CC Topco ApS

Alstrup Allé 11, DK-8361 Hasselager

Annual Report for 2022

CVR No. 42 19 29 96

The Annual Report was presented and adopted at the Annual General Meeting of the company on 17/5 2023

Thomas Ramsay
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of CC Topco 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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 Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Hasselager, 2 May 2023

Executive Board

Anders Balmer
CEO

Board of Directors

Thomas Ramsay Chairman	Morten Ravn	Kasper Grønnegaard
Frederic Thunell		

Independent Auditor's report

To the shareholders of CC Topco ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group’s and the Parent Company’s operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of CC Topco 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”the Financial Statements”).

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 Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 judgement and maintain professional scepticism 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Aarhus C, 2 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mads Meldgaard
State Authorised Public Accountant
mne24826

Mike Bork Jun
State Authorised Public Accountant
mne48473

Company information

The Company	CC Topco ApS Alstrup Allé 11 DK-8361 Hasselager CVR No: 42 19 29 96 Financial period: 1 January - 31 December Incorporated: 5 March 2021 Financial year: 2nd financial year Municipality of reg. office: Aarhus
Board of Directors	Thomas Ramsay, chairman Morten Ravn Kasper Grønnegaard Frederic Thunell
Executive board	Anders Balmer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Group Chart

Company	Residence	Ownership
CC Topco ApS	**Aarhus**	
CC Midco ApS	Aarhus	100%
Kaffekapslen ApS	Aarhus	100%
Design Nordic ApS	Aarhus	100%
Kaffekapslen GmbH	Germany	100%

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2022	2021
	TDKK	TDKK 10 months
Key figures		
Profit/loss		
Revenue	605,418	353,258
Gross profit/loss	60,375	24,204
Profit/loss of ordinary primary operations	-23,233	-32,523
Profit/loss of financial income and expenses	-7,749	-4,676
Net profit/loss	-33,104	-35,765
Balance sheet		
Balance sheet total	481,629	504,218
Investment in property, plant and equipment	5,436	1,615
Equity	302,666	330,570
Cash flows		
Cash flows from:		
- operating activities	36,025	-20,784
- investing activities	-10,469	-450,870
- financing activities	-24,806	486,526
Change in cash and cash equivalents for the year	750	14,872
Number of employees	108	81
Ratios		
Gross margin	10.0%	6.9%
Solvency ratio	62.8%	65.6%
Return on equity	-10.5%	-21.6%

Management's review

Key activities

The purpose of the Parent Company is directly or indirectly to trade and to act as a holding company, to make investments and to carry out asset management as well as other related activities.

The principal activities of the Group are to sell coffee related products on the internet.

Development in the year

The Group's income statement for 2022 shows a loss of DKK 33.1 million compared to a loss of DKK 35.8 million in 2021. Equity in the Group's balance sheet at 31 December 2022 stood at DKK 302.7 million compared to DKK 330.6 million at 31 December 2021.

In 2022 the Group's revenue increased by 29.4 % to DKK 605.4 million compared to the complete financial year of 2021, which was in line with Management's expectations.

Outlook

For 2023 Management expects to achieve a revenue ranging between DKK 750-850 million and an EBITDA ranging between DKK 20-30 million.

Environmental matters

Management focuses on decreasing the environmental affect from outbound freight, primarily through reducing the number of trucks needed for fulfilling end consumer orders. Several projects with this goal have been completed in 2022 and even more are planned for 2023. The Company also collaborates with its freight providers to continue to improve environmental matters.

The Group does not have its own production assets and does therefore not otherwise affect the external environment to an extent exceeding that of office enterprises in most liberal professions.

Research and development activities

The Group invests significantly in developing its own IT platforms and software to support internal and external processes. Each development project is initiated with a research-phase, where the goal is to find new and innovative solutions to an identified problem.

The ambition of all research and development activities is to support the Group's growth, profitability and environmental impact.

