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

FREEHAND COFFEE COMPANY A/S

KLOKKESTØBERVEJ 3, 5230 ODENSE M

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 6 June 2024

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. 29 52 77 68

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COMPANY DETAILS

Company	Freehand Coffee Company A/S Klokkestøbervej 3 5230 Odense M
	CVR No.: 29 52 77 68 Established: 20 April 2006 Municipality: Odense Financial Year: 1 January - 31 December
Board of Directors	Frans Van Tilborg, chairman Philip Wouters Michael Schiedel Stijn Julia F Michielsen Anje Paula R Vermeersch
Executive Board	Michael Schiedel
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank
Law Firm	Agenda Advokater Asylgade 7 5000 Odense C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Freehand Coffee Company A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Odense, 29 April 2024

Executive Board

Michael Schiedel

Board of Directors

Frans Van Tilborg Chairman	Philip Wouters	Michael Schiedel
Stijn Julia F Michielsen	Anje Paula R Vermeersch	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder 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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

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 Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Copenhagen, 29 April 2024

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 supply sustainable coffee/hot drink solutions to the Danish BtB/office segment. The company provides complete end-to-end coffee solutions consisting of coffee machines, a multitude of ingredients and service agreements. All based on a strong focus on running a sustainable business with a focus on reducing our environmental footprint while at the same time running a company with high social standards.

After the change of ownership in June 2018, the company has gone through a drastic restructuring process. Some business activities have been wound down to allow the company to focus on core competencies. The strategy defined in 2018 to embark on a journey towards building the company around a core of strong values and attitudes towards sustainability.

Freehand Coffee is part of the MIKO Group and together with its Danish sister company MIKO Coffee ApS we rank among the 3 largest providers specializing in BtB office coffee solutions in Denmark.

Development in activities and financial and economic position
The accounts show a result of DKK 6,404,700 for the year and an equity of DKK 12,200,801 at the end of 2023, which is considered to be satisfactory.

In the year 2023, the coffee industry has again been characterized by turbulence in the supply chains, which has made it difficult to balance the costs the company was hit by from the supplier side.

In 2023, the company significantly increased marketing activities, which led to a significant increase in awareness of Freehand Coffee and spurred quite significant growth in the company's customer portfolio. Furthermore, we see a growth due to a reduction in homework.

In 2023, the company again experienced highly satisfactory customer feedback on "technical service" and "coffee experience". The company again managed to resolve >90% of technical service calls within the 8 hour guarantee. The company perceives technical service as a core competency in the BtB coffee business and will continue to invest in people, training and systems to remain best in class. We fundamentally believe in customer satisfaction and retention as the backbone of running our business. It is rooted in the company's core values: "we treat customers the same way you treat a good friend".

The financial result for 2023 is considered to be satisfactory - especially in light of the circumstances of disruptions due to the restructuring of IT systems and the rather significant marketing investments. The business continues to grow in line with the arrival of new customers and a reduction in the scope of the home office. This trend has a positive impact on ingredient sales.

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
The underlying business model is solid. Customer satisfaction and employee engagement all show very positive indications, which is why the company expects a positive result in 2024 and the following years.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**31.837.184**	**27.623.083**
Staff costs	1	-25.418.035	-24.144.727
Depreciation, amortisation and impairment losses for tangible and intangible assets		-896.777	-717.932
OPERATING PROFIT		**5.522.372**	**2.760.424**
Other financial income		16.894	200
Other financial expenses	2	-767.388	-545.040
PROFIT BEFORE TAX		**4.771.878**	**2.215.584**
Tax on profit/loss for the year	3	1.632.822	1.171.957
PROFIT FOR THE YEAR		**6.404.700**	**3.387.541**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		6.404.700	3.387.541
TOTAL		**6.404.700**	**3.387.541**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Leasehold improvements		185.016	305.638
Other investment assets		2.630.343	2.098.097
Property, plant and equipment	4	**2.815.359**	**2.403.735**
Derivative financial instruments		179.337	169.825
Financial non-current assets	5	**179.337**	**169.825**
NON-CURRENT ASSETS		**2.994.696**	**2.573.560**
Finished goods and goods for resale		18.505.268	18.328.884
Inventories		**18.505.268**	**18.328.884**
Trade receivables		14.685.275	12.470.502
Receivables from group enterprises		555.859	1.061.156
Deferred tax assets	6	3.384.779	1.751.957
Other receivables		766.087	0
Prepayments	7	531.592	544.795
Receivables		**19.923.592**	**15.828.410**
Cash and cash equivalents		**1.561.808**	**2.898.029**
CURRENT ASSETS		**39.990.668**	**37.055.323**
ASSETS		**42.985.364**	**39.628.883**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital	8	800.000	800.000
Retained earnings		11.400.801	4.996.101
EQUITY		**12.200.801**	**5.796.101**
Bank debt		135.453	119.328
Trade payables		3.947.626	4.115.292
Debt to Group companies		17.151.050	21.535.346
Other liabilities		6.271.269	6.509.403
Deferred income	9	3.279.165	1.553.413
Current liabilities		**30.784.563**	**33.832.782**
LIABILITIES		**30.784.563**	**33.832.782**
EQUITY AND LIABILITIES		**42.985.364**	**39.628.883**

