
Kaffe Bueno ApS

Islevdalvej 211, DK-2610 Rødovre

Annual Report for 2022

CVR No. 37 89 40 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/7 2023

Marcel Lubben
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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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.

Rødovre, 26 July 2023

Executive Board

Juan Pablo Medina Ramirez

Alejandro Franco Sanchez

Camilo Jose Fernandez Schembri

Board of Directors

Marcel Lubben
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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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, 26 July 2023

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

The Company

Kaffe Bueno ApS
Islevdalvej 211
DK-2610 Rødovre

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CVR No: 37 89 40 36

Financial period: 1 January - 31 December

Incorporated: 15 July 2016

Financial year: 6th financial year

Municipality of reg. office: Rødovre

Board of Directors

Marcel Lubben, chairman
Juan Pablo Medina Ramirez
Alejandro Franco Sanchez
Marika King

Executive Board

Juan Pablo Medina Ramirez
Alejandro Franco Sanchez
Camilo Jose Fernandez Schembri

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

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 2022 shows a loss of DKK 2,325,082, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 1,011,026.

Capital resources

The company has lost more than 50 % the share capital, therefore management will comply with Section 119 of the Danish Companies Act, and present a plan for reestablishment at the company's ordinary general meeting. For information regarding the Company's capital resources, please refer to the information in note 1.

Subsequent events

In May 2023, the Company has moved into a new facility, where the Pilot Biorefinery is being built. The Pilot Plant will officially be launched during Q3 2023.

The Company is well on track to close a Series A round in Q4 2023.

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	2022	2021
		DKK	DKK
Gross profit/loss		1,281,898	-811,876
Staff expenses	2	-3,450,232	-2,044,440
Depreciation and impairment losses of property, plant and equipment		-38,131	-22,879
Profit/loss before financial income and expenses		-2,206,465	-2,879,195
Financial income		0	187,900
Financial expenses		-516,174	-381,767
Profit/loss before tax		-2,722,639	-3,073,062
Tax on profit/loss for the year	3	397,557	504,124
Net profit/loss for the year		-2,325,082	-2,568,938

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Other statutory reserves	89,223	77,603
Retained earnings	-2,414,305	-2,646,541
	-2,325,082	-2,568,938

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Development projects in progress		309,655	195,267
Intangible assets	4	309,655	195,267
Property, plant and equipment in progress		5,374,265	0
Property, plant and equipment	5	5,374,265	0
Deposits		1,589	1,589
Fixed asset investments		1,589	1,589
Fixed assets		5,685,509	196,856
Raw materials and consumables		264,197	158,966
Inventories		264,197	158,966
Trade receivables		197,592	408,136
Other receivables		73,781	0
Deferred tax asset		959,831	562,274
Corporation tax		131,238	255,892
Prepayments		1,589,405	219,904
Receivables		2,951,847	1,446,206
Cash at bank and in hand		12,844,385	5,851,592
Current assets		16,060,429	7,456,764
Assets		21,745,938	7,653,620

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		61,149	61,149
Reserve for development costs		241,531	152,308
Retained earnings		-1,313,706	1,100,599
Equity		-1,011,026	1,314,056
Other payables		6,350,680	5,880,196
Long-term debt		6,350,680	5,880,196
Trade payables		523,539	156,322
Payables to owners and Management		140,236	134,551
Other payables		145,751	168,495
Deferred income		15,596,758	0
Short-term debt		16,406,284	459,368
Debt		22,756,964	6,339,564
Liabilities and equity		21,745,938	7,653,620
Going concern	1		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	61,149	152,308	1,100,599	1,314,056
Development costs for the year	0	89,223	0	89,223
Net profit/loss for the year	0	0	-2,414,305	-2,414,305
Equity at 31 December	61,149	241,531	-1,313,706	-1,011,026

Notes to the Financial Statements

1. Going concern

In accordance with Section 119 of the Danish Companies Act, the board of directors and management of the Company report a loss incurred during the company's fiscal year 2022, equating to more than 50% of the share capital lost. This comment is intended to address the resultant capital resource condition the company faces.

The company wants to reassure the shareholders steps have been taken to re-establish our equity base. A plan has been put in motion to re-instate the company's financial stability through a Series A capital raise, which is well on schedule.

The annual report is presented in the presumption of the company's future existence.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	3,371,004	2,010,127
Pensions	14,359	0
Other social security expenses	28,711	16,188
Other staff expenses	36,158	18,125
	<u>3,450,232</u>	<u>2,044,440</u>
Average number of employees	<u>8</u>	<u>5</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Income tax expense		
Current tax for the year	0	-57,915
Deferred tax for the year	-397,557	-674,847
Adjustment of tax concerning previous years	0	228,638
	<u>-397,557</u>	<u>-504,124</u>

Notes to the Financial Statements

4. Intangible fixed assets

	Develop- ment projects in progress
	DKK
Cost at 1 January	228,786
Additions for the year	<u>152,520</u>
Cost at 31 December	<u>381,306</u>
Impairment losses and amortisation at 1 January	33,520
Amortisation for the year	<u>38,131</u>
Impairment losses and amortisation at 31 December	<u>71,651</u>
Carrying amount at 31 December	<u>309,655</u>

5. Property, plant and equipment

	Property, plant and equipment in progress
	DKK
Cost at 1 January	0
Additions for the year	<u>5,374,265</u>
Cost at 31 December	<u>5,374,265</u>
Carrying amount at 31 December	<u>5,374,265</u>

6. 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 2022.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Kaffe Bueno ApS for 2022 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 2022 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.

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.

Notes to the Financial Statements

Other external expenses

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

Gross profit/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, work on own account recognised in assets, 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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

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.

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.