Financial risks

The Group receives revenue in several foreign currencies and is exposed to financial risks as a result of its operations. It is the Group's policy not to engage in active speculation in financial risks. The overall framework for managing financial risks is reviewed and approved by the Board of Directors.

Price risks
The impact on the Group's result has so far been limited, as price fluctuations on the most important raw materials are mainly passed on to the company's sales prices.

Currency risks
The Group is affected by changes in exchange rates, as the majority of its revenue is generated in foreign currencies, while significant costs, including salaries, incur in Danish kroner. The risk is reduced by frequent currency exchanges and sales price adjustments.

Management's review

Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

Management wishes to operate a group that complies with Danish legislation and to act as a responsible group that minimizes negative impacts on stakeholders and the surrounding society. The Group has so far chosen not to adopt and implement corporate social responsibility policies. The reason for this is that the Group's activities are generally conducted in accordance with generally accepted principles and good business ethics. In management's view, this will result in the Group acting in a socially responsible manner.

Furthermore, we encourage suppliers and other business partners to engage in decent and responsible behavior.

Environment and climate
The Group’s primary operations are sales and distribution of consumer goods. The most significant environmental and climate impact of the Group’s activities lies in the distribution of goods. Management focuses on minimizing these effects continuously. No significant risks are assessed in relation to the Group's business activities, and Management assesses that there is no need for specific policies in this area.

Working environment, health and social commitment
The Group is operated from Denmark, where social and employee conditions are to a large extent regulated by legislation and norms that ensure good conditions for all employees. Management assesses that there are no significant risks in relation to the Group's business activities, and therefore there is no need for specific policies in this area.

Human rights
The Group is operated from Denmark, where fundamental human rights are regulated by law, and no significant risks are assessed in relation to the Group's business activities. Management assesses that there is no need for specific policies in this area.

Anti-corruption and bribery
The Group is operated from Denmark, where corruption and bribery are regulated by law and are not considered a significant challenge, and no significant risks are assessed in relation to the Group's business activities. Management assesses that there is no need for specific policies in this area. Management plans to implement a whistleblower scheme in 2023, where employees and external stakeholders can anonymously report any violations of law.

Business model
The Group’s activity is to sell coffee related products to consumers on the internet.

Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

The Group acknowledge that diversity of Management and employees is a strength and as a part of this, equality in gender contributes to the business development. The Group’s target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors, and no one is underrepresented.

In 2022 the Company’s board of directors consist of four members whereof four are males. The specific target is to achieve a share of underrepresented gender at 25 % in 2026. The goal is not achieved in 2022 due to no change in board of directors.

To foster an equal balance, the gender of potential members of the Company’s board of directors will be a factor in future hirings. The focus on a balanced share of female members of the board of directors will rely on the consideration that members are always hired on the basis of professional and personal competencies.

Diversity in other management levels
The Group also considers diversity in other management levels than the Board of Directors. The long-term aim is that the Group reflects the surrounding society.

At the present point in time, the Management consists of one person, and it is therefore not possible to have both genders represented.

To foster an equal balance, the gender of potential executives will be a factor in future hirings and promotions. The focus on a balanced share of female executives will rely on the consideration that employees, including executives, are always hired on the basis of professional and personal competencies.

Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act

The Group does not keep separate written policies regarding data ethics. The Group is operated from Denmark, where collection, storing and processing of data is regulated by law and is not considered a significant challenge. No significant risks are assessed in relation to the Group's business activities. Further, only very few people in the Group have control over the Group’s data, and it would be an overcomplication to keep written policies.

