b>
Administrative expenses		(139,518)	(122,207)
Other operating income		134	69
<b>Operating profit</b>		<b>13,954</b>	<b>15,667</b>
Net finance expense	7	(311)	(64)
<b>Profit on ordinary activities before taxation</b>		<b>13,643</b>	<b>15,603</b>
Taxation	8	(2,336)	(3,096)
<b>Profit and total comprehensive loss for the year</b>		<b>11,307</b>	<b>12,507</b>

All amounts relate to continuing activities.

Non-GAAP measures shown below are explained in further detail on page 6.

<b>Operating profit</b>	<b>13,954</b>	<b>15,667</b>
<b>Adjusted for:</b>		
Depreciation and amortisation	27,239	25,336
Management charges	25,072	25,164
<b>Adjusted operating profit</b>	<b>66,265</b>	<b>66,167</b>

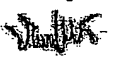
## SharkNinja Europe Ltd

**Statement of financial position**

At 31 December 2021

	Notes	31 December 2021 £000s	31 December 2020 £000s
Intangible assets	9	44,181	57,996
Investments	11	583	574
Property, plant and equipment	12	3,271	2,081
Deferred tax asset	8	721	830
<b>Non-Current assets</b>		<b>48,756</b>	<b>61,481</b>
Inventories	13	131,666	62,890
Trade and other receivables	14	248,421	145,638
Cash and cash equivalents		33,750	53,691
<b>Current assets</b>		<b>413,837</b>	<b>262,219</b>
<b>Total assets</b>		<b>462,593</b>	<b>323,700</b>
Trade and other payables	15	(247,805)	(160,709)
Loans and borrowings	16	(129,699)	(52,475)
Provisions	17	(6,724)	(6,794)
<b>Current liabilities</b>		<b>(384,228)</b>	<b>(219,978)</b>
Loans and borrowings	16	(1,013)	(38,749)
Provisions	17	(340)	(170)
Deferred tax liability	8	(295)	(129)
<b>Non-Current liabilities</b>		<b>(1,648)</b>	<b>(39,048)</b>
<b>Total liabilities</b>		<b>(385,876)</b>	<b>(259,026)</b>
<b>Net assets</b>		<b>76,717</b>	<b>64,674</b>
<b>Capital and reserves</b>			
Called up share capital	19	-	-
Share premium	20	63,439	62,745
Profit and loss account	20	10,579	(728)
Capital contribution reserve	20	2,699	2,657
<b>Net assets</b>		<b>76,717</b>	<b>64,674</b>

Approved by the board on 28 September 2022 and signed on its behalf by

D Stevenson  
DirectorDocuSigned by:  
  
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Company registered number: 08492819

## SharkNinja Europe Ltd

**Statement of changes in equity**

for the year ended 31 December 2021

	<i>Called-up capital £000s</i>	<i>Share premium £000s</i>	<i>Profit and loss account £000s</i>	<i>Capital contribution reserve £000s</i>	<i>Total Equity £000s</i>
<b>As at 31 December 2019</b>	-	-	(13,235)	2,543	(10,692)
Profit for the financial year	-	-	12,507	-	12,507
Issued share capital	-	62,745	-	-	62,745
Capital injection	-	-	-	8	8
Share-based payment expense	-	-	-	106	106
<b>As at 31 December 2020</b>	-	62,745	(728)	2,657	64,674
Profit for the financial year	-	-	11,307	-	11,307
Issued share capital	-	694	-	-	694
Capital injection	-	-	-	8	8
Share-based payment expense	-	-	-	34	34
<b>As at 31 December 2021</b>	-	63,439	10,579	2,699	76,717

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies

#### *Statement of compliance*

SharkNinja Europe Ltd is a limited liability company incorporated in England, United Kingdom and prepared in accordance with the Companies Act 2006. The registered office is 1<sup>st</sup>/2<sup>nd</sup> Floor, Building 3150, Thorpe Park, Century Way, Leeds, LS15 8ZB.

These financial statements are presented in pounds sterling (to the nearest thousand unless otherwise stated) because that is the currency of the primary economic environment in which the company operates.

