COPENHAGEN
COFFEE LAB

Copenhagen Coffee Lab Holding ApS

Bådehavnsgade 44F, 2450 Copenhagen SW

CVR no. 35 03 64 74

Annual report 2022

Approved at the Company's annual general meeting on 30 June 2023

Chair of the meeting:

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Ulrich Wulff Norden Venge

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Copenhagen Coffee Lab Holding 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 June 2023
Executive Board:

Steen Skallebæk

Ulrich Wulff Norden Venge

Board of Directors:

Ole Schielder Kristoffersen
Chairman

Steen Skallebæk

Jacob Schmidt Karlsen

Allan Krogsgaard Nielsen

Ulrich Wulff Norden Venge

Independent auditor's report

To the shareholders of Copenhagen Coffee Lab Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Copenhagen Coffee Lab Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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:

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 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Haderslev, 30 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Mortensen
State Authorised Public Accountant
mne32743

Management's review

Company details

Name	Copenhagen Coffee Lab Holding ApS
Address, Postal code, City	Bådehavnsgade 44F, 2450 Copenhagen SW
CVR no.	35 03 64 74
Established	28 January 2013
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Ole Schielder Kristoffersen, Chairman Steen Skallebæk Jacob Schmidt Karlsen Allan Krogsgaard Nielsen Ulrich Wulff Norden Venge
Executive Board	Steen Skallebæk Ulrich Wulff Norden Venge
Auditors	EY Godkendt Revisionspartnerselskab Norgesvej 24 B, 6100 Haderslev, Denmark

Management's review

Financial highlights for the Group

EUR'000	2022	2021	2020
Key figures			
Gross profit	8,288	4,885	2,064
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-1,299	-2,324	-2,884
Profit before interest and tax (EBIT)	-2,384	-3,218	-4,647
Operating profit/loss	-2,385	-3,402	-3,671
Net financials	-761	-802	-388
Profit/loss before tax	-3,144	-4,019	-3,948
Profit/loss for the year	**-3,251**	**-3,731**	**-3,972**
Total assets	10,918	10,365	7,828
Investments in property, plant and equipment	-1,667	-2,729	-1,503
Equity	**-13,018**	**-9,769**	**-6,040**
Cash flows from operating activities	-1,546	-2,646	-2,808
Net cash flows from investing activities	-1,644	-3,035	-1,633
Cash flows from financing activities	3,125	5,738	4,059
Total cash flows	**-65**	**57**	**-382**
Financial ratios			
Equity ratio	-119.2%	-94.2%	-77.2%
Average number of full-time employees	**243**	**217**	**154**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The group's principal activity is to operate a café business with its own bakery production and coffee roastery.

Financial review

The income statement for 2022 shows a loss of EUR 3,251 thousand against a loss of EUR 3,731 thousand last year, and the balance sheet at 31 December 2022 shows a negative equity of EUR 13,018 thousand. The result for the year is considered unsatisfactory, however the performance of the business were affected negatively by external factors.

2022 was the first year without the impact of the COVID-19 pandemic and marked a certain level of normalization. During 2022 Copenhagen Coffee Lab opened new stores across Europe and experienced increased revenue in all markets. The company also initiated several operational initiatives to strengthen the organisation and to support future growth and profitability, which will continue into 2023. However, despite the positive revenue development, the company´s result was affected by the situation in Ukraine, which has led to higher operating costs, consumer reluctance and higher financing costs for the company.

Knowledge resources

The Group's workforce consists of 243 employees (average number of full-time employees).

The current composition of employees does not entail dependence on individual competences.

The current staff is assessed to have good market knowledge as well as good professional skills within their respective areas of work.

Impact on the external environment

The group is committed to being environmentally conscious and actively works towards reducing the environmental impacts of its operations. This means that the company takes environmental considerations seriously and implements various measures and practices to mitigate its environmental footprint.

The management believes that the company's activities do not impose a significant burden on the external environment.

Events after the balance sheet date

No events of significance to the group's financial position have occurred after the balance sheet date.

