

To the general shareholder's meeting of the

Faircapital Consumer Cooperative

c/o Faircapital SA
Churerstrasse 47
8808 Pfäffikon SZ

**Report of the statutory auditor on the limited statutory examination
of the financial statements for the year 2021/2022**

(for the year ended 30.06.2022)

26 August 2022

**Report of the statutory auditor on the limited statutory examination
to the general shareholders' meeting of**

Faircapital Consumer Cooperative, Pfäffikon SZ

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Faircapital Konsumenten-Genossenschaft for the financial year ended 30.06.2022. The corresponding figures in the financial statements were not examined.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the cooperative's articles of incorporation.

Lachen, 26 August 2022

BDO AG

Paul Kümmin
Auditor in Charge
Licensed Audit Expert

i.V. Angelo Cemin
Licensed Auditor

Enclosure
Financial statements and proposed appropriation of available earnings

Financial statements of Faircapital Consumer Cooperative, Freienbach
Balance Sheet

Assets				
CHF		Notes	30.06.2022	30.06.2021
Cash and cash equivalents			64,887.66	104,148.15
Securities listed on a stock exchange			0.00	0.00
Trade accounts receivable			30.28	14.00
Other short-term receivables		2.1	331,931.50	50,000.00
Inventories and non-invoiced services			0.00	0.00
Prepaid expenses and accrued income			7,498.11	460.00
Total current assets			404,347.55	154,622.15
Financial assets			0.00	0.00
Investments			0.00	0.00
Property, plant and equipment			0.00	0.00
Intangible assets			0.00	0.00
Total non-current assets			0.00	0.00
TOTAL ASSETS			404,347.55	154,622.15
Liabilities and Shareholders' equity				
CHF		Notes	30.06.2022	30.06.2021
Trade accounts payable			0.00	0.00
Short-term interest-bearing liabilities		2.2	225,570.00	0.00
Other short-term liabilities			1,008.70	0.00
Short-term provisions			1,800.00	0.00
Accrued expenses and deferred income		2.3	15,510.27	0.00
Total short-term liabilities			243,888.97	0.00
Long-term interest-bearing liabilities			0.00	0.00
Provisions			0.00	0.00
Total long-term liabilities			0.00	0.00
Total liabilities			243,888.97	0.00
Share capital		2.4	155,000.00	155,000.00
Legal capital reserves				
• Reserves from capital contributions			0.00	0.00
• Other capital reserves			0.00	0.00
Legal retained earnings				
• General legal retained earnings			0.00	0.00
• Reserves for treasury shares			0.00	0.00
Voluntary retained earnings				
• Available earnings			5,458.58	-377.85
– Results carried forward			-377.85	0.00
– Profit for the year			5,836.43	-377.85
Treasury shares				
Total shareholders' equity			160,458.58	154,622.15
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			404,347.55	154,622.15

Income Statement

CHF	Notes	30.06.2022
Revenue from sale of goods and services (interest income on loans)	2.5	24,054.89
Other operating income		0.00
Change in inventory, work in progress and non-invoiced services		0.00
Total operating income		24,054.89
Personnel expenses		0.00
Other operating expenses		-5,183.68
Depreciation / change in valuation of financial assets		0.00
Operating result		18,871.21
Financial income		0.00
Financial expenses	2.6	-17,459.34
Exchange gain or loss		5,433.26
Non-operating income		0.00
Non-operating expenses		0.00
Extraordinary, non-recurring or prior period expenses		0.00
Profit for the year before taxes		6,845.13
Direct taxes		-1,008.70
Profit for the year		5,836.43

Notes

1. Principals

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (Art. 957 bis 962 OR). Financial reporting requires the board of directors to make estimates and judgements, which can affect the amounts of the reported assets and liabilities on the balance sheet date, as well as income and expenses for the reporting. The board of directors decides at its own discretion within the scope of the legal requirements for valuation and accounting. In the best interest of the company, depreciation, impairments, and provisions can be made in accordance with the principle of prudence beyond what is economically required.

