

 **COFFEE ADDRESS**



Investor presentation  
14 February 2025

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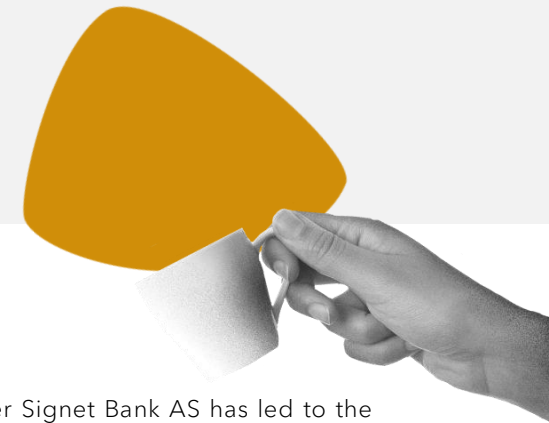
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# | Disclaimer



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The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a Distributor) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

# EXECUTIVE SUMMARY



# Key investment highlights

- 1 Superior financial performance and attractive investment return profile
- 2 Seasoned and innovative management team with proven organic and acquisition growth track record
- 3 Coffee Address proprietary playbook based on digital solutions to drive scale and profitability
- 4 CEE market dynamics ripe for repeating the Baltic success story

# Term Sheet



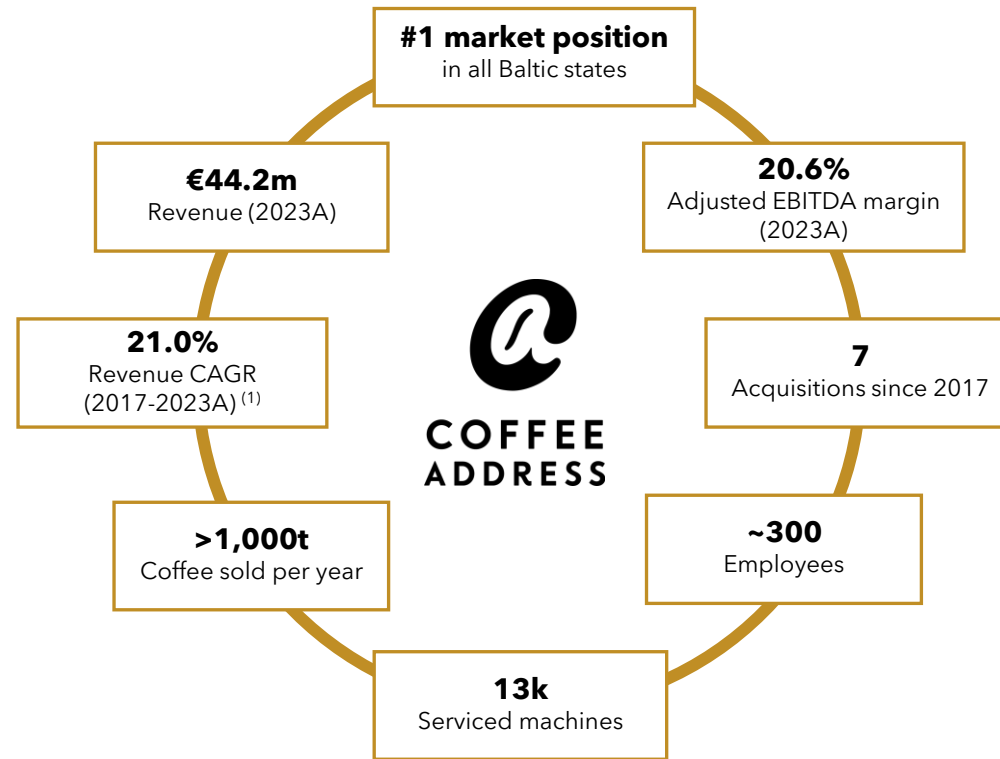
Issuer	SIA Coffee Address Holding
Type of notes	Unsecured bonds
Issue size	EUR 5'000'000
Maturity	3 years
Guarantee	Corporate guarantee from Coffee Address SIA, Coffee Address UAB, Coffee Address OU
Annual coupon rate, coupon frequency	8.50%, quarterly
Call Option	@102% after Year 1 @100% 6 months before maturity
Put Option	In case of Change of Control @101%
Type of Placement	Private bond placement
Financial covenants	<ul style="list-style-type: none"><li>Adjusted Equity ratio of min 30%</li><li>Net Debt / EBITDA of max 3.5x</li><li>DSCR of min 1.1x</li></ul>