#### *Basis of preparation*

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council to prepare its financial statements in accordance with FRS 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention, modified for the revaluation of certain financial assets and liabilities at fair value. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- Business combinations;
- Financial instruments;
- Remuneration for key management;
- Fair value measurements;
- Statement of Cash Flows for the company;
- Certain related party transactions including those with subsidiaries;
- Certain property, plant and equipment disclosures; and
- The effect of new but not yet effective IFRSs.

The basis for the above exemptions is because equivalent disclosures are included in the financial statements in which the entity is consolidated.

The preparation of financial statements in conformity with FRS101 requires the use of accounting estimates. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclose below in 'Critical accounting estimates and key judgements'.



## SharkNinja Europe Ltd

# Notes to the financial statements

For the year ended 31 December 2021

## 1. Accounting policies (continued)

### *Application of new and revised International Financial Reporting Standards*

#### *Amendments to IFRSs that are mandatorily effective for the current year*

The following accounting standards and interpretations, issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC"), are effective for the first time in the current financial year.

- Amendment to IFRS 16: Covid-19-Related Rent Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 1: Interest Rate Benchmark Reform — Phase 2 (6)

#### **Amendments to IFRS 16 Covid-19 Related Rent Concessions**

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the company.

#### **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 1: Interest Rate Benchmark Reform — Phase 2 (6)**

In September 2019 the International Accounting Standards Board (Board) amended IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures to address as a priority issues affecting financial reporting in the period before the reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate (Phase 1 amendments). These Phase 1 amendments provided temporary exceptions to specific hedge accounting requirements because of the uncertainty arising from the reform. After issuing the Phase 1 amendments, the Board commenced Phase 2 of its project, and in August 2020 issued further amendments to IFRS Standards, concluding its work in response to the reform. The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). These amendments had no impact on the financial statements of the company.

### **Exemption from preparing group financial statements**

On 18 December 2019, one of the company's intermediate parent companies, JS Global Lifestyle Company Limited, a company incorporated in the Cayman Islands, listed on the Hong Kong exchange. As a result, the company does not prepare group financial statements as it is exempt from doing so by section 401 of the Companies Act 2006. JS Global Lifestyle Company Limited prepares publicly available consolidated financial statements that include the results of the company. These consolidated financial statements are available at the registered office of JS Global Lifestyle Company Limited which is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *Going concern*

In considering the appropriate basis on which to prepare the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future.

The directors considered the position of the company at 31 December 2021 as follows:

- The company was in a net asset position of £76.7m at the balance sheet date.
- The day to day working capital needs of the company are met utilising the cash reserves which at 31 December amounted to £33.8m.
- The company has no external borrowings. Furthermore, none of the company's assets have been pledged as security and the longer term funding is provided by fellow companies within the wider SharkNinja group.
- The company has a positive adjusted operating profit of £66.3m for the year ended 31 December 2021.

In addition, the directors have made an assessment and satisfied themselves of the company's ability to continue as a going concern through reviewing the company's forecasts and projections, together with factors likely to affect its future development, performance and position as follows:

- The disruptions to supply and distribution channels have now eased, and the business has experienced no material effects on the supply chain.
- The directors have considered the forecasts through to 30 September 2023 and have stress tested those forecasts including considering the possibility of the anticipated growth levels in the European markets not materialising.
- The company's existing cash reserves will be sufficient

As at the date of the approval of the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

## 1. Accounting policies (continued)

### *Summary of significant accounting policies*

#### **Investments**

Investments in subsidiaries, joint ventures and associated companies are carried at cost, less accumulated impairment losses in the company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

#### **Foreign currencies**

Transactions in foreign currencies are translated into sterling using the relevant monthly average rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling (the company's functional currency) at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the appropriate category of the Income statement.

#### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment & furniture	33.33% per annum on a straight-line basis
Fixtures and fittings	As above or until the end of the lease, whichever is sooner
Motor vehicles	33.33% per annum on a straight-line basis
Right-of-use asset	Over the lease term on a straight-line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of finished goods, comprises direct materials, inward freight costs and customs duties. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present or legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. A liability is recognised for annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

#### **Short-term trade receivables and payables**

Trade receivables and payables with no stated interest rate and receivables or payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *Summary of significant accounting policies (continued)*

##### **Revenue Recognition**

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from the sale of consumer products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### **Volume rebates**

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The rebate is calculated with reference to net revenue for the given period multiplied by the agreed rate specified in the contract using the expected value method. A liability is recognised within accruals.

