

Limited Liability Company  
**“Coffee Address Holding”**

registration number 40203047754



**COFFEE  
ADDRESS**

# CONSOLIDATED REPORT

**for the period ended 30 September 2024**

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

**Riga, 2024**

# GENERAL INFORMATION

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<b>Name of the Parent company</b>	Coffee Address Holding
<b>Legal status</b>	Limited Liability Company
<b>Unified registration number, place and date of registration</b>	40203047754 Riga, 02.02.2017
<b>Legal address</b>	Jaunmoku street 34, Riga, Latvia, LV-1046
<b>Shareholder</b>	BaltCap Private Equity Fund II SCSp (80.47%) BaltCap Private Equity Fund II Co-Investment SCSp (19.53%)
<b>Board members</b>	Viktorija Meikšāne, board member from 07.03.2017
<b>Supervisory board members</b>	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.
<b>Companies in the Group</b>	COFFEE ADDRESS SIA (100%) COFFEE ADDRESS UAB (100%) COFFEE ADDRESS OU (100%) PAYMENT SYSTEMS SIA (100%)
<b>Financial period</b>	January 1 – September 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 nine months, the Group demonstrated stable financial performance with sales reaching 32,4 million EUR. Coffee Address management has continued to focus on improving the Group’s profitability,



**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. € 32.4m**

sales in 9M 2024

**c. € 15.4m**

Gross Profit in 9M 2024

**39%**

Equity

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>9M 2024</b>	<b>2023</b>
	EUR (Unaudited)	EUR (Audited)
Revenue from contracts with customers	32 431 023	44 190 162
Cost of materials	(17 048 556)	(23 801 723)
<b>GROSS PROFIT</b>	<b>15 382 467</b>	<b>20 388 439</b>
Personnel costs	(7 015 645)	(9 093 869)
Other operating costs	(2 471 678)	(3 689 341)
Gain/Loss from disposal of fixed assets, net	96 995	(10 272)
Depreciation and amortization	(3 896 605)	(5 058 448)
<b>OPERATING PROFIT</b>	<b>2 095 534</b>	<b>2 536 509</b>
Finance costs	(1 515 054)	(2 000 606)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>580 480</b>	<b>535 903</b>
Income tax expense	(54 350)	(267 289)
<b>PROFIT FOR THE YEAR</b>	<b>526 130</b>	<b>268 614</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR, NET OF TAX</b>	<b>526 130</b>	<b>268 614</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30/09/2024	31/12/2023
		EUR (Unaudited)	EUR (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		15 361 666	15 496 837
Intangible assets		25 332 543	25 429 885
Non-current financial assets		168 209	149 701
<b>TOTAL</b>		<b>40 862 418</b>	<b>41 076 423</b>
<b>CURRENT ASSETS</b>			
Inventories		5 469 572	4 982 225
Trade receivables		2 094 639	2 441 307
Prepayments and other receivables		1 011 402	1 024 541
Cash		1 288 714	1 248 142
<b>TOTAL</b>		<b>9 864 327</b>	<b>9 696 214</b>
<b>TOTAL ASSETS</b>		<b>50 726 745</b>	<b>50 772 638</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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		526 130	268 614
<b>TOTAL Equity attributable to equity holders of the parent</b>		<b>15 231 624</b>	<b>14 705 494</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	1	9 426 198	11 145 309
Issued bonds	2	5 000 000	5 000 000
Loan from shareholders		4 748 860	4 581 211
Other non-current financial liabilities	3	1 247 420	1 694 434
Deferred income non-current		455 250	958 950
Deferred tax liability		390 888	281 621
Provisions		44 078	38 678
<b>TOTAL</b>		<b>21 312 694</b>	<b>23 700 203</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		4 361 963	4 787 716
Interest-bearing loans and borrowings	1	3 375 088	2 887 700
Other current financial liabilities	3	936 975	875 775
Deferred income current		639 012	603 652
Other current liabilities		4 869 389	3 212 099
<b>TOTAL</b>		<b>14 182 427</b>	<b>12 366 941</b>
<b>TOTAL LIABILITIES</b>		<b>35 495 121</b>	<b>36 067 144</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>50 726 745</b>	<b>50 772 638</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Retained earnings	Total
<b>BALANCE AS AT 31 December 2022</b>	<b>6 086 215</b>	<b>11 156 085</b>	<b>(2 805 420)</b>	<b>14 436 880</b>
Profit for the reporting period	-	-	268 614	268 614
Total comprehensive income	-	-	268 614	268 614
<b>BALANCE AS AT 31 December 2023</b>	<b>6 086 215</b>	<b>11 156 085</b>	<b>(2 536 806)</b>	<b>14 705 494</b>
Profit for the reporting period	-	-	526 130	526 130
Total comprehensive income	-	-	526 130	526 130
<b>BALANCE AS AT 30 September 2024</b>	<b>6 086 215</b>	<b>11 156 085</b>	<b>(2 010 676)</b>	<b>15 231 624</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>9M 2024</b>	<b>2023</b>
	EUR (Unaudited)	EUR (Audited)
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>580 480</b>	<b>535 903</b>
Adjustments to reconcile profit before tax to net cash flows:		
o depreciation and impairment of property, plant and equipment	3 673 955	4 863 056
o amortization and impairment of intangible assets	222 649	195 391
o net foreign exchange differences	3 183	4 319
o gains/loss from disposal of property, plant and equipment	(96 995)	10 272
o finance costs	1 511 871	1 996 287
o movement in other provisions	5 400	(1 676)
Working capital adjustments:		
o (increase) in trade and other receivables and prepayments	341 299	124 555
o (increase) in inventories	(487 348)	40 526
o increase in trade payables and other liabilities	610 142	141 090
	<b>6 364 636</b>	<b>7 909 725</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6 364 636</b>	<b>7 909 725</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment <sup>1</sup>	145 286	80 621
Purchase of property, plant and equipment, net	(3 269 051)	(3 387 679)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(3 123 765)</b>	<b>(3 307 058)</b>
<b>FINANCING ACTIVITIES</b>		
Payment of finance lease liabilities	(904 033)	(1 120 327)
Government support: tax loan increase or (decrease)	-	(1 541 090)
Proceeds from borrowings	785 433	1 386 625
Repayment of borrowings	(1 838 028)	(2 050 176)
Interest paid	(1 240 488)	(1 750 474)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(3 197 116)</b>	<b>(5 075 443)</b>
<b>Net foreign exchange difference</b>	<b>(3 183)</b>	<b>(4 319)</b>
<b>Net increase in cash</b>	<b>40 572</b>	<b>(477 095)</b>
<b>Cash at the beginning of the year</b>	<b>1 248 142</b>	<b>1 725 237</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>1 288 714</b>	<b>1 248 142</b>

