

Limited Liability Company
“Coffee Address Holding”

registration number 40203047754



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**COFFEE
ADDRESS**

CONSOLIDATED REPORT

for the period ended 31 March 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 – March 31, 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 more than 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.

Overview of the Group's status and results of operation

In Q1-2024, the Group demonstrated stable financial performance with sales reaching 10.7 mln. EUR, which is 3% increase compared to the same period in 2023.



301

Employees



14 000

Coffee machines
in the market



1000 t

Coffee sold
per year



5 100

Satisfied
customers



3 Countries

Number 1 market
position in all
Baltic states

c. € 10.7m

sales in 3M 2024

c. € 5.0m

Gross Profit in 3M 2024

38%

Equity

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3M 2024	2023
	EUR (Unaudited)	EUR (Audited)
Revenue from contracts with customers	10 680 234	44 190 162
Cost of materials	(5 692 179)	(23 801 723)
GROSS PROFIT	4 988 055	20 388 439
Personnel costs	(2 335 890)	(9 093 869)
Other operating costs	(813 012)	(3 689 341)
Gain/Loss from disposal of fixed assets, net	46 831	(10 272)
Depreciation and amortization	(1 274 977)	(5 058 448)
OPERATING PROFIT	611 007	2 536 509
Finance costs	(531 273)	(2 000 606)
PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	79 734	535 903
Income tax expense	(435)	(267 289)
PROFIT OR LOSS FOR THE YEAR	79 299	268 614
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	79 299	268 614

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31/03/2024	31/12/2023
		EUR (Unaudited)	EUR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		15 197 873	15 496 837
Intangible assets		25 400 743	25 429 885
Non-current financial assets		149 563	149 701
	TOTAL	40 748 179	41 076 423
CURRENT ASSETS			
Inventories		5 369 338	4 982 225
Trade receivables		2 823 290	2 441 307
Prepayments and other receivables		928 056	1 024 541
Cash		1 593 575	1 248 142
	TOTAL	10 714 259	9 696 214
TOTAL ASSETS		51 462 438	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		(2 536 805)	(2 805 420)
Loss for the year		79 299	268 614
TOTAL Equity attributable to equity holders of the parent		14 784 794	14 705 494
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	1	10 532 633	11 145 309
Issued bonds	2	5 000 000	5 000 000
Loan from shareholders		4 636 891	4 581 211
Other non-current financial liabilities	3	1 503 438	1 694 434
Deferred income non-current		798 240	958 950
Deferred tax liability		281 621	281 621
Provisions		40 478	38 678
	TOTAL	22 793 301	23 700 203
CURRENT LIABILITIES			
Trade payables		3 812 074	4 787 716
Interest-bearing loans and borrowings	1	2 665 590	2 887 700
Other current financial liabilities	3	864 741	875 775
Deferred income current		603 652	603 652
Other current liabilities		5 938 286	3 212 099
	TOTAL	13 884 343	12 366 941
	TOTAL LIABILITIES	36 677 644	36 067 144
TOTAL EQUITY AND LIABILITIES		51 462 438	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	-	-	79 299	79 299
Total comprehensive income	-	-	79 299	79 299
BALANCE AS AT 31 March 2024	6 086 215	11 156 085	(2 457 506)	14 784 794

CONSOLIDATED STATEMENT OF CASH FLOWS

	3M 2024	2023
	EUR (Unaudited)	EUR (Audited)
OPERATING ACTIVITIES		
Profit /(loss) before tax	79 734	535 903
Adjustments to reconcile profit before tax to net cash flows:		
o depreciation and impairment of property, plant and equipment	1 201 701	4 863 056
o amortization and impairment of intangible assets	73 276	195 391
o net foreign exchange differences	2 547	4 319
o gains/loss from disposal of property, plant and equipment	(46 831)	10 272
o finance costs	528 726	1 996 287
o movement in other provisions	1 800	(1 676)
Working capital adjustments:		
o (increase) in trade and other receivables and prepayments	(285 359)	124 555
o (increase) in inventories	(387 114)	40 526
o increase in trade payables and other liabilities	1 578 079	141 090
	2 746 559	7 909 725
NET CASH FLOWS FROM OPERATING ACTIVITIES	2 746 559	7 909 725
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment ¹	27 422	80 621
Purchase of property, plant and equipment, net	(880 785)	(3 387 679)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(853 363)	(3 307 058)
FINANCING ACTIVITIES		
Payment of finance lease liabilities	(282 666)	(1 120 327)
Government support: tax loan increase or (decrease)	-	(1 541 090)
Proceeds from borrowings	-	1 386 625
Repayment of borrowings	(800 179)	(2 050 176)
Interest paid	(462 371)	(1 750 474)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1 545 216)	(5 075 443)
Net foreign exchange difference	(2 547)	(4 319)
Net increase in cash	345 433	(477 095)
Cash at the beginning of the year	1 248 142	1 725 237
CASH AT THE END OF THE YEAR	1 593 575	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	31.03.2024	31.12.2023
Non-current interest-bearing loans and borrowings				
Obligation under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	350 838	350 838
Bank loan	3.75% + 3m Euribor	29.05.2026	10 181 795	10 794 470
Total Non-current part of long term interest-bearing loans			10 532 633	11 145 309
Current interest-bearing loans and borrowings				
Obligations under finance leases	1.4% - 4% + 3m-12m Euribor	3 years	88 405	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	126 481	313 984
Total current part of long term interest-bearing loans			2 665 590	2 887 700
Total interest-bearing loans and borrowings			13 198 223	14 033 009

2. Bonds

	Interest rate, %	Maturity	31.03.2024	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

	31.03.2024	31.12.2023
Non-current other financial liabilities		
Finance liability for coffee machines sales and repurchase transaction	545 777	540 523
Finance liabilities for right of use	957 661	1 153 911
Total Non-current other financial liabilities	1 503 438	1 694 434
Current other financial liabilities		
Finance liabilities for right of use	864 741	875 775
Total Current other financial liabilities	864 741	875 775
Total other financial liabilities	2 368 179	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 31/03/2024
Debt Service Coverage Ratio	1.65
Equity Ratio	38%
Net Debt Leverage Ratio	2.35