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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
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CVR no. 20 22 26 70

FREEHAND INTERNATIONAL II A/S
SVOVLHATTEN 3, 5220 ODENSE SØ
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 February 2021**

Philip Wouters

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 73 28 10 16

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COMPANY DETAILS

Company	Freehand International II A/S Svovlhatten 3 5220 Odense SØ CVR No.: 73 28 10 16 Established: 15 July 1983 Registered Office: Odense Financial Year: 1 January - 31 December
Board of Directors	Michael Schiedel Frans Van Tilborg Philip Wouters
Executive Board	Michael Schiedel
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank Albani Torv 2 5000 Odense C

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Freehand International II A/S for the financial year 1 January - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Odense, 17 February 2021

Executive Board

Michael Schiedel

Board of Directors

Michael Schiedel

Frans Van Tilborg

Philip Wouters

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Freehand International II A/S

Opinion

We have audited the Financial Statements of Freehand International II A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 17 February 2021

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Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

MANAGEMENT COMMENTARY

Principal activities

The company's main activity is to provide sustainable coffee/hot beverage solutions to the Danish BtB/office segment. The business also provides vending machines and payment card systems as well as related services. The company is embarking on a sustainability strategy by providing solutions which have an environmental and/or social development footprint.

Development in activities and financial and economic position

Following the change of ownership in June 2018, the company has been through a massive restructuring process. Some business activities have been cut off in order to allow the business to focus on the core competences.

The financial result for 2020 is considered to be satisfying - in particular given the circumstances of Covid-19. The underlying business model is solid, which is why the company will expect a positive result in 2021 and the following years.

Profit/loss for the year compared to the expected development

The profit and loss is showing a result of DKK ('000) 90 for the year, and the balance sheet as per December 31, 2020 presents an equity of DKK ('000) 335.

The management is of the firm belief that the future operations will ensure a full restoration of the loss on retained earnings carried forward, within a foreseeable future.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations

During 2021 the company will continue to work hard to strengthen the equity and bring it back to a positive value. A positive result in 2021 will be a part of that process, and the mother company MIKO Koffie will fully be supporting the company in any way, on the way back to being a solid and profitable company again.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT.....		21.313	75.342
PROFIT BEFORE TAX.....		21.313	75.342
Tax on profit/loss for the year.....	2	0	14.585
PROFIT FOR THE YEAR.....		21.313	89.927
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		21.313	89.927
TOTAL.....		21.313	89.927

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Trade receivables.....		9.722	126.227
Receivables from group enterprises.....		282.389	239.871
Other receivables.....		2.835	0
Joint tax contribution receivable.....		14.585	14.585
Receivables.....		309.531	380.683
Cash and cash equivalents.....		77.365	30.624
CURRENT ASSETS.....		386.896	411.307
ASSETS.....		386.896	411.307

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....	3	900.000	900.000
Retained earnings.....		-544.105	-565.418
EQUITY.....		355.895	334.582
Trade payables.....		31.000	4.000
Other liabilities.....		0	10.478
Accruals and deferred income.....		1	62.247
Current liabilities.....		31.001	76.725
LIABILITIES.....		31.001	76.725
EQUITY AND LIABILITIES.....		386.896	411.307
 Contingencies etc.	 4		
Related parties	5		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020.....	900.000	-565.418	334.582
Proposed profit allocation.....		21.313	21.313
Equity at 31 December 2020.....	900.000	-544.105	355.895

NOTES

			Note
Staff costs			1
Average number of employees	0	0	
Tax on profit/loss for the year			2
Adjustment of tax in previous years.....	0	-14.585	
	0	-14.585	
Share capital			3
Allocation of share capital:			
Aktier, 2 unit in the denomination of 200.000 DKK.....	400.000	400.000	
Aktier, 5 unit in the denomination of 100.000 DKK.....	500.000	500.000	
	900.000	900.000	
Contingencies etc.			4
Contingent liabilities			
Tekstafsnit			
Joint liabilities			
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.			
Tax payable on the Group's joint taxable income is stated in the annual report of Miko Coffee ApS, which serves as management company for the joint taxation.			
Related parties			5
The Company's related parties include:			
Controlling interest			
Miko Koffie NV., Steenweg op Mol 177, 2300 Turmhout, Belgium.			
Transactions with related parties			
The company did not carry out any substantial transactions that were not concluded on market conditions.			

ACCOUNTING POLICIES

The Annual Report of Freehand International II A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.