



Tel.: +45 39 15 52 00  
koebenhavn@bdo.dk  
www.bdo.dk

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

**FREEHAND COFFEE COMPANY A/S**  
**SVOVLHATTEN 3, 5220 ODENSE SØ**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 31 May 2019**

---

**Philip Wouters**

*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. 29 52 77 68**

**CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <b>Company Details</b>                                       |             |
| Company Details.....   | 3           |
| <b>Statement and Report</b>                                  |             |
| Statement by Board of Directors and Board of Executives..... | 4           |
| Independent Auditor's Report.....                            | 5-6         |
| <b>Management's Review</b>                                   |             |
| Financial Highlights.....                                    | 7-8         |
| Management's Review.....                                     | 9           |
| <b>Financial Statements 1 January - 31 December</b>          |             |
| Income Statement.....  | 10          |
| Balance Sheet.....   | 11-12       |
| Equity.....  | 13          |
| Cash Flow Statement.....                                     | 14          |
| Notes.....   | 15-18       |
| Accounting Policies.....                                     | 19-22       |

**COMPANY DETAILS**

|                            |  |
|----------------------------|--|
| <b>Company</b>             | Freehand Coffee Company A/S<br>Svovlhatten 3<br>5220 Odense SØ<br><br>CVR No.: 29 52 77 68<br>Established: 20 April 2006<br>Registered Office: Odense<br>Financial Year: 1 January - 31 December |
| <b>Board of Directors</b>  | Frans Van Tilborg, chairman<br>Michael Schiedel<br>Philip Wouters  |
| <b>Board of Executives</b> | Michael Schiedel   |
| <b>Auditor</b>             | BDO Statsautoriseret revisionsaktieselskab<br>Havneholmen 29<br>1561 Copenhagen V  |
| <b>Bank</b>                | Danske Bank<br>Albani Torv 2<br>5000 Odense C  |

## 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 Freehand Coffee Company A/S for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018.

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.

Odense, 10 April 2019

Board of Executives

---

Michael Schiedel

Board of Directors

---

Frans Van Tilborg  
Chairman

---

Michael Schiedel

---

Philip Wouters

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Freehand Coffee Company A/S

#### Opinion

We have audited the Financial Statements of Freehand Coffee Company A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flows, 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's at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 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 Responsibility 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.

## INDEPENDENT AUDITOR'S REPORT

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

Copenhagen, 10 April 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

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

**FINANCIAL HIGHLIGHTS**

|  | 2018     | 2017     | 2016     | 2015     | 2014     |
|--|----------|----------|----------|----------|----------|
|  | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| <b>Income statement</b>                  |          |          |          |          |          |
| Gross profit/loss.....                   | 21.693   | 26.055   | 31.842   | 23.619   | 12.604   |
| Operating profit/loss.....               | -8.130   | -15.092  | -2.113   | 4.029    | -3.796   |
| Financial income and expenses, net.....  | -960     | -1.774   | -875     | -748     | -10.532  |
| Profit/loss for the year.....            | -8.579   | -20.344  | -2.988   | 3.281    | -14.328  |
| <b>Balance sheet</b>                     |          |          |          |          |          |
| Balance sheet total.....                 | 31.665   | 38.637   | 50.259   | 33.422   | 25.282   |
| Equity.....                              | -4.466   | -25.905  | -5.562   | -2.574   | -5.855   |
| <b>Cash flows</b>                        |          |          |          |          |          |
| Investment in tangible fixed assets..... | -365     | -748     | 0        | 0        | 0        |
| <b>Ratios</b>                            |          |          |          |          |          |
| Rate of return.....                      | 131,0    | 232,3    | 21,0     | -50,0    | 16,7     |
| Solvency ratio.....                      | Neg.     | Neg.     | Neg.     | Neg.     | Neg.     |
| Return on equity.....                    | Neg.     | Neg.     | Neg.     | Neg.     | Neg.     |

## FINANCIAL HIGHLIGHTS

The ratios stated in the list of key figures and ratios have been calculated as follows:

|                   |  |
|-------------------|--|
| Rate of return:   | $\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$   |
| Invested capital: | Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities |
| Solvency ratio:   | $\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$   |
| Return on equity: | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$  |

The ratios follow in all material respects the recommendations of the Danish Finance Society.