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal and constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Provisions for product warranties granted by the company on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

## 1. Accounting policies (continued)

### *Summary of significant accounting policies (continued)*

#### **Intangible assets**

Purchased intangible assets are capitalised at cost.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Brand/Licence	20% per annum on a straight-line basis
Other Intangible	33.33% per annum on a straight-line basis

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

#### **Research and development**

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: based on the valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
- Level 3: based on the valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

## 1. Accounting policies (continued)

### *Summary of significant accounting policies (continued)*

#### **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specified asset and whether the arrangement conveys a right to use the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for exemptions taken for leases of low value assets (determined as less than £4,000) and leases with a term of 12 months or less ("Short-term leases").

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Operating lease payments net of any incentives received from the lessor, are recognised as an expense in the Income Statement on a straight-line basis over the lease terms.

## Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### **Taxation**

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment periods different from those in which they are recognised in the financial statement except that:

- where there are differences between amounts that can be deducted for tax compared with the amounts that are recognised in the financial statements a deferred liability/ (asset) shall be recognised.
- deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Share-based Payments**

Employees (including directors of the company) of the JSL group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer, further details of which are given in note 5 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market condition or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is provided that all other performance or service conditions are satisfied.

#### **Capital Contribution Reserve**

IFRS 2 *Share-based payments* states that where a parent grants rights to its equity instruments to employees of its subsidiary, and the arrangement is accounted for as equity-settled in the consolidated financial statements, the subsidiary should in its own separate financial statements measure the services received from its employees in accordance with the requirements of IFRS 2 applicable to equity-settled share-based payment transactions. There will be a corresponding increase recognised in equity as a capital contribution from the parent.

SharkNinja Europe Ltd

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## Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *Accounting Judgements and estimates*

The preparation of the company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities in the future.

#### *Judgements*

In the process of applying the company's accounting policies, the directors have made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### **(a) Revenue recognition**

The company applied judgements in determining the amount and timing of revenue arising from the sales of products. The company concluded that revenue is recognised at the point in time when the control over the products is transferred to the customers, that is when the customers obtain the physical possession or the legal title of the products and the company has the present right of payment and the collection of the consideration is probable.

##### **(b) Deferred taxes**

Deferred tax assets and liabilities require judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

##### **(c) Estimate of the useful economic lives of property, plant and equipment and intangible assets**

The charge in respect of amortisation and depreciation is derived after determining an estimate of an asset's useful economic life and determined by the company at the time the asset is acquired. This is reviewed annually for reasonableness. The lives are based on historical experience as well as anticipated future events which may impact their life as changes in technology.

#### *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### **(a) Provisions**

The company has recognised provisions for the impairment of trade receivables, inventories, warranties, dilapidations and onerous contracts which require judgement. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other factors.

##### **(b) Current taxes**

The actual tax paid is determined according to complex tax laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used to determine the liability for the tax to be paid on past profits recognised in the financial statements. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements.



## SharkNinja Europe Ltd

# Notes to the financial statements

For the year ended 31 December 2021

## 2. Revenue from contracts with customers

An analysis of revenue by geographical market is given below:

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
United Kingdom	385,424	321,536
Rest of Europe	55,500	16,297
Rest of World	56	12
	<u>440,980</u>	<u>337,845</u>

## 3. Operating profit

This is stated after charging/(crediting):

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
Depreciation of property, plant and equipment	1,212	780
Amortisation of intangible assets	26,032	24,550
Impairment of intangible assets	-	5
(Profit)/Loss on disposal of assets	(5)	-
Foreign currency losses	5,314	916

## 4. Auditors' remuneration

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
<b>Audit services</b>		
Audit of the company's annual financial statements	81	81
	<u>81</u>	<u>81</u>
<b>Other services</b>		
Other non-audit services	7	-
Taxation compliance	15	14
	<u>22</u>	<u>14</u>

## SharkNinja Europe Ltd

## Notes to the financial statements

For the year ended 31 December 2021

### 5. Directors' remuneration

During the year the remuneration of directors was £1.0m (year ended 31 December 2020: £1.1m), including company pension contributions to defined pension schemes of £Nil (year ended 31 December 2020: £nil).

