

Slow A/S

Vesterbrogade 90, 1620 København V

CVR no. 40 30 82 45

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting on 13 July
2022

Pinja Neea Helena Puustjärvi
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Slow A/S 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

København V, 13 July 2022

Executive board

Henrik Sebastian Thøger Nielsen

Supervisory board

Alexander Stig Paciorenk Nielsen
chairman

Kristiina Helena Millington

Pinja Neea Helena Puustjärvi

Independent auditor's report on extended review

To the shareholder of Slow A/S

Opinion

We have performed extended review of the financial statements of Slow A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position 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 Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor'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' 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 and IESBA Code. We believe that the 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

Independent auditor's report on extended review

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these 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.

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, 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, 13 July 2022

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Peter Aagesen
statsautoriseret revisor
MNE no. mne41287

Company details

| | |
|-------------------|--|
| The company | Slow A/S Vesterbrogade 90 1620 København V CVR no.: 40 30 82 45 Reporting period: 1 January - 31 December 2021 Incorporated: 27 February 2019 Domicile: Copenhagen |
| Supervisory board | Alexander Stig Paciorek Nielsen, chairman Kristiina Helena Millington Pinja Neea Helena Puustjärvi |
| Executive board | Henrik Sebastian Thøger Nielsen |
| Auditors | Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby |

Management's review

Business review

The purpose of the company is to buy, roast, market and distribute sustainable produced coffee, and other related business, in the opinion of the Board of Directors.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 4.737.970, and the balance sheet at 31 December 2021 shows negative equity of DKK 4.604.675.

Financing

Refer to the description in note 1.

Significant events occurring after the end of the financial year

No 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 DKK | 2020 DKK |
|--|------|-------------------|-------------------|
| Gross profit | 2 | -3.688.084 | -1.860.602 |
| Staff costs | 3 | -841.982 | -481.324 |
| Profit/loss before amortisation/depreciation and impairment losses | | -4.530.066 | -2.341.926 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | -69.970 | -20.499 |
| Profit/loss before net financials | | -4.600.036 | -2.362.425 |
| Financial income | | 30.119 | 0 |
| Financial costs | 4 | -168.053 | -66.819 |
| Profit/loss before tax | | -4.737.970 | -2.429.244 |
| Tax on profit/loss for the year | | 0 | 0 |
| Profit/loss for the year | | -4.737.970 | -2.429.244 |
| Transferred to reserve for development expenditure | | -21.626 | 135.360 |
| Retained earnings | | -4.716.344 | -2.564.604 |
| | | -4.737.970 | -2.429.244 |

Balance sheet 31 December

| | Note | 2021 | 2020 |
|--|------|------------------|------------------|
| | | DKK | DKK |
| Assets | | | |
| Completed development projects | | 145.813 | 173.538 |
| Intangible assets | 5 | 145.813 | 173.538 |
| Other fixtures and fittings, tools and equipment | | 138.473 | 45.458 |
| Tangible assets | 6 | 138.473 | 45.458 |
| Total non-current assets | | 284.286 | 218.996 |
| Raw materials and consumables | | 1.217.556 | 1.291.420 |
| Finished goods and goods for resale | | 300.456 | 365.802 |
| Stocks | | 1.518.012 | 1.657.222 |
| Trade receivables | | 678.289 | 337.888 |
| Receivables from related parties | | 10.315 | 1.000.000 |
| Other receivables | | 768.529 | 175.367 |
| Receivables | | 1.457.133 | 1.513.255 |
| Cash at bank and in hand | | 173.171 | 104.618 |
| Total current assets | | 3.148.316 | 3.275.095 |
| Total assets | | 3.432.602 | 3.494.091 |

Balance sheet 31 December

| | Note | 2021 DKK | 2020 DKK |
|---|------|-------------------|------------------|
| Equity and liabilities | | | |
| Share capital | | 400.000 | 400.000 |
| Reserve for development expenditure | | 113.734 | 135.360 |
| Retained earnings | | -5.118.409 | -402.065 |
| Equity | | -4.604.675 | 133.295 |
| Other credit institutions | | 3.733.971 | 2.700.000 |
| Total non-current liabilities | 7 | 3.733.971 | 2.700.000 |
| Trade payables | | 1.593.132 | 237.113 |
| Payables to related parties | | 1.940.122 | 0 |
| Other payables | | 770.052 | 423.683 |
| Total current liabilities | | 4.303.306 | 660.796 |
| Total liabilities | | 8.037.277 | 3.360.796 |
| Total equity and liabilities | | 3.432.602 | 3.494.091 |
| Uncertainty about the continued operation (going concern) | 1 | | |
| Contingent liabilities | 8 | | |
| Mortgages and collateral | 9 | | |