## MANAGEMENT'S REVIEW

### Principal activities

The company's main activity is to operate within the sale and supply of coffee and ancillary products, the sale and service and servicing of hot beverages vending machines, especially vending machines and payment card systems as well as related services.

### Development in activities and financial position

The ownership of the company has changed during 2018. All shares are by now owned by the local management of the company (25%), and by Miko Koffie N.V. (75%), which at its turn is a 100% subsidiary of Miko N.V., a company of which the shares are listed stock exchange EURONEXT Brussels in Belgium. The former owner of the company Maas International BV is no longer a shareholder of the company, and does not have any kind of influence on the company whatsoever.

As a consequence of the change of ownership, the company has been through a substantial restructuring process. Certain business activities have been divested, in order to enable the company to focus on its core competencies as an office coffee service provider. Several organizational changes have been implemented, meaning that partly 2018 but especially the next years, the profit and loss in the company will be impacted positively by reduced fixed costs.

The financial situation in the company has been substantially improved during the year. The main suppliers have contributed to this by agreeing to settle their respective accounts receivable on the company at a rate below 100%.

### Profit/loss for the year compared to expectations

The profit and loss is showing a result of DKK -8.579.167 for the accounting year 2018, and the balance sheet as per December 31, 2018 presents an equity of DKK -4.466.119.

The financial result for 2018 is considered as not being satisfying. Second half of the year though has shown a lot of positive tendencies, and the financial result in this period is more or less break even. Based on this development the company expect a positive result in 2019 and the following years.

### Significant events after the end of the financial year

As per January 21, 2019 the company has changed the name from MAAS A/S to Freehand Coffee Company A/S. Besides from this no significant events have occurred after the reporting period has ended.

### Future expectations

The company has a high focus on reestablishing the equity. Cost reductions, improvement of internal procedures, exclusion of non-profit activities are all assumptions for generating positive results, ending up with a positive equity by the end of 2019.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

|   | Note | 2018<br>DKK       | 2017<br>DKK        |
|---|------|-------------------|--------------------|
| <b>GROSS PROFIT</b> .....                                 | 1    | <b>21.692.921</b> | <b>26.054.540</b>  |
| Staff costs.....  | 2    | -28.800.937       | -40.020.796        |
| Depreciation, amortisation and impairment losses.....     |      | -1.029.356        | -1.112.630         |
| Other operating expenses.....                             |      | 7.159             | -13.167            |
| <b>OPERATING LOSS</b> .....                               |      | <b>-8.130.213</b> | <b>-15.092.053</b> |
| Result of equity investments in group and associates..... |      | -134.254          | -3.477.578         |
| Other financial income.....                               |      | 93.002            | 280.030            |
| Other financial expenses.....                             | 3    | -1.052.653        | -2.054.065         |
| <b>LOSS BEFORE TAX</b> .....                              |      | <b>-9.224.118</b> | <b>-20.343.666</b> |
| Tax on profit/loss for the year.....                      | 4    | 644.951           | 0                  |
| <b>LOSS FOR THE YEAR</b> .....                            | 5    | <b>-8.579.167</b> | <b>-20.343.666</b> |

## BALANCE SHEET AT 31 DECEMBER

| ASSETS                                       | Note     | 2018<br>DKK       | 2017<br>DKK       |
|--|----------|-------------------|-------------------|
| Leasehold improvements.....                  |          | 294.174           | 531.516           |
| Other investment assets.....                 |          | 809.028           | 1.236.168         |
| <b>Tangible fixed assets.....</b>            | <b>6</b> | <b>1.103.202</b>  | <b>1.767.684</b>  |
| Equity investments in group enterprises..... |          | 244.655           | 378.909           |
| Rent deposit and other receivables.....      |          | 71.571            | 401.111           |
| <b>Fixed asset investments.....</b>          | <b>7</b> | <b>316.226</b>    | <b>780.020</b>    |
| <b>FIXED ASSETS.....</b>                     |          | <b>1.419.428</b>  | <b>2.547.704</b>  |
| Finished goods and goods for resale.....     |          | 11.527.103        | 9.438.184         |
| <b>Inventories.....</b>                      |          | <b>11.527.103</b> | <b>9.438.184</b>  |
| Trade receivables.....                       |          | 8.772.766         | 23.298.062        |
| Receivables from owners and management.....  | 8        | 0                 | 68.461            |
| Deferred tax assets.....                     | 9        | 660.951           | 0                 |
| Other receivables.....                       |          | 901.493           | 2.263.572         |
| Corporation tax receivable.....              |          | 0                 | 16.000            |
| Prepayments and accrued income.....          | 10       | 313.017           | 763.886           |
| <b>Receivables.....</b>                      |          | <b>10.648.227</b> | <b>26.409.981</b> |
| <b>Cash and cash equivalents.....</b>        |          | <b>8.070.170</b>  | <b>241.584</b>    |
| <b>CURRENT ASSETS.....</b>                   |          | <b>30.245.500</b> | <b>36.089.749</b> |
| <b>ASSETS.....</b>                           |          | <b>31.664.928</b> | <b>38.637.453</b> |