	Year ended 31 December 2021	Year ended 31 December 2020
	£000s	£000s
In respect of the highest paid director:		
Salary	1,004	982
Share-based payment expense	34	106
	<u>1,038</u>	<u>1,088</u>

Two directors of the company (year ended 31 December 2020: one) were also directors of various fellow SharkNinja group companies during the year ended 31 December 2021. Their remuneration is paid by those fellow SharkNinja group companies. The directors do not believe that it is practicable to apportion this amount between services as directors of the company and their services as directors of the fellow group undertakings.

#### Share-based payment expense

One of the company's intermediate parent companies, JS Global Lifestyle Company Limited ('JSL group'), a company incorporated in the Cayman Islands, is listed on the Hong Kong exchange. On 9 October 2019, the JSL group adopted an approved Restricted Stock Unit Plan ("RSUs", "The Plan"). The highest paid director is included as a participant in the Plan and was granted 566,473 RSUs on 12 October 2019.

30% of the RSUs, namely 169,941 RSUs, will not be subject to any performance-based conditions and will vest in four annual instalments equally on 31 May of 2020 to 2023 (the "Time RSUs"). If the grantees are employed or in service with the JSL group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on 31 May of the same year.

70% of the RSUs, namely 396,532 RSUs, will be subject to performance-based conditions and will vest (if any, fully or partially) over four years on 31 May of 2020 to 2023 (the "Performance RSUs"). Performance target will be measured by reference to the financial performance of SharkNinja for each of the four financial years ending 31 December 2019, 2020, 2021 and 2022 (the "Plan Year"), equating to 99,133 shares per annum. If the grantees are employed or in service with the JSL group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on 31 May of the same year.

The fair values of each RSU (\$0.63 US per share) were estimated as at the date of grant using a Monte-Carlo Simulation Model, considering the terms and conditions upon which the RSUs were granted. Based on the above, total fair value at the date of the grant was \$358,577 (£283,276). An expense of £34,759 is recognised in the year ending 31 December 2021 (year ended 31 December 2020: £105,770).

IFRS 2 *Share-based payments* states that where a parent grants rights to its equity instruments to employees of its subsidiary, and the arrangement is accounted for as equity-settled in the consolidated financial statements, the subsidiary should in its own separate financial statements measure the services received from its employees in accordance with the requirements of IFRS 2 applicable to equity-settled share-based payment transactions. There will be a corresponding increase recognised in equity as a capital contribution from the parent.

## SharkNinja Europe Ltd

**Notes to the financial statements**

For the year ended 31 December 2021

**6. Employee benefits**

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
Wages and salaries	11,216	9,157
Social security costs	1,324	955
Other pension costs	487	290
Share-based payment expense	34	106
	<u>13,061</u>	<u>10,508</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<i>No.</i>	<i>No.</i>
Sales and administration	<u>207</u>	<u>129</u>

**7. Net finance expense**

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
Interest on leases	52	40
Interest payable on loans from group companies	259	24
Net finance expense	<u>311</u>	<u>64</u>

## SharkNinja Europe Ltd

## Notes to the financial statements

For the year ended 31 December 2021

## 8. Taxation

## (a) Tax on profit/(loss) on ordinary activities

The tax on profit/(loss) is made up as follows:

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
<b>Current tax:</b>		
UK corporation tax at 19% (31 December 2020: 19%)	2,060	1,539
Adjustment for under provision in prior periods	1	2
Total current tax	<u>2,061</u>	<u>1,541</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	53	1,447
Adjustments in respect of prior year	324	333
Other short-term timing differences	-	1
Effect of changes in tax rates	(102)	(226)
Total deferred tax (note 8(d))	<u>275</u>	<u>1,555</u>
Tax on profit/(loss) on ordinary activities (note 8(b))	<u>2,336</u>	<u>3,096</u>

## (b) Factors affecting the total tax (credit)/charge

The tax assessed for the period is lower (31 December 2020: lower) than the standard rate of corporation tax in the UK of 19% (31 December 2020: 19%). The differences are explained below:

	<i>Year ended 31 December 2021 £000s</i>	<i>Year ended 31 December 2020 £000s</i>
Profit/(loss) on ordinary activities before tax	<u>13,643</u>	<u>15,603</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2020: 19 %).	2,592	2,965
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(478)	21
Other short-term timing differences	-	1
Adjustments to tax charge in respect of prior periods	324	335
Tax rate changes	(102)	(226)
Total tax charge/(credit)	<u>2,336</u>	<u>3,096</u>