Outlook

Profit before tax is expected in the range EUR -1 million - 0 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	EUR'000	2022	2021	2022	2021
	Gross profit	8,288	4,885	489	382
3	Staff costs	-9,587	-7,209	-354	-334
	Depreciation of property, plant and equipment	-1,084	-893	0	0
	Profit/loss before net financials	-2,383	-3,217	135	48
4	Financial income	41	46	828	636
	Financial expenses	-802	-848	-744	-844
	Profit/loss before tax	-3,144	-4,019	219	-160
5	Tax for the year	-107	288	-49	351
	Profit/loss for the year	-3,251	-3,731	170	191

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	EUR'000	2022	2021	2022	2021
	ASSETS				
	Fixed assets				
6	**Intangible assets**				
	Acquired intangible assets	539	539	0	0
	Goodwill	81	88	0	0
		620	627	0	0
7	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	2,678	2,782	10	0
	Leasehold improvements	5,136	4,441	0	0
		7,814	7,223	10	0
8	**Investments**				
	Investments in group enterprises	0	0	5,213	4,469
	Other receivables	739	849	739	849
	Deposits, investments	188	177	8	8
		927	1,026	5,960	5,326
	Total fixed assets	9,361	8,876	5,970	5,326
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	378	193	0	0
	Finished goods and goods for resale	136	136	0	0
	Prepayments for goods	49	12	0	0
		563	341	0	0
	Receivables				
	Trade receivables	262	342	0	2
	Receivables from group enterprises	0	0	17,372	14,511
11	Deferred tax assets	27	133	24	130
	Joint taxation contribution receivable	0	0	56	21
	Other receivables	391	334	18	49
9	Prepayments	52	12	1	0
		732	821	17,471	14,713
	Cash	262	327	6	0
	Total non-fixed assets	1,557	1,489	17,477	14,713
	TOTAL ASSETS	10,918	10,365	23,447	20,039

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	EUR'000	2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	723	723	723	723
	Retained earnings	-13,741	-10,492	764	594
	Total equity	-13,018	-9,769	1,487	1,317
	Liabilities other than provisions				
12	**Non-current liabilities other than provisions**				
	Subordinate loan capital	6,858	6,858	6,858	6,858
	Other payables	1,641	2,029	1,641	2,029
		8,499	8,887	8,499	8,887
	Current liabilities other than provisions				
12	Short-term part of long-term liabilities other than provisions	397	0	397	0
	Bank debt	8,133	8,054	8,124	8,053
	Prepayments received from customers	12	0	0	0
	Trade payables	996	814	3	21
	Payables to group enterprises	24	4	142	0
	Payables to shareholders and management	4,696	1,650	4,696	1,650
	Other payables	1,179	725	99	111
		15,437	11,247	13,461	9,835
	Total liabilities other than provisions	23,936	20,134	21,960	18,722
	TOTAL EQUITY AND LIABILITIES	10,918	10,365	23,447	20,039

1 Accounting policies
2 Special items
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties
16 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group		
Note	EUR'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	723	-10,492	-9,769
	Transfer through appropriation of loss	0	-3,251	-3,251
	Adjustment of investments through forreign exchange adjustments	0	2	2
	Equity at 31 December 2022	723	-13,741	-13,018

		Parent company		
Note	EUR'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	723	594	1,317
16	Transfer, see "Appropriation of profit/loss"	0	170	170
	Equity at 31 December 2022	723	764	1,487

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	EUR'000	2022	2021
	Profit/loss for the year	-3,251	-3,731
17	Adjustments	1,924	1,337
	Cash generated from operations (operating activities)	-1,327	-2,394
18	Changes in working capital	548	218
	Cash generated from operations (operating activities)	-779	-2,176
	Interest received, etc.	41	46
	Interest paid, etc.	-808	-516
	Cash flows from operating activities	-1,546	-2,646
	Additions of intangible assets	-6	-304
	Additions of property, plant and equipment	-1,667	-2,729
	Disposals of property, plant and equipment	45	32
	Repayments received, loans	-11	50
	Other cash flows from investing activities	-5	-84
	Cash flows to investing activities	-1,644	-3,035
	Debt to financing institution	0	4,639
	Debt to banks	79	6
	Debt to shareholders	3,046	1,093
	Cash flows from financing activities	3,125	5,738
	Net cash flow	-65	57
	Cash and cash equivalents at 1 January	327	270
19	**Cash and cash equivalents at 31 December**	262	327

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Copenhagen Coffee Lab Holding ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company. The subsidiaries comprise of Copenhagen Coffee Lab ApS (Stake: 100%), Klemmen Espressoservice ApS (Stake: 100%), CCL Copenhagen ApS (Stake: 100%), Copenhagen Coffee Lab Hamburg GmbH (Stake: 100%), Copenhagen Coffee Lab Ruhr GmbH (Stake: 100%), CCL Unipessoal LDA (Stake: 100%), CCL Côte d'Azur SAS (Stake: 100%) and CCL Copenhagen ApS (Stake: 100%).

