

Caffé River Scandinavia ApS

Skudehavnsvej 34 B, 2150 Nordhavn

CVR-number 26 79 65 55

Annual Report 2021

Financial year: 01.01.2021 – 31.12.2021

Approved at the annual general meeting of shareholders on 30/5-2022

Marco Dalla Ragione
Chairman

Contents

Company Information	1
Management's Review	2
Managements' Statement on the Annual Report	3
Practitioner's compilation report	4
Accounting Policies	6
Income Statement	10
Balance Sheet	11
Equity Statement	13
Notes to the annual report	14

Company Information

The Company	Caffé River Scandinavia ApS Skudehavnsvej 34 B 2150 Nordhavn
Executive Manager	Mads Bordinggaard Madsen
Board of Directors	Marco Dalla Ragione Mads Bordinggaard Madsen
Auditors	Aaen & Co. statsautoriserede revisorer p/s Kongevejen 3 3000 Helsingør
Bankers	Danske Bank
Financial year	1 January - 31 December

Management's Review

Description of significant activities of entity

The Company's objective is trade in coffee, related products and equipment and related business areas.

Significant changes in the company's activities and financial affairs

Apart from the below mentioned there has been no significant changes in the activities and financial position during the financial year.

The owners have decided to transfer the liquidity necessary for the company to pay all demands the coming year. Furthermore the owners have agreed to step back with their demands on the company so other creditors shall be paid in advance of the owners claim.

The Annual Report has been prepared under the going concern assumption.

During the end of the financial year, the global crisis with Covid-19 has arisen, which has led to a decrease in the company's turnover after the end of the financial year. At present, the full consequences of the crisis are not known, including the expected duration and economic impact of the crisis. However, it is the management's expectation, based on current knowledge, including the government's aid packages, that the financial impact on the company will not be significant.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Management's Statement on the Annual Report

The Board of Directors and the Executive Board have today discussed and approved the Annual Report 2021 of Caffé River Scandinavia ApS.

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

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2021 and the results of operations for the financial year 1 January - 31 December 2021 of the Company.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

The Management considers the conditions for opting out of auditing to be met.

We recommend that the Annual Report be approved at the annual general meeting.

Copenhagen May 30, 2022

Executive Manager

Mads Bordinggaard Madsen

Board of Directors

Marco Dalla Ragione

Mads Bordinggaard Madsen

Practitioner's compilation report

To the Management of Caffé River Scandinavia ApS:

We have compiled the accompanying financial statements of Caffé River Scandinavia ApS for the financial year 1. januar - 31. december 2021 for the financial year ended 31. december 2021 based on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Elsinore, May 30, 2022
Aaen & Co. statsautoriserede revisorer p/s
Kongevejen 3, 3000 Elsinore - CVR 33 24 17 63

Søren Appelrod
State Authorised Public Accountant
MNE23301

Accounting Policies

Basis of accounting

The Annual Report of Caffé River Scandinavia ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment, are recognised in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the rate of exchange at the date of transaction.

Income Statement

Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Cost of sale", "Other external expenses" and "Other operating income" are consolidated into one item designated "Gross profit".

Accounting Policies

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The items is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Accounting Policies

Balance Sheet

Fixtures, fittings, tools and equipment

Other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

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

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fittings, tools and equipment	5	Years
---	---	-------

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale.

Inventories

Inventories are measured at cost or net realizable value when this is lower. Write-down is made on obsolete goods including slow-mowing goods.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank balances.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount. Investments comprise rent deposits, which is measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of changes in value.

Accounting Policies

Dividend

Dividend, which is expected paid for the year, is shown as a separate item under equity. Proposed dividend is recognised as a liability at the time of adoption at the Annual General Meeting.

Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallised as current tax.

Debt

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

 Profit and loss account 1 January - 31 December

Note	2021	2020
Gross profit	668.016	680.813
3 Employee expense	1.327.444	1.525.112
4 Depreciations	139.950	207.216
Profit (loss) from ordinary operating activities	-799.378	-1.051.515
Financial income	110.590	31.136
5 Financial expenses	14.576	9.771
Profit (loss) from ordinary activities before tax	-703.364	-1.030.150
6 Tax expense on ordinary activities	0	0
Profit (loss)	-703.364	-1.030.150
Proposed distribution of results:		
Retained earnings	-703.364	-1.030.150
Profit for the year distributed	-703.364	-1.030.150

 Balance sheet 31 December

Assets

<u>Note</u>	<u>2021</u>	<u>2020</u>
7 Fixtures, fittings, tools and equipment	209.400	280.350
Non-current assets	<u>209.400</u>	<u>280.350</u>
Manufactured goods and goods for resale	502.363	504.470
Inventories	<u>502.363</u>	<u>504.470</u>
Trade receivables	184.129	134.046
Other receivables	109.969	232.506
Receivables	<u>294.098</u>	<u>366.552</u>
Cash and cash equivalents	<u>493.814</u>	<u>211.583</u>
Current assets	<u>1.290.275</u>	<u>1.082.605</u>
Total assets	<u>1.499.675</u>	<u>1.362.955</u>

Balance sheet 31 December

Liabilities

<u>Note</u>	<u>2021</u>	<u>2020</u>
Share capital	125.000	125.000
Retained earnings	-6.486.453	-5.783.089
Equity	<u>-6.361.453</u>	<u>-5.658.089</u>
8 Subordinate loan capital	<u>6.486.453</u>	<u>5.783.089</u>
Long-term debt	<u>6.486.453</u>	<u>5.783.089</u>
8 Payables to group enterprises	101.200	58.763
Trade payables	2.076	204.921
Other payables	1.271.399	974.271
Short-term debt	<u>1.374.675</u>	<u>1.237.955</u>
Total liabilities	<u>7.861.128</u>	<u>7.021.044</u>
Total liabilities and equity	<u>1.499.675</u>	<u>1.362.955</u>
9 Contingent liabilities		

Equity Statement

	Share capital	Retained earnings	Proposed dividend	Total
Equity 1. januar 2020	125.000	-4.752.939	0	-4.627.939
Dividends paid	0	0	0	0
Profit of the year	0	-1.030.150	0	-1.030.150
Equity 31. december 2020	125.000	-5.783.089	0	-5.658.089
Equity 1. januar 2021	125.000	-5.783.089	0	-5.658.089
Dividends paid	0	0	0	0
Profit of the year	0	-703.364	0	-703.364
Equity 31. december 2021	125.000	-6.486.453	0	-6.361.453

Notes

1 Going Concern

Management estimates that COVID-19 is expected to have a negative effect in the short-term and cause a high degree of uncertainty and unpredictability in the market. The scale of short-term negative effects for the coming year is manageable and based on the assumption that economic activity will normalize during 2022. If this does not happen, there can be a significant downward risk to the income platform.

2 Special posts

During the year the company has received compensation due to Covid-19 amounting to t.dkk.313 (t.dkk. 263 in 2021)

	2021	2020
	<u> </u>	<u> </u>
3 Employee expense		
Wages and salaries	1.165.395	1.309.719
Pensions	162.049	215.393
	<u>1.327.444</u>	<u>1.525.112</u>
The average number of full-time employees	<u>3</u>	<u>3</u>
4 Depreciations		
Fixtures, fittings and equipment	139.950	207.216
	<u>139.950</u>	<u>207.216</u>
5 Tax expense on ordinary activities		
Net foreign exchange transaction losses	8	0
Other interest expenses	14.568	9.771
	<u>14.576</u>	<u>9.771</u>
6 Tax expense on ordinary activities		
Tax on the taxable income for the period	0	0
	<u>0</u>	<u>0</u>

Notes

	2021	2020
	<u> </u>	<u> </u>
7	Fixtures, fittings, tools and equipment	
Cost, beginning of the year	1.266.707	1.540.276
Additions for the year	69.000	36.000
Disposal for the year	158.680	309.569
	<u> </u>	<u> </u>
Cost, end of the year	1.177.027	1.266.707
	<u> </u>	<u> </u>
Amortisation, beginning of the year	986.357	1.088.710
Depreciation for the year	139.950	207.216
Reversed depreciations on disposal for the year	158.680	309.569
	<u> </u>	<u> </u>
Depreciations, end of the year	967.627	986.357
	<u> </u>	<u> </u>
Carrying amount, end of the year	209.400	280.350
	<u> </u>	<u> </u>
8	Short-term payables to group enterprises	
Payables to group enterprise	6.587.653	5.841.852
Of this transferred to long-term debt (subordinate loan capital)	-6.486.453	-5.783.089
	<u> </u>	<u> </u>
	101.200	58.763
	<u> </u>	<u> </u>

Subordinate loan capital

The Company's controlling shareholder has issued a letter of subordination to other creditors in an amount corresponding to the Company's retained loss. The letter of subordination applies until the sharecapital has been restored or until 31 December 2022, depending on which event comes first.

9 Contingent liabilities

There are no liabilities