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK 12 months	TDKK 10 months	TDKK 12 months	TDKK 10 months
Revenue	1	605,418	353,258	0	0
Other operating income		1,125	2,863	0	0
Cost of goods sold		-528,062	-311,685	0	0
Other external expenses		-18,106	-20,232	-94	-41
Gross profit		**60,375**	**24,204**	**-94**	**-41**
Staff expenses	2	-35,985	-19,982	0	0
Earnings Before Interest Taxes Depreciation and Amortization		**24,390**	**4,222**	**-94**	**-41**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-46,498	-33,882	0	0
Other operating expenses		-30	0	0	0
Profit/loss before financial income and expenses		**-22,138**	**-29,660**	**-94**	**-41**
Income from investments in subsidiaries		0	0	-30,513	-33,631
Financial income	3	5	0	393	130
Financial expenses		-7,754	-4,676	-3,678	-2,796
Profit/loss before tax		**-29,887**	**-34,336**	**-33,892**	**-36,338**
Tax on profit/loss for the year	4	-3,217	-1,429	788	573
Net profit/loss for the year	5	**-33,104**	**-35,765**	**-33,104**	**-35,765**

Balance sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Completed development projects		4,395	0	0	0
Goodwill		366,928	411,405	0	0
Development projects in progress		492	1,414	0	0
Intangible assets	6	**371,815**	**412,819**	**0**	**0**
Other fixtures and fittings, tools and equipment		6,075	2,340	0	0
Leasehold improvements		1,695	1,457	0	0
Property, plant and equipment	7	**7,770**	**3,797**	**0**	**0**
Investments in subsidiaries	8	0	0	344,692	375,205
Deposits	9	2,682	1,713	0	0
Fixed asset investments		**2,682**	**1,713**	**344,692**	**375,205**
Fixed assets		**382,267**	**418,329**	**344,692**	**375,205**
Finished goods and goods for resale		65,329	55,483	0	0
Inventories		**65,329**	**55,483**	**0**	**0**
Trade receivables		0	2,275	0	0
Receivables from group enterprises		0	0	12,734	27,430
Other receivables		10,902	9,500	0	0
Corporation tax		0	0	2,567	572
Prepayments	10	1,913	3,581	0	68
Receivables		**12,815**	**15,356**	**15,301**	**28,070**
Cash at bank and in hand		**21,218**	**15,050**	**859**	**82**
Current assets		**99,362**	**85,889**	**16,160**	**28,152**
Assets		**481,629**	**504,218**	**360,852**	**403,357**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital	11	3,715	3,663	3,715	3,663
Share premium account		0	362,672	0	362,672
Retained earnings		298,951	-35,765	298,951	-35,765
Equity		**302,666**	**330,570**	**302,666**	**330,570**
Provision for deferred tax	12	1,395	623	0	0
Other provisions	13	714	0	0	0
Provisions		**2,109**	**623**	**0**	**0**
Credit institutions		27,500	42,500	0	0
Payables to owners and Management		56,374	52,685	56,374	52,685
Long-term debt	14	**83,874**	**95,185**	**56,374**	**52,685**
Credit institutions	14	15,596	5,178	0	0
Prepayments received from customers		453	0	0	0
Trade payables		55,364	34,246	12	0
Payables to group enterprises		0	0	1,800	0
Payables to owners and Management		0	20,006	0	20,000
Corporation tax		561	2,951	0	0
Other payables		21,006	15,459	0	102
Short-term debt		**92,980**	**77,840**	**1,812**	**20,102**
Debt		**176,854**	**173,025**	**58,186**	**72,787**
Liabilities and equity		**481,629**	**504,218**	**360,852**	**403,357**

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Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	3,663	362,672	-35,765	330,570
Cash capital increase	52	5,148	0	5,200
Net profit/loss for the year	0	0	-33,104	-33,104
Transfer from share premium account	0	-367,820	367,820	0
Equity at 31 December	**3,715**	**0**	**298,951**	**302,666**

Parent company

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	3,663	362,672	-35,765	330,570
Cash capital increase	52	5,148	0	5,200
Net profit/loss for the year	0	0	-33,104	-33,104
Transfer from share premium account	0	-367,820	367,820	0
Equity at 31 December	**3,715**	**0**	**298,951**	**302,666**