2. Information on balance sheet and income statement

2.1 Other short-term receivables

2021/2022

Other short-term receivables consist of the below listed direct loans outstanding as of June 30, 2022.

Borrower	Loans disbursed		Additional commitment	
	Currency	CHF	Currency	CHF
Procafé	USD 250,000.00	238,925.00	USD 0.00	0.00
Prospero (Asobagri)	CHF 50,000.00	50,000.00	CHF 0.00	0.00
Norcafé	USD 45,000.00	43,006.50	USD 150,000.00	143,355.00
Total CHF		331,931.50		143,355.00

In the first week of July 2022, an additional USD 38,236 was disbursed to Norcafé.

2020/2021

Other short-term receivables consist of the below listed direct loans disbursed as of June 30, 2021.

Borrower	Loans disbursed	
	Currency	CHF
Prospero (Global Cafés)	CHF 50,000	50,000
Total CHF		50,000

2.2 Short-term interest-bearing liabilities

CHF 130,000 are subscription from new Faircapital Consumer Cooperative members that will be converted into share capital on July 1st, 2022.

CHF 95,570 is a USD loan of 100,000 from FairCapital.

2.3 Accrued expenses and deferred income

The Faircapital Consumer Cooperative has entered into a forward contract to hedge currency risk. As of June 30, 2022 an unrealized loss of CHF 8,096 on the forward contract was recorded.

Other accrued expenses include auditors fee of CHF 2,500, an interest accrued of CHF 2,545 on Faircapital's loan of CHF 95,570 and Faircapital's management fee of CHF 2,368.

2.4 Share capital

On June 30.06.2021, the Faircapital Consumer Cooperative counted 27 members with 31 shares. During the financial year 2021/2022 this number increased to 50 members with 57 shares to be created on July 1st, 2022.

2.5 Revenues from goods and services (interest income on loans)

In 2021/2022 the FairCapital Consumer Cooperative has generated interest income on loans granted directly or through Prospero (a registered Irish charity) to the following Fairtrade certified coffee cooperatives in 4 different Latin American countries:

- *Global Café (FLO 30509)*, a Colombian cooperative founded in 2012 to support the development of its region by offering the best prices in the coffee market to its 71 members and an additional 1'000 producers and selling high-quality and environmental-friendly coffee.
- *Asobagri (FLO 877)*, an established Guatemalan cooperative founded in 1986 and counting 2000 members and focusing on Fairtrade and organic certified coffee.
- *Lima Coffee (FLO 34573)*, a cooperative in Peru founded in 2015 and comprising 881 members. In 2021, more than half of its sales was certified Fairtrade Organic.
- *Procafé (FLO 27124)*, a Nicaraguan cooperative with 204 members who own an average of 5 to 6 hectares each. Procafe was founded in 2001 to facilitate the international commercialization of the organic coffee produced by its members, improving their income and living conditions.
- *Norcafé (FLO 34328)*, a Peruvian coffee cooperative that was founded in 2015 to improve its 558 members' living standards while involving local youth in coffee farming.

2.6 Financial expenses

Includes an unrealized loss of CHF 8,096 on a forward contract to hedge currency risk.

2.7 Other information on balance sheet and income statement

Current assets are recognized in the balance sheet at nominal value.

Interest bearing liabilities are recognized in the balance sheet at nominal value.

Provisions are based on management estimates.

3. Declaration on the number of full-time positions

The Faircapital Consumer Cooperative has no employees.

4. Assets that have been pledged

None, as in prior year

5. Significant events occurred after the balance sheet date

None, as in prior year



Proposed appropriation of retained earnings

CHF	2022	2021
Results carried forward	-377.85	0.00
Profit for the year	5,836.43	-377.85
Allocation to legal reserves	584.00	0.00
Dividend distribution	4,650.00	0.00
Results carried forward next period	224.58	-377.85

The board of directors will propose to the General Assembly the payment of a dividend equal to 3% of the share capital.