## BALANCE SHEET AT 31 DECEMBER

| EQUITY AND LIABILITIES                        | Note   | 2018<br>DKK       | 2017<br>DKK        |
|---|--------|-------------------|--------------------|
| Share capital.....                            | 11     | 800.000           | 550.000            |
| Retained earnings.....                        |        | -5.266.119        | -26.455.241        |
| <b>EQUITY.....</b>                            |        | <b>-4.466.119</b> | <b>-25.905.241</b> |
| Bank debt.....                                |        | 52.340            | 13.198.096         |
| Trade payables.....                           |        | 9.825.151         | 16.484.162         |
| Payables to group enterprises.....            |        | 8.767.642         | 12.267.378         |
| Other liabilities.....                        |        | 8.203.860         | 14.084.059         |
| Accruals and deferred income.....             | 12     | 9.282.054         | 8.508.999          |
| <b>Current liabilities.....</b>               |        | <b>36.131.047</b> | <b>64.542.694</b>  |
| <b>LIABILITIES.....</b>                       |        | <b>36.131.047</b> | <b>64.542.694</b>  |
| <b>EQUITY AND LIABILITIES.....</b>            |        | <b>31.664.928</b> | <b>38.637.453</b>  |
| <br>Contingencies etc.                        | <br>13 |                   |                    |
| <br>Charges and securities                    | <br>14 |                   |                    |
| <br>Related parties                           | <br>15 |                   |                    |
| <br>Uncertainty with respect to going concern | <br>16 |                   |                    |

## EQUITY

|  | Share capital  | Retained earnings | Total             |
|--|----------------|-------------------|-------------------|
| Equity at 1 January 2018.....          | 550.000        | -26.454.367       | -25.904.367       |
| Capital increase.....                  | 800.000        | 11.686.020        | 12.486.020        |
| Capital reduction.....                 | -550.000       | 550.000           |                   |
| Koncerntilskud.....                    |                | 17.531.395        | 17.531.395        |
| Proposed distribution of profit.....   |                | -8.579.167        | -8.579.167        |
| <b>Equity at 31 December 2018.....</b> | <b>800.000</b> | <b>-5.266.119</b> | <b>-4.466.119</b> |

During the year, 800,000 new shares were subscribed at a nominal amount of DKK 800,000.

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

|  | <b>2018</b><br>DKK | <b>2017</b><br>DKK |
|--|--------------------|--------------------|
| Profit/loss for the year.....                              | -8.579.167         | -20.343.666        |
| Reversed depreciation of the year.....                     | 1.029.356          | 1.112.630          |
| Reversed realization gains.....                            | -2.529.203         | 0                  |
| Profit/loss from subsidiaries.....                         | 134.254            | 3.477.578          |
| Reversed tax on profit/loss for the year.....              | -644.951           | 0                  |
| Change in inventory.....                                   | -2.088.919         | -448.157           |
| Change in receivables.....                                 | 16.406.705         | 11.291.011         |
| Change in current liabilities (ex bank and tax).....       | -12.736.688        | 13.917.266         |
| <b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>             | <b>-9.008.613</b>  | <b>9.006.662</b>   |
| Purchase of tangible fixed assets.....                     | -364.874           | -748.411           |
| Sale of tangible fixed assets.....                         | 0                  | 29.168             |
| Purchase of financial assets.....                          | -2.085             | -4.166.259         |
| Sale of financial assets.....                              | 331.625            | 0                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>             | <b>-35.334</b>     | <b>-4.885.502</b>  |
| Kapitalindskud.....  | 30.018.289         | 0                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>             | <b>30.018.289</b>  | <b>0</b>           |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>            | <b>20.974.342</b>  | <b>4.121.160</b>   |
| Cash and cash equivalents at 1. januar.....                | -12.956.512        | -17.077.672        |
| <b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>      | <b>8.017.830</b>   | <b>-12.956.512</b> |
| Specification of cash and cash equivalents at 31 December: |                    |                    |
| Cash and cash equivalents.....                             | 8.070.170          | 241.584            |
| Bank debt.....   | -52.340            | -13.198.096        |
| <b>CASH AND CASH EQUIVALENTS, NET DEBT.....</b>            | <b>8.017.830</b>   | <b>-12.956.512</b> |

