

ANNUAL REPORT
1. januar - 31. december 2020

Kaffe Bueno ApS

Maskinvej 5
2860 Søborg

CVR nr. 37894036

Submitter:

Sønderup I/S
Statsautoriserede revisorer
CVR no. 31824559

**Presented and approved at the company's ordinary
general meeting 28 June 2021**

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Chairman
Marcel Lubben

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Management's Statement on the Annual Report

The management have today considered and approved the annual report for Kaffe Bueno ApS for the financial year 1 January to 31 December 2020.


The annual report is presented in accordance with the Danish Financial Statements Act.


In the managements opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of its financial performance for the financial year 1 January to 31 December 2020.


We recommend the annual report for approval at the annual general meeting.

Søborg, 28 June 2021


Executive Board


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Camilo Jose Fernandez Schembri


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Alejandro Franco Sanchez

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Juan Pablo Medina Ramirez

Board of Directors:

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Marcel Lubben
Chairman of the board

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Juan Pablo Medina Ramirez

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Alejandro Franco Sanchez

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Marika King

Independent Auditor's Report

To the shareholders of Kaffe Bueno ApS

Opinion

We have audited the Financial Statements of Kaffe Bueno ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. 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 Company's financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of accounting information 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:

Independent Auditor's Report

- * Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * 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.

Independent Auditor's Report

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

Ringsted, 28 June 2021

SØNDERUP I/S

statsautoriserede revisorer

CVR 31824559

Christian Hjortshøj

State Authorised Public Accountant

mne34485

Management's review

Principal activities

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

Development in activities and financial position

The Company's income statement for the year ended 31 December 2020 shows a loss of DKK - 939.526 DKK and the balance sheet at 31 December 2020 shows a positive equity of DKK 3.882.994.

The result for the year is positively affected by recognised grants and COVID compensation schemes in a total of DKK 1.239k (2019: DKK 240k)

The Company has applied for tax credits for 2020, which is affecting the result with DKK 235k.

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 development activities to launch new ingredients.

Despite the unforeseen COVID pandemic causing delays in certain development projects plans have been adjusted and the need for product development remains unchanged.

Significant events after the end of the financial year

In February 2021, the Company issued a warrant to the new employee with the right to subscribe for up to nominally DKK 800 B-shares.

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

Accounting principles applied

The annual report for Kaffe Bueno ApS 2020 has been prepared in accordance with the Danish Financial Statements Act for class B companies with application of individual rules from class C.

The income statement is presented by type of expenditure and the balance sheet is presented in account from. The measurement currency used is Danish kroner. All other currencies are considered foreign currency.

The accounting principles were applied consistently with the principles of last year's financial reporting.

General information on recognition and measurement

Income is recognized in the income statement as earned, including any value adjustments of financial assets and liabilities. Furthermore, all costs, including amortisation/depreciation and write-downs, are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

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

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income statement

Gross profit

In pursuance of section 32 (1) of the Danish Financial Statements Act, the first item in the income statement is the gross profit. The item gross profit is the result of revenue, cost of sales, other external cost and other operating income.

Revenue

Net sales in connection with sales of commercial products and finished products are recognized in the profit and loss account, if delivery has taken place and the risk has passed to the customer before the end of the year. Net sales are recognized ex. VAT and net of discounts related to the individual sale.

Cost of goods sold

Cost of goods sold comprises the financial year's cost of sales measured to sales price, adjusted for ordinary inventory write-offs.

Other external costs

Other external costs comprise costs for sales, advertising, administration etc.

Accounting principles applied

Staff costs

Staff costs contains salaries and wages, including holiday payment, pensions and other social security costs etc. to the company's employees. In staff expenses are received subsidies from public authorities, deducted.

Financial items

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, gains and losses resulting from transactions in foreign currencies and surcharges and refunds regarding corporation tax.

Tax for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly on equity by the portion attributable to entries directly on equity.

Balance sheet

Intangible fixed assets

Development projects are measured at cost less accumulated depreciation and write-down. Development projects are amortized straight-line over its expected economical life which is estimated at 10 years.

Financial fixed assets Other receivables

Deposits are measured at cost.

Impairment of fixed assets

The carrying value of intangible assets are assessed annually for indications of impairment beyond what is expressed by depreciation.

If there are indications of impairment, an impairment test of each asset or group of assets will be made. Impairment will be made to its recoverable amount if this is lower than the carrying value.

Inventories

Inventories are valued at cost using the FIFO method. In cases where net realizable value is lower than cost, it will be written down to this lower value.

Cost of goods for resale, raw materials and consumables comprise of purchase price.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Value is reduced by provisions for bad debts.