<sup>1</sup> 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	30.09.2024	31.12.2023
<b>Non-current interest-bearing loans and borrowings</b>				
Obligation under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	469 756	350 838
Bank loan	3.60% + 3m Euribor	29.05.2026	8 956 442	10 794 470
<b>Total Non-current part of long term interest-bearing loans</b>			<b>9 426 198</b>	<b>11 145 309</b>
<b>Current interest-bearing loans and borrowings</b>				
Obligations under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	179 301	123 012
Bank loan	3.60% + 3m Euribor	29.05.2026	2 450 704	2 450 704
Overdraft	3.50% + 3m Euribor	29.05.2025	745 083	313 984
<b>Total current part of long term interest-bearing loans</b>			<b>3 375 088</b>	<b>2 887 700</b>
<b>Total interest-bearing loans and borrowings</b>			<b>12 801 286</b>	<b>14 033 009</b>

## 2. Bonds

	Interest rate, %	Maturity	30.09.2024	31.12.2023
<b>Issued bonds</b>				
Bonds, 5.00 million EUR	9.00%	30.06.2025	5 000 000	5 000 000
<b>Total Issued bond</b>			<b>5 000 000</b>	<b>5 000 000</b>

## 3. Other Financial liabilities

	30.09.2024	31.12.2023
<b>Non-current other financial liabilities</b>		
Finance liability for coffee machines sales and repurchase transaction	462 491	540 523
Finance liabilities for right of use	784 929	1 153 911
<b>Total Non-current other financial liabilities</b>	<b>1 247 420</b>	<b>1 694 434</b>
<b>Current other financial liabilities</b>		
Finance liability for coffee machines sales and repurchase transaction	57 609	-
Finance liabilities for right of use	879 367	875 775
<b>Total Current other financial liabilities</b>	<b>936 975</b>	<b>875 775</b>
<b>Total other financial liabilities</b>	<b>2 184 396</b>	<b>2 570 208</b>





# 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 30/09/2024
Debt Service Coverage Ratio	1.49
Equity Ratio	39%
Net Debt Leverage Ratio	2.33