## SharkNinja Europe Ltd

**Notes to the financial statements**

For the year ended 31 December 2021

**8. Taxation (continued)**

## (c) Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

## (d) Net deferred tax asset

	<i>31 December 2021</i>	<i>31 December 2020</i>
	<i>£000s</i>	<i>£000s</i>
Deferred tax asset	721	830
Deferred tax liability	(295)	(129)
	<u>426</u>	<u>701</u>
		<i>£000s</i>
At 31 December 2020		701
Charged to the profit and loss account		49
Adjustment in respect of prior years		(324)
At 31 December 2021		<u>426</u>

The net deferred tax asset included in the balance sheet is made up as follows:

	<i>31 December 2021</i>	<i>31 December 2020</i>
	<i>£000s</i>	<i>£000s</i>
Accelerated capital allowances	(295)	(129)
Short-term timing differences - trading	50	320
Losses	671	510
	<u>426</u>	<u>701</u>

## SharkNinja Europe Ltd

## Notes to the financial statements

For the year ended 31 December 2021

## 9. Intangible fixed assets

Company	Brand/Licence £000s	Software/ development costs £000s	WIP £000s	Total £000s
<b>Cost or valuation:</b>				
At 31 December 2020	100,247	484	-	100,731
Additions	-	-	1,059	1,059
Adjustment to contingent consideration	11,158	-	-	11,158
Transfers	-	-	-	-
At 31 December 2021	111,405	484	1,059	112,948
<b>Accumulated amortisation:</b>				
At 31 December 2020	42,259	476	-	42,735
Charge for the year	19,329	8	-	19,337
Adjustment to contingent consideration	6,695	-	-	6,695
Impairment	-	-	-	-
At 31 December 2021	68,283	484	-	68,767
<b>Net book value:</b>				
At 31 December 2021	43,122	-	1,059	44,181
At 31 December 2020	57,988	8	-	57,996

## Intellectual Property acquisitions

On 1 January 2019, the company purchased the intellectual property rights associated with the use of the SharkNinja technology and the SharkNinja brand outside the United States of America from another company within the SharkNinja group. The consideration paid will be contingent on SharkNinja's group results in certain regions outside of the United States of America over an agreed period ending on 31 December 2021. The consideration paid is calculated with reference to 3 years of revenue in those regions. The original estimation of consideration payable and capitalised was based on actual revenue for the year ended 31 December 2019, and two years of estimated revenue for the next year discounted at the company's incremental borrowing rate of 2.8% and the agreed contracted rates (6.38% and 3.08%). During both 2020 and 2021, the cost and amortisation was updated to reflect the movement in the assessment of the contingent consideration payable. At 31 December 2021 the cost represents the actual consideration payable based on SharkNinja's group results in certain regions outside of the United States of America over the agreed period ending on 31 December 2021.

## SharkNinja Europe Ltd

# Notes to the financial statements

For the year ended 31 December 2021

## 10. Acquisitions

### Acquisitions in the year

On 23 April 2021, SharkNinja Italy S.R.L was incorporated in Italy. SharkNinja Italy S.R.L has a share capital of €10,000 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

On 19 January 2021, SharkNinja Australia Pty Limited was incorporated in Australia. SharkNinja Australia Pty Limited has share capital of AU\$1 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

## 11. Investments

<b>Cost or valuation:</b>	£000s
At 1 January 2021	574
Additions in the year	9
At 31 December 2021	<u>583</u>
<b>Amounts provided:</b>	£000s
At 1 January 2021	-
Impairment	-
At 31 December 2021	<u>-</u>
<b>Carrying amount:</b>	
At 31 December 2021	<u>583</u>
At 31 December 2020	<u>574</u>

On 23 April 2021, SharkNinja Italy S.R.L was incorporated in Italy. SharkNinja Italy S.R.L has a share capital of €10,000 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

On 19 January 2021, SharkNinja Australia Pty Limited was incorporated in Australia. SharkNinja Australia Pty Limited has share capital of AU\$1 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

At 31 December 2021, the company's investments are as follows (\*indicates direct investment of the company rather than via a subsidiary):

All shares held are ordinary shares unless otherwise stated.

