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# *Kaffe Bueno ApS*

Maskinvej 5, DK-2860 Søborg

## Annual Report for 2021

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CVR No. 37 89 40 36

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 4/7 2022

Marcel Luben  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Kaffe Bueno ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Søborg, 4 July 2022

## Executive Board

Juan Pablo Medina Ramirez

Alejandro Franco Sanchez

Camilo Jose Fernandez Schembri

## Board of Directors

Marcel Luben  
Chairman

Juan Pablo Medina Ramirez

Alejandro Franco Sanchez

Marika King

# Independent Practitioner's Extended Review Report

To the shareholder of Kaffe Bueno ApS

## Conclusion

We have performed an extended review of the Financial Statements of Kaffe Bueno ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

## Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 (IESBA Code) and the additional ethical requirements applicable 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 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.

## Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

## 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.

# Independent Practitioner's Extended Review Report

In connection with our extended review 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 extended review, 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, in our view, 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 in Management's Review.

Hellerup, 4 July 2022

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Nikolaj Erik Johnsen  
State Authorised Public Accountant  
mne35806

Christopher Kowalczyk  
State Authorised Public Accountant  
mne47863

## Company information

<b>The Company</b>	<p>Kaffe Bueno ApS Maskinvej 5 DK-2860 Søborg Telephone: 71460021 Email: camilo@kaffebueno.com CVR No: 37 89 40 36 Financial period: 1 January - 31 December Incorporated: 15 July 2016 Financial year: 5th financial year Municipality of reg. office: Gladsaxe</p>
<b>Board of Directors</b>	<p>Marcel Luben, Chairman Juan Pablo Medina Ramirez Alejandro Franco Sanchez Marika King</p>
<b>Executive board</b>	<p>Juan Pablo Medina Ramirez Alejandro Franco Sanchez Camilo Jose Fernandez Schembri</p>
<b>Auditors</b>	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>

# Management's review

## Key activities

The Company's main business activity is to upcycle coffee by products to produce health promoting ingredients for the Wellcare Market (personal care, nutraceuticals, and foods). The Company does this using biotech, green chemistry and nanotech, to break down and valorise coffee and sell these ingredients B2B.

## Development in the year

The income statement of the Company for 2021 shows a loss of DKK 2,568,938, and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 1,314,056.

The result for the year is positively affected by recognised grants for a total of DKK 439.849. The Company is still in an early phase and consequently, sales activities are limited, and results of the year have been affected by a strong focus on expanding the core team and development activities to launch new ingredients and optimize processes.

Before the end of the year the company secured a grant that will have a considerable positive impact on the company's outlook in the short and long term. This is an EU funded grant worth €2.5m (DKK 18.600.000) in total over a period of 2 years.

Despite the extended effects of COVID pandemic causing delays in on-going development projects, plans have been adjusted and the need for product development remains unchanged.

## Subsequent events

In February 2022, the Ukraine-Russia War caused significant disruptions and negatively impacted macro-economic conditions, in particular to the Company, supply chains, energy costs, inflation and increased risk for investors which caused more delays, increased costs and increased uncertainty for fundraising.

In May 2022, the Company received the 1st tranche for the EIC Accelerator project for €1.121m (DKK 8.338.819) to deliver a Pilot Plant to process and commercialise large volumes of coffee by-products and high-performance ingredients respectively.

No other major events have occurred after the balance sheet date which could significantly affect the company's financial position.

## Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
<b>Gross loss</b>	1	<b>-811,876</b>	<b>-728,758</b>
Staff expenses	2	-2,044,440	-321,319
Depreciation and impairment losses of property, plant and equipment		-22,879	-10,642
<b>Profit/loss before financial income and expenses</b>		<b>-2,879,195</b>	<b>-1,060,719</b>
Financial income		187,900	55
Financial expenses		-381,767	-114,080
<b>Profit/loss before tax</b>		<b>-3,073,062</b>	<b>-1,174,744</b>
Tax on profit/loss for the year		504,124	235,218
<b>Net profit/loss for the year</b>		<b>-2,568,938</b>	<b>-939,526</b>