Cash funds

Cash funds are measured at nominal value.

Tax payable and deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as tax calculated on the taxable income allocated with the current tax rate, and adjusted for tax on prior years taxable income and prepaid taxes.

Accounting principles applied

Deferred tax is measured by the liability method concerning temporary differences between the carrying value and tax value of assets and liabilities, calculated based on the planned use of the assets and settlement of the obligation, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carry-forward, are measured at the value at which the asset is expected to be realisable, either through elimination in tax on future earnings or through offsetting in deferred tax liabilities in the same legal tax unit. Any deferred net tax assets are measured at their net realisation values.

Deferred tax is measured based on the tax rules and tax rates applicable in pursuance of the legislation in force on the balance sheet date when the deferred tax is expected to become payable as current tax. Changes in deferred tax due to change in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortised cost corresponding to the nominal value.

Conversion of foreign currency

Transactions in foreign currencies are converted at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognized in the income statement as a financial income or expense. If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognized directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are converted at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the receivable or payable is recognized in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are converted at the rate of exchange on the transaction date.

Income statement 1 January - 31 December

Note	2020	2019
Gross profit	-728.758	6.529
1. Staff costs	-321.319	0
Depreciation and write-downs	-10.642	0
OPERATING PROFIT	-1.060.719	6.529
Other financial income	55	0
Other financial costs	-114.080	-44.472
PROFIT/-LOSS BEFORE TAX	-1.174.744	-37.943
Tax for the year	235.218	78.824
NET PROFIT/-LOSS FOR THE YEAR	-939.526	40.881
Appropriation of profit		
Reserve for development costs	74.705	0
Distribution of profit	-1.014.231	40.881
Total appropriation	-939.526	40.881

2. Special items

Balance sheet 31 December

Note	2020	2019
ASSETS		
3. Development projects under construction and prepayments	95.776	0
Total intangible fixed assets	95.776	0
Financial fixed assets		
Other receivables	1.589	8.962
Total financial fixed assets	1.589	8.962
TOTAL FIXED ASSETS	97.365	8.962
Raw materials and consumables	50.651	4.000
Total inventories	50.651	4.000
Receivables from sales and services	148.771	39.287
Deferred tax assets	22.564	78.824
Other receivables	704.976	29
Total receivables	876.311	118.140
Cash funds	9.464.815	259.688
Total cash funds	9.464.815	259.688
TOTAL CURRENT ASSETS	10.391.777	381.828
TOTAL ASSETS	10.489.142	390.790

Balance sheet 31 December

Note	2020	2019
EQUITY AND LIABILITIES		
Equity		
Share capital	61.149	50.000
Share premium by emission	5.197.274	0
Reserve for development costs	74.705	0
Retained earnings	-1.450.134	-435.903
TOTAL EQUITY	<u>3.882.994</u>	<u>-385.903</u>
Long-term liabilities		
Other payables	6.162.639	566.914
Total long-term liabilities	<u>6.162.639</u>	<u>566.914</u>
Suppliers of goods and services	237.904	36.503
Other payables	59.211	32.513
Debt to shareholders and management	146.394	140.763
Total short-term liabilities	<u>443.509</u>	<u>209.779</u>
TOTAL LIABILITIES	<u>6.606.148</u>	<u>776.693</u>
TOTAL EQUITY AND LIABILITIES	<u><u>10.489.142</u></u>	<u><u>390.790</u></u>

4. Charges and securities

Statement of changes in equity

	2020	2019
Share capital		
Beginning of year	61.149	50.000
End of year	61.149	50.000
Share premium by emission		
This years share premium	5.197.274	0
End of year	5.197.274	0
Reserve for development costs		
Additions during the year	74.705	0
End of year	74.705	0
Retained earnings		
Beginning of year	-435.903	-476.784
Transferred from net profit	-1.014.231	40.881
End of year	-1.450.134	-435.903
Equity end of year	3.882.994	-385.903

Notes

	2020	2019
1. Staff costs		
Salaries	318.479	0
Other social security costs	2.840	0
Total staff costs	321.319	0
Persons employed on average	4	0
2. Special items		
Special items included in gross profit		
Covid-19 compensation - other compensations	130.100	0
Total special items	130.100	0

3. Development projects under construction and prepayments

Development costs primarily include costs for registering patents. The development are not completed yet. Therefore, in the annual report, the development costs are classified as under construction.

4. Charges and securities

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 2020.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Christian Øster Hjortshøj

Som Revisor

PID: 9208-2002-2-920181989742

Tidspunkt for underskrift: 30-06-2021 kl.: 08:08:06

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