## SharkNinja Europe Ltd

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# Notes to the financial statements

For the year ended 31 December 2021

### 11. Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	Shareholding
SharkNinja Co., Limited*	Sale of small kitchen and floor care appliances	Japan	100%
SharkNinja Germany GmbH*	Sale of small kitchen and floor care appliances	Germany	100%
SharkNinja Canada Co.*	Sale of small kitchen and floor care appliances	Canada	100%
SharkNinja France SAS*	Sale of small kitchen and floor care appliances	France	100%
SharkNinja Australia PTY Ltd*	Sale of small kitchen and floor care appliances	Australia	100%
SharkNinja Italy S.R.L.*	Sale of small kitchen and floor care appliances	Italy	100%

The registered address of SharkNinja Co., Limited is 3-3-13, Shimbashi, Tsao Hibiya 11F. Minato-Ku, Tokyo, 105-0004.

The registered address of SharkNinja Germany GmbH is Westhafenplatz 1, 60327, Frankfurt am Main, Germany.

The registered address of SharkNinja Canada Co. is P.O.Box 997, Halifax, NS Canada, B3J 2X2.

The registered address of SharkNinja France SAS is 3 Rue de Téhéran, 75008, Paris, France.

The registered address of SharkNinja Australia PTY Ltd is Building D, 33 Quarry Road, Erskine Park, NSW 2759.

The registered address of SharkNinja Italy S.R.L Milano Via Tortona, 33 CAP 20144.



## SharkNinja Europe Ltd

# Notes to the financial statements

For the year ended 31 December 2021

### 12. Property, plant and equipment

Company	Office Equipment £000s	Furniture and fixtures £000s	Motor Vehicles £000s	WIP £000s	ROU asset £000s	Total £
<b>Cost:</b>						
At 31 December 2020	255	950	74	40	1,877	3,196
Additions	318	763	-	29	1,306	2,416
Transfers in	40	-	-	-	-	40
Transfers out	-	-	-	(40)	-	(40)
Disposals	(14)	-	(14)	-	-	(28)
At 31 December 2021	599	1,713	60	29	3,183	5,584
<b>Accumulated Depreciation:</b>						
At 31 December 2020	117	391	45	-	562	1,115
Charge for the year	121	412	16	-	662	1,211
Depreciation on disposals	-	-	(13)	-	-	(13)
At 31 December 2021	238	803	48	-	1,224	2,313
<b>Net book value:</b>						
At 31 December 2021	361	910	12	29	1,959	3,271
At 31 December 2020	138	559	29	40	1,315	2,081

### 13. Inventories

	31 December 2021 £000s	31 December 2020 £000s
Finished goods and goods for resale	131,666	62,890
	<u>131,666</u>	<u>62,890</u>

There are no material differences between the replacement cost of stocks and the value in the financial statements. The stock provision recognised by the company at 31 December 2021 is £1,171,299 (year ended 31 December 2020: £1,001,520).

## SharkNinja Europe Ltd

**Notes to the financial statements**

For the year ended 31 December 2021

**14. Trade and other receivables**

	<i>31 December 2021 £000s</i>	<i>31 December 2020 £000s</i>
Trade receivables	181,126	133,913
Other receivables	481	829
Prepayments	1,849	1,136
Amounts owed by subsidiary undertakings	33,762	9,755
Amounts owed by fellow group undertakings	30,963	5
Corporation tax recoverable	240	-
	<u>248,421</u>	<u>145,638</u>

Trade receivables are stated after provisions for impairment of £887,864 (2020: £581,503).

**15. Trade and other payables**

	<i>31 December 2021 £000s</i>	<i>31 December 2020 £000s</i>
Trade payables	3,549	3,831
Amounts owed to fellow group undertakings - trade	121,075	69,131
Amounts owed to fellow group undertakings – non-trade	444	-
Other taxation and social security costs	22,828	9,346
Other payables	2,771	3,007
Accruals and deferred income	97,082	73,776
Government grants	56	79
Corporation tax payable	-	1,539
	<u>247,805</u>	<u>160,709</u>