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Group's core activities, including gains or losses on the sale of fixed assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating 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 pension to the Group's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	10 years
Intangible assets	0-10 years
Fixtures and fittings, other plant and equipment	3-20 years

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, 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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Group are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Group's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Gains and losses on disposal of group entities and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Group's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

	Group		Parent company	
EUR'000	2022	2021	2022	2021
Income				
Compensation for payroll cost	0	54,384	0	8,589
	0	54,384	0	8,589
Special items are recognised in the below items of the financial statements				
Gross profit	0	54,384	0	8,589
Net profit on special items	0	54,384	0	8,589

	Group		Parent company	
EUR'000	2022	2021	2022	2021
3 Staff costs				
Wages/salaries	9,463	7,087	310	268
Pensions	92	85	36	41
Other social security costs	27	29	8	18
Other staff costs	5	8	0	7
	9,587	7,209	354	334
Average number of full-time employees	243	217	4	4

Group

Total remuneration to Group Management: EUR 209 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	EUR'000	2022	2021	2022	2021
4	**Financial income**				
	Interest receivable, group entities	0	0	777	591
	Other financial income	41	46	51	45
		41	46	828	636
5	**Tax for the year**				
	Estimated tax charge for the year	56	53	0	0
	Deferred tax adjustments in the year	107	44	105	34
	Refund in joint taxation	-56	-385	-56	-385
		107	-288	49	-351

6 Intangible assets

	Group		
EUR'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	539	101	640
Additions	0	9	9
Disposals	0	-3	-3
Cost at 31 December 2022	539	107	646
Impairment losses and amortisation at 1 January 2022	0	13	13
Amortisation for the year	0	13	13
Impairment losses and amortisation at 31 December 2022	0	26	26
Carrying amount at 31 December 2022	539	81	620

7 Property, plant and equipment

	Group		
EUR'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	3,728	5,538	9,266
Additions	529	1,138	1,667
Disposals	-45	0	-45
Transferred	-322	-19	-341
Cost at 31 December 2022	3,890	6,657	10,547
Impairment losses and depreciation at 1 January 2022	946	1,097	2,043
Depreciation	499	560	1,059
Reversal of accumulated depreciation and impairment of assets disposed	-23	0	-23
Transferred	-210	-136	-346
Impairment losses and depreciation at 31 December 2022	1,212	1,521	2,733
Carrying amount at 31 December 2022	2,678	5,136	7,814

Note 14 provides more details on security for loans, etc. as with regards property, plant and equipment.

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Notes to the financial statements

8 Investments

	Group		
EUR'000	Other receivables	Deposits, investments	Total
Cost at 1 January 2022	849	177	1,026
Additions	0	29	29
Disposals	-110	-18	-128
Cost at 31 December 2022	739	188	927
Carrying amount at 31 December 2022	739	188	927

	Parent company			
EUR'000	Investments in group enterprises	Other receivables	Deposits, investments	Total
Cost at 1 January 2022	4,469	849	8	5,326
Additions	744	0	0	744
Disposals	0	-110	0	-110
Cost at 31 December 2022	5,213	739	8	5,960
Carrying amount at 31 December 2022	5,213	739	8	5,960

Prerequisites for valuation of Investments

In the Parent Company's balance sheet, investments in group enterprises and receivables from group enterprises are recognized at EUR 5,213 thousand and EUR 17,372 thousand, respectively. These are considered the main assets of the Parent Company. On a consolidated basis, the total equity amounts to EUR -13,018 thousand.

The management has used a discounted cash flow (DCF) model to calculate the enterprise value of the group. According to this valuation, there is no need to impair the investments in group enterprises or the receivables from group enterprises. The year 2022 marked a certain level of normalization across the business, as it was the first year without the impact of the COVID-19 pandemic. However, the business was affected by higher energy and raw material costs due to the Ukraine war. The year 2023 has started positively, with continued revenue growth. Despite consumer reluctance caused by the ongoing Ukraine war, the trend of revenue growth is expected to persist throughout 2023. The valuation of the group considers both the risks associated with the Ukraine war impacting the business and the expected normalization. It anticipates significant growth in revenue and earnings in 2023, followed by more moderate to solid growth from 2024 onwards. This growth is attributed to increased demand at existing cafes and a focus on profitability across the group.

If the assumptions used in the valuation develop negatively and there may be a need for additional financing, the majority shareholders have indicated that they will provide additional capital as the need arises.

Parent company

Name	Domicile	Interest
Copenhagen Coffee Lab ApS	Denmark	100.00%
Klemmen Espressoservice ApS	Denmark	100.00%
Copenhagen Coffee Lab Hamburg GmbH	Germany	100.00%
Copenhagen Coffee Lab Ruhr GmbH	Germany	100.00%
CCL Unipessoal LDA	Portugal	100.00%
CCL Côte D'Azur SAS	France	100.00%
CCL Copenhagen ApS	Denmark	100.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and other prepayments.