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Result of the year		-33,104	-35,765
Adjustments	15	57,495	39,893
Change in working capital	16	20,527	-20,230
Cash flow from operations before financial items		**44,918**	**-16,102**
Financial income		5	0
Financial expenses		-4,063	-4,676
Cash flows from ordinary activities		**40,860**	**-20,778**
Corporation tax paid		-4,835	-6
Cash flows from operating activities		**36,025**	**-20,784**
Purchase of intangible assets		-4,063	-615
Purchase of property, plant and equipment		-5,436	-1,616
Fixed asset investments made etc		-970	0
Business acquisition		0	-448,639
Cash flows from investing activities		**-10,469**	**-450,870**
Repayment of loans from credit institutions		-10,000	-2,500
Repayment of other long-term debt		-20,006	0
Raising of loans from credit institutions		0	50,000
Raising of other long-term debt		0	72,691
Cash capital increase		5,200	366,335
Cash flows from financing activities		**-24,806**	**486,526**
Change in cash and cash equivalents		**750**	**14,872**
Cash and cash equivalents at 1 January		14,872	0
Cash and cash equivalents at 31 December		**15,622**	**14,872**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		21,218	15,050
Overdraft facility		-5,596	-178
Cash and cash equivalents at 31 December		**15,622**	**14,872**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Denmark	67,894	51,309	0	0
Export	537,524	301,949	0	0
	605,418	**353,258**	**0**	**0**

The Group only has one business segment.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	34,984	19,470	0	0
Pensions	277	140	0	0
Other social security expenses	724	372	0	0
	35,985	**19,982**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	1,453	1,690	0	0
Board of directors	264	0	0	0
	1,717	**1,690**	**0**	**0**
Average number of employees	**108**	**81**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

3. Financial income

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Interest received from group enterprises	0	0	393	130
Other financial income	5	0	0	0
	5	**0**	**393**	**130**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

4. Income tax expense

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Current tax for the year	2,373	1,429	-766	-573
Deferred tax for the year	851	0	0	0
Adjustment of tax concerning previous years	72	0	-22	0
Adjustment of deferred tax concerning previous years	-79	0	0	0
	3,217	**1,429**	**-788**	**-573**

	Parent company	
	2022	2021
	TDKK	TDKK

5. Profit allocation

	Parent company 2022 TDKK	Parent company 2021 TDKK
Retained earnings	-33,104	-35,765
	-33,104	**-35,765**

Notes to the Financial Statements

6. Intangible fixed assets

Group

	Completed development projects	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	0	444,762	1,414
Additions for the year	0	0	4,063
Transfers for the year	4,985	0	-4,985
Cost at 31 December	4,985	444,762	492
Impairment losses and amortisation at 1 January	0	33,357	0
Amortisation for the year	590	44,477	0
Impairment losses and amortisation at 31 December	590	77,834	0
Carrying amount at 31 December	**4,395**	**366,928**	**492**
Amortised over	3-5 years	10 years	

7. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	2,974	1,694
Additions for the year	4,815	621
Disposals for the year	-36	0
Cost at 31 December	7,753	2,315
Impairment losses and depreciation at 1 January	634	237
Depreciation for the year	1,049	383
Reversal of impairment and depreciation of sold assets	-5	0
Impairment losses and depreciation at 31 December	1,678	620
Carrying amount at 31 December	**6,075**	**1,695**

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK

8. Investments in subsidiaries

	2022	2021
Cost at 1 January	408,836	0
Additions for the year	0	408,836
Cost at 31 December	408,836	408,836
Value adjustments at 1 January	-33,631	0
Net profit/loss for the year	-30,513	-33,631
Value adjustments at 31 December	-64,144	-33,631
Carrying amount at 31 December	**344,692**	**375,205**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
- CC Midco ApS	Aarhus	100%
-- Kaffekapslen ApS	Aarhus	100%
--- Design Nordic ApS	Aarhus	100%
--- Kaffekapslen GmbH	Germany	100%

9. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	1,713
Additions for the year	2,219
Disposals for the year	-1,250
Cost at 31 December	2,682
Carrying amount at 31 December	**2,682**

10. Prepayments

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

Notes to the Financial Statements

11. Share capital

The Company holds a total of 3.715.356 shares with a nominal value of DKK 1 each.