Statement of changes in equity

| | Share capital | Reserve for development expenditure | Retained earnings | Total |
|------------------------------|----------------|---|----------------------|-------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 400.000 | 135.360 | -402.065 | 133.295 |
| Net profit/loss for the year | 0 | -21.626 | -4.716.344 | -4.737.970 |
| Equity at 31 December | 400.000 | 113.734 | -5.118.409 | -4.604.675 |

Notes

1 Uncertainty about the continued operation (going concern)

The company was severely hit by the implications of COVID-19, which impacted business growth and profitability. However, for FY2022 the outlook is significantly better for the following reasons:

We expect an uptick in revenue as society opens up again, including offices, restaurants and cafes who are our key clients.

In addition, we expect to sign several large, long-term contracts with both roasted coffee clients, as well as green bean clients, which will improve profitability significantly.

The parent company, Forest Plateau Pte. Ltd, have at the end of May 2022 expanded the equity by 2.5 mUSD with capital injection from current and new investors. This capital injection will ensure Slow's operations during 2022.

2 Special items

In the gross profit for 2021, the company has recognized COVID-19 compensation for salary compensation with TDKK 149.

3 Staff costs

| | 2021 DKK | 2020 DKK |
|-----------------------------|-------------|-------------|
| Wages and salaries | 664.377 | 456.895 |
| Pensions | 50.464 | 0 |
| Other social security costs | 113.272 | 6.894 |
| Other staff costs | 13.869 | 17.535 |

| | |
|----------------|----------------|
| 841.982 | 481.324 |
|----------------|----------------|

| | | |
|-----------------------------|---|---|
| Average number of employees | 1 | 1 |
|-----------------------------|---|---|

Notes

| | 2021 DKK | 2020 DKK |
|---|----------------|---|
| 4 Financial costs | | |
| Other financial costs | 168.053 | 66.819 |
| | 168.053 | 66.819 |
| 5 Intangible assets | | Completed development projects DKK |
| Cost at 1 January | | 182.672 |
| Additions for the year | | 17.262 |
| Cost at 31 December | | 199.934 |
| Impairment losses and amortisation at 1 January | | 9.134 |
| Depreciation for the year | | 44.987 |
| Impairment losses and amortisation at 31 December | | 54.121 |
| Carrying amount at 31 December | | 145.813 |

Notes

6 Tangible assets

| | Other fixtures and fittings, tools and equipment <u>DKK</u> |
|---|---|
| Cost at 1 January | 56.823 |
| Additions for the year | <u>118.000</u> |
| Cost at 31 December | <u>174.823</u> |
| Impairment losses and depreciation at 1 January | 11.365 |
| Depreciation for the year | <u>24.985</u> |
| Impairment losses and depreciation at 31 December | <u>36.350</u> |
| Carrying amount at 31 December | <u><u>138.473</u></u> |

7 Long term debt

| | Debt at 1 January <u>DKK</u> | Debt at 31 December <u>DKK</u> | Instalment next year <u>DKK</u> | Debt outstanding after 5 years <u>DKK</u> |
|---------------------------|------------------------------------|--------------------------------------|---------------------------------------|--|
| Other credit institutions | <u>2.700.000</u> | <u>3.733.971</u> | <u>0</u> | <u>0</u> |
| | <u><u>2.700.000</u></u> | <u><u>3.733.971</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

8 Contingent liabilities

The company has entered into rent obligations, where the total obligation in the non-cancellable period is DKK 57k.

9 Mortgages and collateral

Floating charge totalling DKK 3.6 million in the Company's development projects, other fixtures, inventory and debtors with a total book value of DKK 2.5 million has been deposited as security for other credit institutions.

Accounting policies

The annual report of Slow A/S 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 provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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 the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

| | Useful life |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 5 years |

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Accounting policies

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Income tax and deferred tax

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.