Contingencies etc.	10
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EQUITY

	Share Capital	Retained earnings	Total
Equity at 1 January 2023	800.000	4.996.101	5.796.101
Proposed profit allocation, refer note		6.404.700	6.404.700
Equity at 31 December 2023	**800.000**	**11.400.801**	**12.200.801**

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	45	46	
Wages and salaries	20.684.083	20.549.788	
Pensions	3.760.574	2.609.615	
Social security costs	383.295	389.972	
Other staff costs	590.083	595.352	
	25.418.035	**24.144.727**	

In accordance with the Danish Financial Statements Act § 98b, stk. 3, information on remuneration of board and management has not been disclosed.

	2023 DKK	2022 DKK	Note
Other financial expenses			2
Interest expenses to group enterprises	460.594	215.514	
Other interest expenses	306.794	329.526	
	767.388	**545.040**	
Tax on profit/loss for the year			3
Adjustment of deferred tax	-1.632.822	-1.171.957	
	-1.632.822	**-1.171.957**	

NOTES

Note

Property, plant and equipment 4

	Leasehold improvements	Other investment assets
Cost at 1 January 2023	635.820	3.107.584
Additions	0	1.308.401
Cost at 31 December 2023	**635.820**	**4.415.985**
Depreciation and impairment losses at 1 January 2023	330.182	1.009.488
Depreciation for the year	120.622	776.154
Depreciation and impairment losses at 31 December 2023	**450.804**	**1.785.642**
Carrying amount at 31 December 2023	**185.016**	**2.630.343**

Financial non-current assets 5

	Derivative financial instruments
Cost at 1 January 2023	179.337
Disposals	0
Cost at 31 December 2023	**179.337**
Revaluation at 1 January 2023	0
Reversal of revaluations due to disposal	
Revaluation at 31 December 2023	**0**
Carrying amount at 31 December 2023	**179.337**

Deferred tax assets 6

Provision for deferred tax comprises deferred tax on losses carried forward and tangible fixed assets.

	2023 DKK	**2022** DKK
Deferred tax assets, beginning of year	1.751.957	0
Deferred tax, movement	1.632.822	1.751.957
Deferred tax assets 31 December 2023	**3.384.779**	**1.751.957**

The Company's deferred tax assets are recognized in the balance sheet with 3,385 thousand. The tax asset solely relates to differences between tax legislation and accounting principles. The tax asset is recognized on the basis of expectations of positive tax surpluses over the next years. The assessments are based on the Company's budgets for the following periods. The budget statements have been prepared in accordance with the Company's normal budget procedure.

NOTES

	2023 DKK	2022 DKK	Note
Prepayments			7
Costs	531.592	544.795	
	531.592	**544.795**	
Share Capital			8
Allocation of share capital:			
Aktier, 800.000 unit in the denomination of 1 DKK	800.000	800.000	
	800.000	**800.000**	

Deferred income 9

Prepayments are prepaid income received in subsequent years.

Contingencies etc. 10

Other contingent assets

The company has an unrecognized deferred tax asset amounting to DKK ('000) 18.796 on 31 December 2023.

Contingent liabilities

Rental and lease commitments

The company has rental commitment with a notice period of 6 months. The rental commitment in the interminable period is DKK ('000) 179.

The company has entered into lease agreements with a total monthly lease payment of DKK('000) 142. The total residual lease commitment amounts to DKK('000) 3,697.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Miko Coffee ApS, which serves as management company for the joint taxation.

Charges and securities 11

The company has not given any collateral or securities during the year.

Related parties 12

The Company's related parties include:

Controlling interest

Miko Koffie NV., Steenweg op Mol 177, 2300 Turmhout, Belgium.

Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

NOTES

	2023 DKK	2022 DKK	Note
Special items			**13**
Government covid-19 relief package (salary compensation).....	131.796	653.154	
	131.796	**653.154**	

ACCOUNTING POLICIES

The Annual Report of Freehand Coffee Company A/S for 2023 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.

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 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 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.

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.

Financial non-current assets
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 weighted avarage cost principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

ACCOUNTING POLICIES

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

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

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.

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.