All shares rank equally.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
12. Provision for deferred tax				
Deferred tax liabilities at 1 January	623	0	0	0
Amount recognised in the income statement concerning previous years	-79			
Amounts recognised in the income statement for the year	851	623	0	0
Deferred tax liabilities at 31 December	**1,395**	**623**	**0**	**0**

13. Other provisions

Other provisions include provisions for returned goods and restoration costs of rented premises.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Other provisions	714	0	0	0
	714	**0**	**0**	**0**

The provisions are expected to mature as follows:

Within 1 year	492	0	0	0
Between 1 and 5 years	222	0	0	0
After 5 years	0	0	0	0
	714	**0**	**0**	**0**

Notes to the Financial Statements

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	27,500	42,500	0	0
Long-term part	27,500	42,500	0	0
Within 1 year	10,000	5,000	0	0
Other short-term debt to credit institutions	5,596	178	0	0
Short-term part	15,596	5,178	0	0
	43,096	**47,678**	**0**	**0**
Payables to owner and Management				
After 5 years	0	0	0	0
Between 1 and 5 years	56,374	52,685	56,374	52,685
Long-term part	56,374	52,685	56,374	52,685
Within 1 year	0	0	0	0
Other short-term debt to owners and Management	0	20,006	0	20,000
Short-term part	0	20,006	0	20,000
	56,374	**72,691**	**56,374**	**72,685**

Notes to the Financial Statements

15. Cash flow statement - Adjustments

	Group 2022 TDKK	Group 2021 TDKK
Financial income	-5	0
Financial expenses	7,754	4,676
Depreciation, amortisation and impairment losses, including losses and gains on sales	46,529	33,882
Tax on profit/loss for the year	3,217	1,429
Other adjustments	0	-94
	57,495	**39,893**

16. Cash flow statement - Change in working capital

	Group 2022 TDKK	Group 2021 TDKK
Change in inventories	-9,846	-30,012
Change in receivables	2,541	5,938
Change in other provisions	714	0
Change in trade payables, etc	27,118	3,844
	20,527	**-20,230**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

17. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

The parent company has pledged shares in CC Midco ApS to Nordea Bank Abp and any of its branches, branches and associated companies represented by Nordea Danmark, branch of Nordea Bank Abp, Finland, Company number, CVR: 25 99 21 80, Grønlandsvej 10, DK-2300 Copenhagen S.

The pledged shares may not be pledged further without prior written approval from Nordea Denmark, a branch of Nordea Bank Abp, Finland.

Notes to the Financial Statements

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	5,587	4,222	0	0
Between 1 and 5 years	5,659	6,211	0	0
	11,246	**10,433**	**0**	**0**

Guarantee obligations

The Group has provided a lease guarantee totalling TDKK 2.151 to a third party.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 561. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group’s liability.

The Parent Company has issued a letter of surety amounting to TDKK 37.500 in favour of the credit facilities in CC Midco ApS. As of 31 December 2022 the debt amounts to TDKK 36.406

The Parent Company has issued a letter of surety amounting to TDKK 21.166 in favour of the credit facilities in Kaffekapslen ApS. As of 31 December 2022 the balance amounts to TDKK 6.874 as cash in hand.

18. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group	
	2022	2021
	TDKK	TDKK
19. Fee to auditors appointed at the general meeting		
PwC		
Audit fee	215	0
Non-audit services	195	0
	410	**0**
KPMG		
Audit fee	0	107
Other assurance engagements	0	17
	0	**124**

20. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of CC Topco ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in TDKK.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, CC Topco ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

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. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Segment information on revenue

Information on geographical segments is based on the Group´s risks and returns and its internal financial reporting system.

Notes to the Financial Statements

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 Group.

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

Cost of goods sold

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external expenses

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

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 amortisation, depreciation and impairment of intangible assets and 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

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.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include provisions for returned goods and restoration costs of rented premises within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with returns.

Deferred tax assets and liabilities

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans, such as loans from credit institutions, 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.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity