

Caffé River Scandinavia ApS

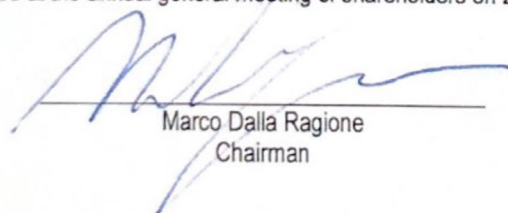
Skudehavnsvej 34 B, 2150 Nordhavn

CVR-number 26 79 65 55

Annual Report 2020

Financial year: 01.01.2020 – 31.12.2020

Approved at the annual general meeting of shareholders on 28/6-2021



Marco Dalla Ragione
Chairman

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Company Information

The Company	Caffé River Scandinavia ApS Skudehavnsvej 34 B 2150 Nordhavn
Executive Manager	Mads Bordinggaard
Board of Directors	Marco Dalla Ragione
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 2020 of Caffè 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 2020 and the results of operations for the financial year 1 January - 31 December 2020 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, and therefore recommends for the general meeting to opt out of auditing the annual report for the coming financial year.

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

Copenhagen June 28, 2021

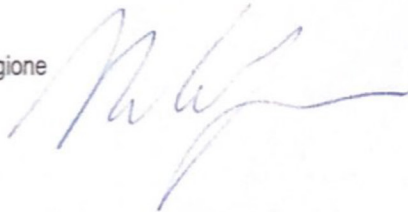
Executive Manager

Mads Bordinggaard



Board of Directors

Marco Dalla Ragione



Independent auditors' report

To the shareholders of Caffé River Scandinavia ApS:

Opinion

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

We have audited the Financial Statements of Caffé River Scandinavia ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent auditors' report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Helsingør, 28. juni 2021

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør - CVR nummer 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 2020 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
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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	2020	2019
Gross profit	680.813	1.134.161
3 Employee expense	1.525.112	1.435.820
4 Depreciations	207.216	293.273
Profit (loss) from ordinary operating activities	-1.051.515	-594.932
Financial income	31.136	4.734
5 Financial expenses	9.771	19.140
Profit (loss) from ordinary activities before tax	-1.030.150	-609.338
6 Tax expense on ordinary activities	0	0
Profit (loss)	-1.030.150	-609.338
Proposed distribution of results:		
Retained earnings	-1.030.150	-609.338
Profit for the year distributed	-1.030.150	-609.338

 Balance sheet 31 December

Assets

<u>Note</u>	<u>2020</u>	<u>2019</u>
7 Fixtures, fittings, tools and equipment	280.350	451.566
Non-current assets	<u>280.350</u>	<u>451.566</u>
Manufactured goods and goods for resale	504.470	432.189
Inventories	<u>504.470</u>	<u>432.189</u>
Trade receivables	134.046	363.917
Other receivables	232.506	198.949
Receivables	<u>366.552</u>	<u>562.866</u>
Cash and cash equivalents	<u>211.583</u>	<u>221.414</u>
Current assets	<u>1.082.605</u>	<u>1.216.469</u>
Total assets	<u>1.362.955</u>	<u>1.668.035</u>

Balance sheet 31 December

Liabilities

Note	2020	2019
Share capital	125.000	125.000
Retained earnings	-5.783.089	-4.752.939
Equity	-5.658.089	-4.627.939
8 Subordinate loan capital	5.783.089	4.752.939
Long-term debt	5.783.089	4.752.939
8 Payables to group enterprises	58.763	877.268
Trade payables	204.921	168.465
Other payables	974.271	497.302
Short-term debt	1.237.955	1.543.035
Total liabilities	7.021.044	6.295.974
Total liabilities and equity	1.362.955	1.668.035
9 Contingent liabilities		

Equity Statement

	Share capital	Retained earnings	Proposed dividend	Total
Equity 1. januar 2019	125.000	-4.143.601	0	-4.018.601
Dividends paid	0	0	0	0
Profit of the year	0	-609.338	0	-609.338
Equity 31. december 2019	125.000	-4.752.939	0	-4.627.939
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

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 2021. 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.263

	2020	2019
	<u> </u>	<u> </u>
3 Employee expense		
Wages and salaries	1.309.719	1.228.118
Pensions	215.393	207.702
	<u>1.525.112</u>	<u>1.435.820</u>
 The average number of full-time employees	<u>3</u>	<u>3</u>
 4 Depreciations		
Fixtures, fittings and equipment	207.216	293.273
	<u>207.216</u>	<u>293.273</u>
 5 Tax expense on ordinary activities		
Net foreign exchange transaction losses	0	930
Other interest expenses	9.771	18.210
	<u>9.771</u>	<u>19.140</u>
 6 Tax expense on ordinary activities		
Tax on the taxable income for the period	0	0
	<u>0</u>	<u>0</u>

Notes

	2020	2019
	<u> </u>	<u> </u>
7 Property, plant and equipment		
	Fixtures and fittings, tools and equipment	Fixtures and fittings, tools and equipment
	<u> </u>	<u> </u>
Cost, beginning of the year	1.540.276	1.663.681
Additions for the year	36.000	92.074
Disposal for the year	309.569	215.479
	<u> </u>	<u> </u>
Cost, end of the year	1.266.707	1.540.276
	<u> </u>	<u> </u>
Amortisation, beginning of the year	1.088.710	1.010.916
Depreciation for the year	207.216	293.273
Reversed depreciations on disposal for the year	309.569	215.479
	<u> </u>	<u> </u>
Depreciations, end of the year	986.357	1.088.710
	<u> </u>	<u> </u>
Carrying amount, end of the year	280.350	451.566
	<u> </u>	<u> </u>
8 Short-term payables to group enterprises		
Payables to group enterprise	5.841.852	5.630.207
Of this transferred to long-term debt (subordinate loan capital)	-5.783.089	-4.752.939
	<u> </u>	<u> </u>
	58.763	877.268
	<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 2021, depending on which event comes first.

9 Contingent liabilities

There are no liabilities