MIKO COFFEE APS

HØRSKÆTTEN 18, 1. KLOVTOFTE, 2630 TAASTRUP

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2020

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 February 2021

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 Hørskætten 18, 1. Klovtofte 2630 Taastrup
	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
Executive Board	Michael Schiedel
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Miko Coffee ApS for the financial year 1 January - 31 December 2020.

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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Hedehusene, 17 February 2021

Executive Board

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 2020, which comprise income statement, Balance Sheet, statement of changes in equity, 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 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.

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, 17 February 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

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

MANAGEMENT COMMENTARY

Principal activities
The company’s main activity is to provide sustainable coffee/hot beverage solutions to the Danish BtB/office segment. The business also provides vending machines and payment card systems as well as related services. The company is embarking on a sustainability strategy by providing solutions which have an environmental and/or social development footprint.

Development in activities and financial and economic position
The profit and loss is showing a result of DKK ('000) 1,607 for the year, and the balance sheet as per December 31, 2020 presents an equity of DKK ('000) 13,331.

The financial result for 2020 is considered to be satisfying - in particular given the circumstances of Covid-19. The underlying business model is solid, which is why the company will expect a positive result in 2021 and the following years.

The management is of the firm belief that after the covid-period, the operating result will recover to pre-covid levels.

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.

Future expectations
During 2021 the company will continue to work hard and convince a larger market segment of the value proposition that Miko is bringing in Denmark.A positive result in 2021 will be a part of that process, and the mother company MIKO Koffie will fully be supporting the company in any way.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT	1	**10.254.558**	**11.827.578**
Staff costs	2	-9.500.683	-9.326.692
Depreciation, amortisation and impairment losses		-229.686	-148.976
Other operating expenses		-59.775	0
OPERATING PROFIT		**464.414**	**2.351.910**
Other financial income	3	259.958	35.568
Other financial expenses	4	-273.586	-315.138
PROFIT BEFORE TAX		**450.786**	**2.072.340**
Tax on profit/loss for the year	5	-101.955	-465.531
PROFIT FOR THE YEAR		**348.831**	**1.606.809**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		348.831	1.606.809
TOTAL		**348.831**	**1.606.809**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Other plant, machinery tools and equipment		728.753	495.780
Leasehold improvements		0	27.038
Property, plant and equipment	6	**728.753**	**522.818**
Receivables from group enterprises		7.458.720	0
Rent deposit and other receivables		248.125	489.667
Financial non-current assets	7	**7.706.845**	**489.667**
NON-CURRENT ASSETS		**8.435.598**	**1.012.485**
Raw materials and consumables		3.578.610	4.210.752
Inventories		**3.578.610**	**4.210.752**
Trade receivables		4.624.798	6.282.086
Deferred tax assets		64.135	75.274
Corporation tax receivable		212.184	526.589
Prepayments and accrued income		560.076	1.649.720
Receivables		**5.461.193**	**8.533.669**
Cash and cash equivalents		**4.141.060**	**11.597.345**
CURRENT ASSETS		**13.180.863**	**24.341.766**
ASSETS		**21.616.461**	**25.354.251**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital		166.666	166.666
Retained earnings		13.513.311	13.164.480
EQUITY		**13.679.977**	**13.331.146**
Other provisions for liabilities		0	150.000
PROVISIONS		**0**	**150.000**
Other liabilities		870.770	343.854
Non-current liabilities	8	**870.770**	**343.854**
Bank debt		605	335
Trade payables		1.951.051	5.051.118
Debt to group enterprises		1.866.814	1.081.984
Joint tax contribution payable		0	435.665
Other liabilities		1.863.880	1.573.631
Accruals and deferred income		1.383.364	3.386.518
Current liabilities		**7.065.714**	**11.529.251**
LIABILITIES		**7.936.484**	**11.873.105**
EQUITY AND LIABILITIES		**21.616.461**	**25.354.251**
Contingencies etc.	9		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020	166.666	13.164.480	13.331.146
Proposed profit allocation		348.831	348.831
Equity at 31 December 2020	**166.666**	**13.513.311**	**13.679.977**

NOTES

	2020 DKK	2019 DKK	Note
Special items			1
Government covid-19 relief package (salary compensation).....	570.288	0	
	570.288	**0**	

	2020 DKK	2019 DKK	Note
Staff costs			2
Average number of employees	20	21	
Wages and salaries	8.491.175	8.252.518	
Pensions	616.957	511.573	
Social security costs	203.608	183.988	
Other staff costs	188.943	378.613	
	9.500.683	**9.326.692**	

	2020 DKK	2019 DKK	Note
Other financial income			3
Group enterprises	67.538	0	
Other interest income	192.420	35.568	
	259.958	**35.568**	

	2020 DKK	2019 DKK	Note
Other financial expenses			4
Group enterprises	0	525	
Other interest expenses	273.586	314.613	
	273.586	**315.138**	

	2020 DKK	2019 DKK	Note
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year	90.816	421.080	
Adjustment of deferred tax	11.139	44.451	
	101.955	**465.531**	

Property, plant and equipment			6
	Other plant, machinery tools and equipment	**Leasehold improvements**	
Cost at 1 January 2020	1.833.197	365.437	
Additions	684.996	0	
Disposals	-315.000	0	
Cost at 31 December 2020	**2.203.193**	**365.437**	
Depreciation and impairment losses at 1 January 2020	1.337.422	338.399	
Reversal of depreciation of assets disposed of	-65.625	0	
Depreciation for the year	202.643	27.038	
Depreciation and impairment losses at 31 December 2020	**1.474.440**	**365.437**	
Carrying amount at 31 December 2020	**728.753**	**0**	

NOTES

Note

Financial non-current assets 7

	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 January 2020	7.458.720	489.667
Disposals	0	-241.542
Cost at 31 December 2020	**7.458.720**	**248.125**
Carrying amount at 31 December 2020	**7.458.720**	**248.125**

Long-term liabilities 8

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Other liabilities	870.770	0	0	343.854
	870.770	**0**	**0**	**343.854**

Contingencies etc. 9

Contingent liabilities

	2020 DKK	**2019** DKK
Lease liabilities (operating leases):		
Payment for the year	2.937.925	3.403.573
Total residual lease payment	6.029.524	7.075.095
Expected residual values at the end of the contracts	111.000	111.000
Rent obligations with a non-cancellation period of:		
Before 1 year	496.250	977.333
Between 1 og 5 years	1.986.378	0
After 5 years	165.417	0
	2.648.045	**977.333**

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 receiveable of the group's jointly taxed income amounts to DKK ('000) 71 at the balance sheet date.

ACCOUNTING POLICIES

The Annual Report of Miko Coffee ApS for 2020 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.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

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

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

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.

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

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.