## NOTES

|   |                   |                    | Note     |
|---|-------------------|--------------------|----------|
| <b>Special items</b>  |                   |                    | <b>1</b> |
| In connection with the recapitalization of the company, forgiveness of external debt for a total amount of DKK ('000) 2,522 have been received.   |                   |                    |          |
|   | <b>2018</b>       | <b>2017</b>        |          |
|   | DKK               | DKK                |          |
| <b>Staff costs</b>  |                   |                    | <b>2</b> |
| Average number of employees   |                   |                    |          |
| 60 (2017: 78)   |                   |                    |          |
| Wages and salaries.....   | 24.481.655        | 34.434.921         |          |
| Pensions.....   | 3.376.563         | 4.266.966          |          |
| Social security costs.....  | 527.093           | 539.669            |          |
| Other staff costs.....  | 415.626           | 779.240            |          |
|   | <b>28.800.937</b> | <b>40.020.796</b>  |          |
| In accordance with the Danish Financial Statements Act § 98b, stk. 3, information on remuneration of board and management has not been disclosed. |                   |                    |          |
|   | <b>2018</b>       | <b>2017</b>        |          |
|   | DKK               | DKK                |          |
| <b>Other financial expenses</b>   |                   |                    | <b>3</b> |
| Group enterprises.....  | 257.958           | 0                  |          |
| Other interest expenses.....  | 794.695           | 2.054.065          |          |
|   | <b>1.052.653</b>  | <b>2.054.065</b>   |          |
| <b>Tax on profit/loss for the year</b>  |                   |                    | <b>4</b> |
| Adjustment of tax in previous years.....  | 16.000            | 0                  |          |
| Adjustment of deferred tax.....   | -660.951          | 0                  |          |
|   | <b>-644.951</b>   | <b>0</b>           |          |
| <b>Proposed distribution of profit</b>  |                   |                    | <b>5</b> |
| Retained earnings.....  | -8.579.167        | -20.343.666        |          |
|   | <b>-8.579.167</b> | <b>-20.343.666</b> |          |

## NOTES

**Tangible fixed assets** **Note**  
**6**

|  | Leasehold<br>improvements | Other investment<br>assets |
|--|---------------------------|----------------------------|
| Cost at 1 January 2018.....                                      | 1.109.020                 | 7.553.247                  |
| Additions.....   | 0                         | 364.874                    |
| <b>Cost at 31 December 2018.....</b>                             | <b>1.109.020</b>          | <b>7.918.121</b>           |
| Depreciation and impairment losses at 1 January 2018.....        | 577.504                   | 6.317.079                  |
| Depreciation for the year.....                                   | 237.342                   | 792.014                    |
| <b>Depreciation and impairment losses at 31 December 2018...</b> | <b>814.846</b>            | <b>7.109.093</b>           |
| <b>Carrying amount at 31 December 2018.....</b>                  | <b>294.174</b>            | <b>809.028</b>             |

**Fixed asset investments** **7**

|   | Equity<br>investments in<br>group enterprises | Rent deposit and<br>other receivables |
|---|---|---------------------------------------|
| Cost at 1 January 2018.....                     | 4.217.749                                     | 401.111                               |
| Additions.....                                  | 0   | 2.085                                 |
| Disposals.....                                  | 0   | -331.625                              |
| <b>Cost at 31 December 2018.....</b>            | <b>4.217.749</b>                              | <b>71.571</b>                         |
| Revaluation at 1 January 2018.....              | -3.838.840                                    | 0                                     |
| Profit/loss for the year.....                   | -134.254                                      | 0                                     |
| <b>Revaluation at 31 December 2018.....</b>     | <b>-3.973.094</b>                             | <b>0</b>                              |
| <b>Carrying amount at 31 December 2018.....</b> | <b>244.655</b>                                | <b>71.571</b>                         |

**Investments in subsidiaries (DKK)**

| Name and registered office                 | Equity  | Profit/loss<br>for the year | Ownership |
|--|---------|-----------------------------|-----------|
| Freehand International II A/S, Odense..... | 244.655 | -134.255                    | 100 %     |

**Receivables from owners and management** **8**

In 2017, the company had a receivable from shareholders. This is fully settled in 2018, whereby no further loans remains. The loans has been attributed an interest rate of 10.05%.