10 Share capital

The parent's share capital has remained EUR 719 thousand in the past year.

	Group		Parent company	
EUR'000	2022	2021	2022	2021
11 Deferred tax				
Deferred tax relates to:				
Property, plant and equipment	-3	-4	0	0
Tax loss	-24	-130	-24	-130
	-27	-134	-24	-130

12 Non-current liabilities other than provisions

	Group			
EUR'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	6,858	0	6,858	0
Other payables	2,038	397	1,641	0
	8,896	397	8,499	0

13 Contractual obligations and contingencies, etc.

Other financial obligations

Group

Rent and lease liabilities includes rent obligations totalling EUR 10,505 thousand in interminable rent agreements with remaining contract terms of 119 months. Furthermore, the Group has liabilities under operating leases for cars, totalling EUR 86 thousand with remaining contract terms of 54 months.

Payment guarantes to third parties amounts to EUR 600 thousand.

Parent company

As management company, the Parent Company is jointly taxed with other Danish group entities. The Parent Company is jointly and severally with other jointly taxed group entities for payment of income taxes in the Group of jointly taxed entities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Collateral

Group

As security for the Group's debt to mortgage credit institutions, other credit institutions, creditors and other suppliers, the Group has provided security or other collateral in its assets for a total amount of EUR 134 thousand.

Parent company

As security for the Parent Company's debt to banks, creditors and other suppliers, the Parent Company has provided security or other collateral in its assets for a total amount of EUR 134 thousand.

15 Related parties

Group

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
SS 2001 ApS	Aastrupvej 14, 6100 Haderslev
Schielder Holding ApS	Skodsborg Strandvej 300, 2942 Skodsborg

	Parent company	
EUR'000	2022	2021
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	170	191
	170	191

	Group	
EUR'000	2022	2021
17 Adjustments		
Amortisation/depreciation and impairment losses	1,049	831
Financial income	-41	-46
Financial expenses	808	516
Tax for the year	0	-31
Deferred tax	106	65
Other adjustments	2	2
	1,924	1,337
18 Changes in working capital		
Change in inventories	-222	-65
Change in trade receivables and other receivables	93	-283
Change in trade payables and other payables	677	566
	548	218
19 Cash and cash equivalents at year-end		
Cash according to the balance sheet	262	327
	262	327

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Steen Skallebæk
Direktion
På vegne af: Copenhagen Coffee Lab Holding ApS
Serienummer: 283febde-ef3e-4b16-80ff-1bb02eee1936
IP: 185.5.xxx.xxx
2023-06-30 06:29:44 UTC

Ulrich Wulff Norden Venge
Direktion
På vegne af: Copenhagen Coffee Lab Holding ApS
Serienummer: 99fe2503-45d6-47ac-9c37-9c545aa3f4c2
IP: 5.179.xxx.xxx
2023-06-30 09:51:57 UTC

Ulrich Wulff Norden Venge
Dirigent
På vegne af: Copenhagen Coffee Lab Holding ApS
Serienummer: 99fe2503-45d6-47ac-9c37-9c545aa3f4c2
IP: 5.179.xxx.xxx
2023-06-30 09:51:57 UTC

Ulrich Wulff Norden Venge
Bestyrelse
På vegne af: Copenhagen Coffee Lab Holding ApS
Serienummer: 99fe2503-45d6-47ac-9c37-9c545aa3f4c2
IP: 5.179.xxx.xxx
2023-06-30 10:06:40 UTC

Jacob Schmidt Karlsen
Bestyrelse
På vegne af: Copenhagen Coffee Lab Holding ApS
Serienummer: e58d7d5f-242c-4594-a252-cc4fc46cac40
IP: 77.241.xxx.xxx
2023-06-30 10:07:02 UTC

Steen Skallebæk
Bestyrelse
På vegne af: Copenhagen Coffee Lab Holding ApS
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Ole Schielder Kristoffersen
Bestyrelsesformand
På vegne af: Copenhagen Coffee Lab Holding ApS
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IP: 77.241.xxx.xxx
2023-06-30 11:08:34 UTC

Allan Krogsgaard Nielsen
Bestyrelse
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Serienummer: 639a0718-92d5-4bb0-9264-72930ed633c5
IP: 77.241.xxx.xxx
2023-06-30 12:38:32 UTC

Lars G. Mortensen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:74958403
IP: 145.62.xxx.xxx
2023-06-30 12:40:15 UTC

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