## SharkNinja Europe Ltd

**Notes to the financial statements**

For the year ended 31 December 2021

**16. Loans and borrowings**

	<i>31 December</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>£000s</i>	<i>£000s</i>
<b>Current</b>		
Amounts owed to fellow group undertakings	128,954	52,095
Lease liabilities (Note 18)	745	380
	<u>129,699</u>	<u>52,475</u>
<b>Non-current</b>		
Amounts owed to fellow group undertakings	-	37,855
Lease liabilities (Note 18)	1,013	894
	<u>1,013</u>	<u>38,749</u>

## SharkNinja Europe Ltd

## Notes to the financial statements

For the year ended 31 December 2021

## 17. Provisions

	31 December 2021	31 December 2020
	£000s	£000s
<b>Current</b>		
Warranty provision	6,724	6,794
	<u>6,724</u>	<u>6,794</u>
<b>Non-current</b>		
Dilapidations provision	340	170
	<u>340</u>	<u>170</u>

The movement in provisions during the year is as follows:

	<i>Dilapidations provision £000s</i>	<i>Warranty provision £000s</i>	<i>Onerous contracts £000s</i>	<i>Total £000s</i>
At 31 December 2020	170	6,794	-	6,964
Charged to the Income Statement	170	5,422	-	5,592
Utilised in the year	-	(5,492)	-	(5,492)
At 31 December 2021	<u>340</u>	<u>6,724</u>	<u>-</u>	<u>7,064</u>

The company provides standard warranties of one to five years to its customers on certain of its products. It is expected that most of these costs will be incurred in the next financial year.

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease, which has been estimated with reference to valuations from property valuers.

## SharkNinja Europe Ltd

**Notes to the financial statements**

For the year ended 31 December 2021

**18. Lease liabilities**

The movements of lease liabilities during the year are as follows:

	<i>31 December 2021 £000s</i>	<i>31 December 2020 £000s</i>
<b>Lease liabilities:</b>		
At the beginning of the year	1,703	1,703
Additions during the year	1,058	-
	<u>2,761</u>	<u>1,703</u>
<b>Accumulated payment:</b>		
At the beginning of the year	(429)	(175)
Interest expense during the year (Note 7)	52	40
Payments during the year	(626)	(294)
	<u>(1,004)</u>	<u>(429)</u>
<b>Net carrying amount:</b>		
At the beginning of the year	<u>1,274</u>	<u>1,528</u>
At the end of the year	<u>1,758</u>	<u>1,274</u>

At 31 December, lease liabilities are analysed as follows:

	<i>31 December 2021 £000s</i>	<i>31 December 2020 £000s</i>
Not later than one year	745	380
Later than one year and not later than five years	1,013	894
	<u>1,758</u>	<u>1,274</u>

## SharkNinja Europe Ltd

## Notes to the financial statements

For the year ended 31 December 2021

### 19. Issued share capital

	31 December 2021		31 December 2020	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	102	<u>102</u>	101	<u>101</u>

All shares rank pari passu in all respects.

On 30 December 2021 the company issued share capital. One ordinary share was issued for consideration of £693,900 accounting for the increase in share premium in the year.

### 20. Reserves

#### Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss account

Cumulative profit and loss net of distributions to owners.

#### Capital contribution reserve

Cumulative capital contributions received from the parent company in respect of the share-based payments relating to Directors employed by SharkNinja Europe Limited.

### 21. Related party transactions

The company has taken advantage of FRS 101 *Reduced Disclosure Framework* which exempts disclosure of related party transactions made to wholly owned members of the SharkNinja group. There are no further related party transactions to disclose.

### 22. Post balance sheet events

On 20 May 2022, SharkNinja Iberia S.L. was incorporated in Spain. SharkNinja Iberia S.L. has a share capital of €3,000 and has been wholly owned by SharkNinja Europe Ltd since incorporation.

### 23. Ultimate parent undertaking and controlling party

The ultimate holding company of the company is JS Holding Limited Partnership ("JS Holding"), which is incorporated in the Cayman Islands. At 31 December 2021, the company's immediate parent undertaking is SharkNinja Global SPV 2 Limited. One of the company's intermediate parent companies, JS Global Lifestyle Company Limited, a company incorporated in the Cayman Islands, is listed on the Hong Kong exchange. JS Global Lifestyle Company Limited prepares publicly available consolidated financial statements that include the results of the company. These financial statements are available at the registered office of JS Global Lifestyle Company Limited which is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.