

Limited Liability Company
“Coffee Address Holding”

registration number 40203047754



**COFFEE
ADDRESS**

CONSOLIDATED REPORT

for the period ended 30 June 2024

Prepared in accordance with
the International Financial Reporting Standards
as adopted by the European Union

Riga, 2024

GENERAL INFORMATION

Name of the Parent company	Coffee Address Holding
Legal status	Limited Liability Company
Unified registration number, place and date of registration	40203047754 Riga, 02.02.2017
Legal address	Jaunmoku street 34, Riga, Latvia, LV-1046
Shareholder	BaltCap Private Equity Fund II SCSp (80.47%) BaltCap Private Equity Fund II Co-Investment SCSp (19.53%)
Board members	Viktorija Meikšāne, board member from 07.03.2017
Supervisory board members	Baiba Anda Rubesa, chairman of the supervisory board from 29.05.2019. Sandijs Āboliņš-Ābols, member of the supervisory board from 12.05.2017. Dagnis Dreimanis, member of the supervisory board from 12.05.2017. Michael Wagner, member of the supervisory board from 07.09.2018.
Companies in the Group	COFFEE ADDRESS SIA (100%) COFFEE ADDRESS UAB (100%) COFFEE ADDRESS OU (100%) PAYMENT SYSTEMS SIA (100%)
Financial period	January 1 – June 30, 2024

GENERAL INFORMATION

Coffee Address group is the Baltic market leader in providing self-service premium coffee and convenience food solutions, operating in three main segments - vending, retail and convenience and solutions for offices, it operates a broad network of strategic locations in over 30 urban areas and other regions in all three Baltic States.

Coffee Address Group has around 300 employees covering 100% of the Baltic countries geographically with offices in Tallinn, Tartu, Vilnius, Riga, Liepāja, Daugavpils, Kaunas and Klaipeda. There are around 14 000 coffee machines in the market, and we are proud to serve over 250,000 cups of coffee a day. The Company thrives on superior client service with the largest service team that knows each and every client by name.

COFFEE ADDRESS KEY SUCCESS FACTORS:

- Strategic network of best locations
- Attractive solutions and concepts for customers
- Lean and digitalized internal processes
- “One Company” in three countries
- Engaged and motivated employees

Overview of the Group’s status and results of operation

In the first six months, the Group demonstrated stable financial performance with sales reaching 21.8 million EUR. Coffee Address management has continued to focus on improving the Group’s profitability, resulting in a 5% increase in gross profit compared to the same period in 2023.



300

Employees



14 000

Coffee machines
in the market



1000 t

Coffee sold
per year



5 000

Satisfied
customers



3 Countries

Number 1 market
position in all
Baltic states

c. € 21.8m

sales in 6M 2024

c. € 10.3m

Gross Profit in 6M 2024

38%

Equity

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6M 2024	2023
	EUR (Unaudited)	EUR (Audited)
Revenue from contracts with customers	21 779 770	44 190 162
Cost of materials	(11 432 503)	(23 801 723)
GROSS PROFIT	10 347 267	20 388 439
Personnel costs	(4 725 806)	(9 093 869)
Other operating costs	(1 663 480)	(3 689 341)
Gain/Loss from disposal of fixed assets, net	70 921	(10 272)
Depreciation and amortization	(2 569 027)	(5 058 448)
OPERATING PROFIT	1 459 875	2 536 509
Finance costs	(1 045 680)	(2 000 606)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	414 195	535 903
Income tax expense	(17 682)	(267 289)
PROFIT FOR THE YEAR	396 513	268 614
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR, NET OF TAX	396 513	268 614

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30/06/2024	31/12/2023
		EUR (Unaudited)	EUR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		15 706 895	15 496 837
Intangible assets		25 370 198	25 429 885
Non-current financial assets		163 609	149 701
	TOTAL	41 240 702	41 076 423
CURRENT ASSETS			
Inventories		5 585 902	4 982 225
Trade receivables		2 633 962	2 441 307
Prepayments and other receivables		1 030 298	1 024 541
Cash		1 270 907	1 248 142
	TOTAL	10 521 069	9 696 214
TOTAL ASSETS		51 761 771	50 772 638
EQUITY AND LIABILITIES			
EQUITY			
Issued capital		6 086 215	6 086 215
Share premium		11 156 085	11 156 085
Retained earnings		(2 536 806)	(2 805 420)
Profit for the year		396 513	268 614
TOTAL Equity attributable to equity holders of the parent		15 102 007	14 705 494
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	1	10 032 440	11 145 309
Issued bonds	2	5 000 000	5 000 000
Loan from shareholders		4 692 569	4 581 211
Other non-current financial liabilities	3	1 418 028	1 694 434
Deferred income non-current		684 138	958 950
Deferred tax liability		354 465	281 621
Provisions		42 278	38 678
	TOTAL	22 223 918	23 700 203
CURRENT LIABILITIES			
Trade payables		4 004 211	4 787 716
Interest-bearing loans and borrowings	1	3 543 982	2 887 700
Other current financial liabilities	3	945 015	875 775
Deferred income current		566 065	603 652
Other current liabilities		5 376 573	3 212 099
	TOTAL	14 435 846	12 366 941
TOTAL LIABILITIES		36 659 764	36 067 144
TOTAL EQUITY AND LIABILITIES		51 761 771	50 772 638