## Distribution of profit

	2021	2020
	DKK	DKK
<b>Proposed distribution of profit</b>		
Other statutory reserves	77,603	74,705
Retained earnings	-2,646,541	-1,014,231
	<b>-2,568,938</b>	<b>-939,526</b>



## Balance sheet 31 December

### Assets

	Note	2021 DKK	2020 DKK
Development projects in progress		195,267	95,776
<b>Intangible assets</b>	3	<b>195,267</b>	<b>95,776</b>
Deposits		1,589	1,589
<b>Fixed asset investments</b>		<b>1,589</b>	<b>1,589</b>
<b>Fixed assets</b>		<b>196,856</b>	<b>97,365</b>
Raw materials and consumables		158,966	50,651
<b>Inventories</b>		<b>158,966</b>	<b>50,651</b>
Trade receivables		408,136	148,771
Other receivables		0	193,594
Deferred tax asset		562,274	22,564
Corporation tax		255,892	291,478
Prepayments		219,904	219,904
<b>Receivables</b>		<b>1,446,206</b>	<b>876,311</b>
<b>Cash at bank and in hand</b>		<b>5,851,592</b>	<b>9,464,815</b>
<b>Current assets</b>		<b>7,456,764</b>	<b>10,391,777</b>
<b>Assets</b>		<b>7,653,620</b>	<b>10,489,142</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital		61,149	61,149
Share premium account		0	5,197,274
Reserve for development costs		152,308	74,705
Retained earnings		1,100,599	-1,450,134
<b>Equity</b>		<b>1,314,056</b>	<b>3,882,994</b>
Other payables		5,880,196	6,162,639
<b>Long-term debt</b>		<b>5,880,196</b>	<b>6,162,639</b>
Trade payables		156,322	237,904
Payables to owners and Management		134,551	146,394
Other payables		168,495	59,211
<b>Short-term debt</b>		<b>459,368</b>	<b>443,509</b>
<b>Debt</b>		<b>6,339,564</b>	<b>6,606,148</b>
<b>Liabilities and equity</b>		<b>7,653,620</b>	<b>10,489,142</b>
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## Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	61,149	5,197,274	74,705	-1,450,134	3,882,994
Development costs for the year	0	0	77,603	0	77,603
Net profit/loss for the year	0	0	0	-2,646,541	-2,646,541
Transfer from share premium account	0	-5,197,274	0	5,197,274	0
<b>Equity at 31 December</b>	<b>61,149</b>	<b>0</b>	<b>152,308</b>	<b>1,100,599</b>	<b>1,314,056</b>

# Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>1. Special items</b>		
Covid-19 compensation	0	130,100
	<u>0</u>	<u>130,100</u>

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	2,010,127	318,479
Other social security expenses	16,188	2,840
Other staff expenses	18,125	0
	<u>2,044,440</u>	<u>321,319</u>
 Average number of employees	 <u>5</u>	 <u>1</u>

## 3. Intangible fixed assets

	<u>Develop- ment projects in progress</u>
	DKK
Cost at 1 January	106,418
Additions for the year	<u>122,369</u>
Cost at 31 December	<u>228,787</u>
 Impairment losses and amortisation at 1 January	 10,641
Amortisation for the year	<u>22,879</u>
Impairment losses and amortisation at 31 December	<u>33,520</u>
 Carrying amount at 31 December	 <u>195,267</u>

# Notes to the Financial Statements

## 4. Contingent assets, liabilities and other financial obligations

The company has authorized the management team to issue warrants with the right to subscribe for up to in total nominally DKK 3.950 shares of each nominally DKK 3.950 in the company and to adopt the related capital increases and amendments of the articles of association. The company has not made any pledges or securities in 2021

# Notes to the Financial Statements

## 5. Accounting policies

The Annual Report of Kaffe Bueno ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

# Notes to the Financial Statements

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## **Change in inventories of finished goods, work in progress and goods for resale**

The item includes the year's reduction or increase in stocks of finished goods, work in progress and merchandise.

## **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and as well as office expenses, etc.

## **Gross loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, expenses for raw materials and consumables and other external expenses.

## **Staff expenses**

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Balance sheet

## **Intangible fixed assets**

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

## **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

# Notes to the Financial Statements

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

## **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## **Financial debts**

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.



## Notes to the Financial Statements

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.