## NOTES

|  | 2018<br>DKK    | 2017<br>DKK    | Note      |
|--|----------------|----------------|-----------|
| <b>Deferred tax assets</b>   |                |                | <b>9</b>  |
| Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.  |                |                |           |
| Deferred tax consists of:  |                |                |           |
| Taxable loss carried forward.....  | 660.951        | 0              |           |
|  | <b>660.951</b> | <b>0</b>       |           |
| Deferred tax of the year, income statement.....  | 660.951        | 0              |           |
| <b>Deferred tax assets 31 December 2018.....</b>   | <b>660.951</b> | <b>0</b>       |           |
| <p>Virksomhedens udskudte skatteaktiver er indregnet i balancen med 661 tkr. Skatteaktivet vedrører udlukkende uudnyttede skattemæssige underskud til fremførsel. Skatteaktivet er indregnet på baggrund af forventningerne til det kommende års positive skattemæssige overskud, hvorved de skattemæssige underskud aktivet fuldt ud forventes at blive udnyttet. Vurderingerne bygger på baggrund af virksomhedens budgettering for den kommende periode. Budgetterne er i øvrigt udarbejdet i overensstemmelse med virksomhedens normale budgetprocedurer. Der forventes at de indeværende år udførte rationaliseringer og øget fokus vil medføre en forbedret indtjening i de kommende år.</p> |                |                |           |
| <b>Prepayments and accrued income</b>  |                |                | <b>10</b> |
| Costs.....   | 313.017        | 763.886        |           |
|  | <b>313.017</b> | <b>763.886</b> |           |
| <b>Share capital</b>   |                |                | <b>11</b> |
| Specification of the share capital:  |                |                |           |
| Aktier, 800.000 in the denomination of 1 DKK.....  | 800.000        | 800.000        |           |
|  | <b>800.000</b> | <b>800.000</b> |           |
| <b>Accruals and deferred income</b>  |                |                | <b>12</b> |

**NOTES**

|   | <b>Note</b> |
|---|-------------|
| <b>Contingencies etc.</b>   | <b>13</b>   |
| <b>Other contingent assets</b><br>The company has a not recognized deferred tax amounting to DKK ('000) 69,217 on 31 December 2018.   |             |
| <b>Contingent liabilities</b>   |             |
| <b>Rental and lease commitments</b><br>The company has rental commitment with a notice period. The rental commitment has been stated at DKK('000) 440.<br>The company has entered into lease agreements with a total monthly lease payment of DKK('000) 177. The total residual lease commitment amounts to DKK('000) 2,538.  |             |
| <b>Joint liabilities</b><br>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.<br><br>Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the balance sheet date.                                 |             |
| <b>Charges and securities</b><br>The company has not given any collateral or securities during the year.  | <b>14</b>   |
| <b>Related parties</b><br><b>The Controlling interest</b><br>Miko Koffee NV., Steenweg op Mol 177, 2300 Turmhout, Belgium.  | <b>15</b>   |
| <b>Other related parties having performed transactions with the company</b><br>The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests. |             |
| <b>Transactions with related parties</b><br>The company did not carry out any substantial transactions that were not concluded on market conditions.  |             |
| <b>Uncertainty with respect to going concern</b><br>.   | <b>16</b>   |

## ACCOUNTING POLICIES

The Annual Report of Freehand Coffee Company A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

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

### Consolidated financial statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Miko Koffie NV., Steenweg op Mol 177, 2300 Turnhout, België.

## INCOME STATEMENT

### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Other operating income

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

### 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.

### Investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

### 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.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Tangible fixed assets**

Production plant and machinery, 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..... | 3-7 years   | 0 kr.          |
| Leasehold improvements.....              | 5 years     | 0 kr.          |

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**

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

## ACCOUNTING POLICIES

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

### **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.

### **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.

### **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.

## CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.