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Retained earnings	Total
BALANCE AS AT 31 December 2022	6 086 215	11 156 085	(2 805 420)	14 436 880
Profit for the reporting period	-	-	268 614	268 614
Total comprehensive income	-	-	268 614	268 614
BALANCE AS AT 31 December 2023	6 086 215	11 156 085	(2 536 806)	14 705 494
Profit for the reporting period	-	-	396 513	396 513
Total comprehensive income	-	-	396 513	396 513
BALANCE AS AT 30 June 2024	6 086 215	11 156 085	(2 140 293)	15 102 007

CONSOLIDATED STATEMENT OF CASH FLOWS

	6M 2024	2023
	EUR (Unaudited)	EUR (Audited)
OPERATING ACTIVITIES		
Profit before tax	414 195	535 903
Adjustments to reconcile profit before tax to net cash flows:		
o depreciation and impairment of property, plant and equipment	2 419 914	4 863 056
o amortization and impairment of intangible assets	149 112	195 391
o net foreign exchange differences	2 983	4 319
o gains/loss from disposal of property, plant and equipment	(70 921)	10 272
o finance costs	1 042 697	1 996 287
o movement in other provisions	3 600	(1 676)
Working capital adjustments:		
o (increase) in trade and other receivables and prepayments	(212 320)	124 555
o (increase) in inventories	(603 678)	40 526
o increase in trade payables and other liabilities	995 300	141 090
	4 140 882	7 909 725
NET CASH FLOWS FROM OPERATING ACTIVITIES	4 140 882	7 909 725
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment ¹	49 610	80 621
Purchase of property, plant and equipment, net	(2 381 368)	(3 387 679)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(2 331 758)	(3 307 058)
FINANCING ACTIVITIES		
Payment of finance lease liabilities	(553 622)	(1 120 327)
Government support: tax loan increase or (decrease)	-	(1 541 090)
Proceeds from borrowings	833 762	1 386 625
Repayment of borrowings	(1 225 352)	(2 050 176)
Interest paid	(838 164)	(1 750 474)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1 783 376)	(5 075 443)
Net foreign exchange difference	(2 983)	(4 319)
Net increase in cash	22 765	(477 095)
Cash at the beginning of the year	1 248 142	1 725 237
CASH AT THE END OF THE YEAR	1 270 907	1 248 142

¹ Excluding sold coffee machines with a possibility to sell the property back in the future. These coffee machines are recognized as Group's fixed assets due to buy-back option. Excluding right of uses assets under IFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Interest-bearing loans and borrowings

	Interest rate, %	Maturity	30.06.2024	31.12.2023
Non-current interest-bearing loans and borrowings				
Obligation under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	463 322	350 838
Bank loan	3.75% + 3m Euribor	29.05.2026	9 569 118	10 794 470
Total Non-current part of long term interest-bearing loans			10 032 440	11 145 309
Current interest-bearing loans and borrowings				
Obligations under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	165 899	123 012
Bank loan	3.75% + 3m Euribor	29.05.2026	2 450 704	2 450 704
Overdraft	3.50% + 3m Euribor	29.05.2025	927 379	313 984
Total current part of long term interest-bearing loans			3 543 982	2 887 700
Total interest-bearing loans and borrowings			13 576 422	14 033 009

2. Bonds

	Interest rate, %	Maturity	30.06.2024	31.12.2023
Issued bonds				
Bonds, 5.00 million EUR	9.00%	30.06.2025	5 000 000	5 000 000
Total Issued bond			5 000 000	5 000 000

3. Other Financial liabilities

	30.06.2024	31.12.2023
Non-current other financial liabilities		
Finance liability for coffee machines sales and repurchase transaction	460 217	540 523
Finance liabilities for right of use	957 811	1 153 911
Total Non-current other financial liabilities	1 418 028	1 694 434
Current other financial liabilities		
Finance liability for coffee machines sales and repurchase transaction	54 959	-
Finance liabilities for right of use	890 056	875 775
Total Current other financial liabilities	945 015	875 775
Total other financial liabilities	2 363 043	2 570 208



FINANCIAL INDICATORS

There are restrictions in the prospectus for the senior secured bonds issued (ISIN LV0000802585).

The Issuer undertakes to comply with the following financial covenants from the Issue Date and for as long as any Notes are outstanding:

DEBT SERVICE COVERAGE RATIO OR DSCR:

Debt Service Coverage Ratio (DSCR) measures the ability of the Group to service its Financial Indebtedness and is calculated as:

- (a) Consolidated EBITDA divided by Consolidated Debt Service Charges over the Relevant Period; or SIA Coffee Address Holding Terms of the Notes Issue
- (b) if the Group has performed an Acquisition in the Relevant Period, the Pro-Forma EBITDA divided by Pro-Forma Debt Service Charges over the Relevant Period.

EQUITY RATIO:

Ratio of Adjusted Equity to total assets, calculated according to the most recent Financial Report.

NET DEBT LEVERAGE RATIO:

Net Debt, according to the most recent Financial Report, divided by (i) Consolidated EBITDA; or (ii) if the Group has performed an Acquisition over the Relevant Period, the Pro-Forma EBITDA over the Relevant Period.

Financial Indicator	Result as at 30/06/2024
Debt Service Coverage Ratio	1.51
Equity Ratio	38%
Net Debt Leverage Ratio	2.41