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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

MIKO COFFEE APS

GULDALDEREN 13, 2640 HEDEHUSENE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 27 August 2020

Michael Schiedel

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 27 48 03 57

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COMPANY DETAILS

Company	Miko Coffee ApS Guldalderen 13 2640 Hedehusene	
	CVR No.:	27 48 03 57
	Established:	15 December 2003
	Registered Office:	Hedehusene
	Financial Year:	1 January - 31 December
Board of Directors	Willem Jozef Van Gemert Frans Van Tilborg Stijn Julia Frans Michielsen	
Board of Executives	Michael Schiedel	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Miko Coffee ApS for the financial year 1 January - 31 December 2019.

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

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Hedehusene, 5 March 2020

Board of Executives

Michael Schiedel

Board of Directors

Willem Jozef Van Gemert	Frans Van Tilborg	Stijn Julia Frans Michielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Miko Coffee ApS

Opinion

We have audited the Financial Statements of Miko Coffee ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

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

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 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- 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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 5 March 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

MANAGEMENT'S REVIEW

Principal activities
The principal activities comprise to carry on business in the merchandise and service sector selling coffee vending machines and payment systems.

Development in activities and financial position
The income statement of the Company for 2019 shows a profit of DKK ('000) 1,607, and at 31 December 2019 the balance sheet of the company shows equity of DKK ('000) 13,331.

The profit for the year is according to the managements expectations.

The outlook for 2020 is that the company will follow the result for 2019 with a small growth and a general positive development is expected in the company's activities in the coming year.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS PROFIT		**11.827.578**	**14.996.577**
Staff costs	1	-9.326.692	-10.844.086
Depreciation, amortisation and impairment losses		-148.976	-204.618
OPERATING PROFIT		**2.351.910**	**3.947.873**
Other financial income		35.568	877
Other financial expenses	2	-315.138	-253.286
PROFIT BEFORE TAX		**2.072.340**	**3.695.464**
Tax on profit/loss for the year	3	-465.531	-821.636
PROFIT FOR THE YEAR		**1.606.809**	**2.873.828**

PROPOSED DISTRIBUTION OF DIVIDEND

Retained earnings		1.606.809	2.873.828
TOTAL		**1.606.809**	**2.873.828**

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BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Intangible fixed assets acquired		0	0
Intangible fixed assets	4	**0**	**0**
Other plant, machinery tools and equipment		495.780	196.626
Leasehold improvements		27.038	95.415
Tangible fixed assets	5	**522.818**	**292.041**
Rent deposit and other receivables		489.667	241.542
Fixed asset investments	6	**489.667**	**241.542**
FIXED ASSETS		**1.012.485**	**533.583**
Raw materials and consumables		4.210.752	5.443.678
Inventories		**4.210.752**	**5.443.678**
Trade receivables		6.282.086	10.696.708
Deferred tax assets		75.274	119.725
Corporation tax receivable		526.589	0
Prepayments and accrued income		1.649.720	190.223
Receivables		**8.533.669**	**11.006.656**
Cash and cash equivalents		**11.597.345**	**9.047.518**
CURRENT ASSETS		**24.341.766**	**25.497.852**
ASSETS		**25.354.251**	**26.031.435**

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BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital		166.666	166.666
Retained earnings		13.164.480	11.557.671
EQUITY	7	**13.331.146**	**11.724.337**
Other provisions for liabilities		150.000	0
PROVISION FOR LIABILITIES		**150.000**	**0**
Other liabilities		343.854	0
Long-term liabilities	8	**343.854**	**0**
Bank debt		335	17.671
Trade payables		5.051.118	4.334.071
Debt to group enterprises		1.081.984	1.388.113
Corporation tax		0	700.402
Joint tax contribution payable		435.665	0
Other liabilities		1.573.631	4.031.868
Accruals and deferred income		3.386.518	3.834.973
Current liabilities		**11.529.251**	**14.307.098**
LIABILITIES		**11.873.105**	**14.307.098**
EQUITY AND LIABILITIES		**25.354.251**	**26.031.435**
Contingencies etc.	9		
Charges and securities	10		

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees			
21 (2018: 23)			
Wages and salaries	8.252.518	9.497.296	
Pensions	511.573	603.499	
Social security costs	183.988	234.903	
Other staff costs	378.613	508.388	
	9.326.692	**10.844.086**	
Other financial expenses			2
Group enterprises	525	0	
Other interest expenses	314.613	253.286	
	315.138	**253.286**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	421.080	794.992	
Adjustment of deferred tax	44.451	26.644	
	465.531	**821.636**	

Intangible fixed assets 4

	Intangible fixed assets acquired
Cost at 1 January 2019	588.345
Cost at 31 December 2019	**588.345**
Amortisation at 1 January 2019	588.345
Amortisation at 31 December 2019	**588.345**
Carrying amount at 31 December 2019	**0**

Tangible fixed assets 5

	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2019	1.453.444	365.437
Additions	379.753	0
Cost at 31 December 2019	**1.833.197**	**365.437**
Depreciation and impairment losses at 1 January 2019	1.256.818	270.022
Depreciation for the year	80.599	68.377
Depreciation and impairment losses at 31 December 2019	**1.337.417**	**338.399**
Carrying amount at 31 December 2019	**495.780**	**27.038**

NOTES

Note

Fixed asset investments 6

	Rent deposit and other receivables
Cost at 1 January 2019	241.542
Additions	248.125
Cost at 31 December 2019	**489.667**
Carrying amount at 31 December 2019	**489.667**

NOTES

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Equity 7

	Share capital	Retained earnings	Total
Equity at 1 January 2019	166.666	11.557.671	11.724.337
Proposed distribution of profit		1.606.809	1.606.809
Equity at 31 December 2019	**166.666**	**13.164.480**	**13.331.146**

Long-term liabilities 8

	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Other liabilities	343.854	0	0	0	0
	343.854	**0**	**0**	**0**	**0**

Contingencies etc. 9

Contingent liabilities

	2019 DKK	2018 DKK
Lease liabilities (operating leases):		
Payment for the year	3.403.573	3.709.928
Total residual lease payment	7.075.095	8.436.059
Anvisningsforpligtelse vedrørende leasing. Forventede restværdier ved kontrakternes udløb	111.000	112.000
Huslejeforpligtelser, hvor uopsigelighedsperioden udløber inden for 5 år, med i alt	977.333	962.166

Joint liabilities
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the balance sheet date.

Charges and securities 10

As collateral for bank debt of DKK 1,000, the company has pledged a nominal amount of DKK 1,000,000;

Inventories	4.210.752
Trade receivables	6.282.086
Tangible fixed assets	522.818

ACCOUNTING POLICIES

The Annual Report of Miko Coffee ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement when sales is considered effected based on the following criterias;

- Supply and risk transfer to purchaser has taken place before the end of the year,
- A binding sales agreement has been made,
- Income can be measured reliably, and
- Payment has been received or may with resonable certainty be expected to be received.

Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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

BALANCE SHEET

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

ACCOUNTING POLICIES

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment...	3-5 years	0 DKK
Leasehold improvements..	5 years	0 DKK

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments
Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

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

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.