# Coffee Address - the #1 Baltic coffee solutions player with the best-in-industry financial performance

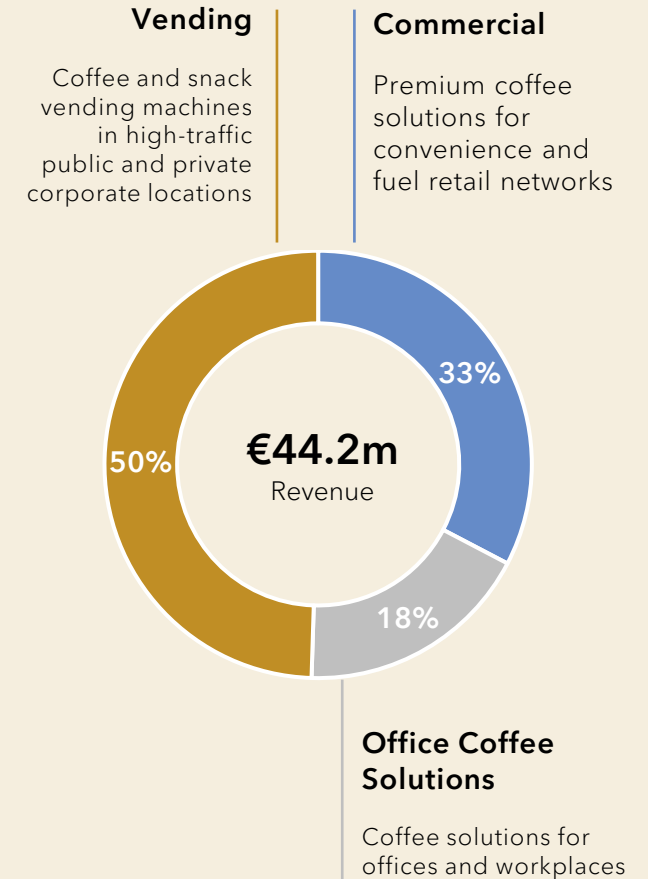
Coffee Address is a success story of both market consolidation and operational excellence creation

Notes: (1) Revenue CAGR including organic and acquisition growth  
Source: Company information

## KEY FIGURES



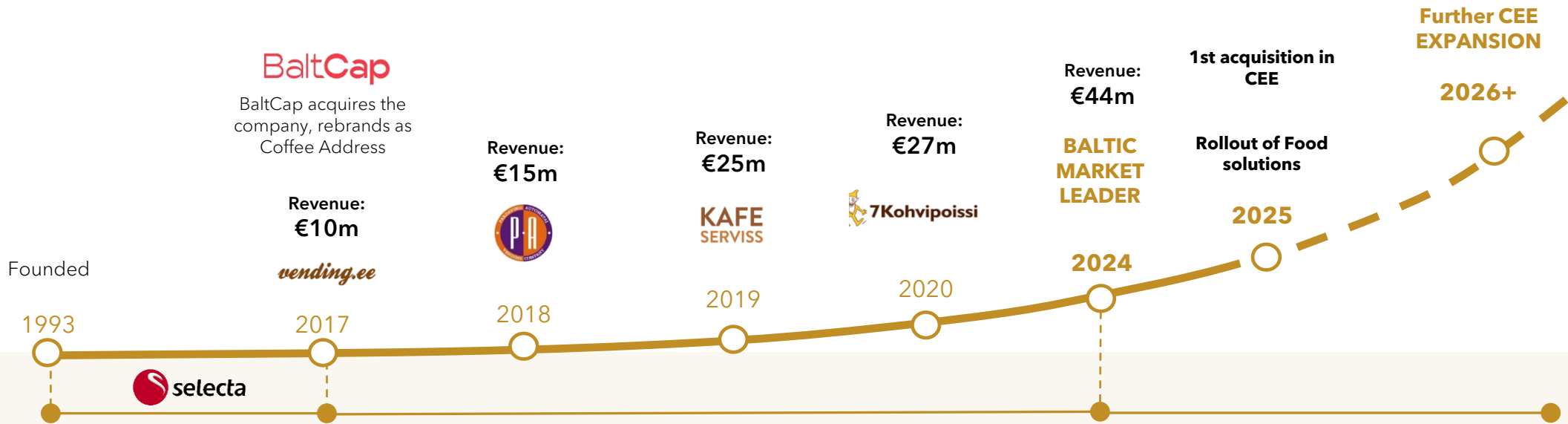
## FULL-CYCLE OUT-OF-HOME COFFEE EXPERIENCE



# Excellent expansion and market consolidation track record

Coffee Address has transformed from three independent Selecta subsidiaries into a pan-Baltic market leader

M&A ACTIVITIES



HIGHLIGHTS

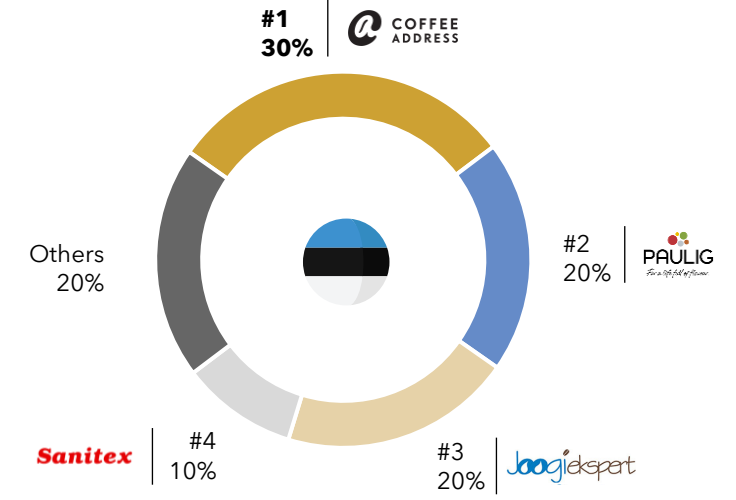
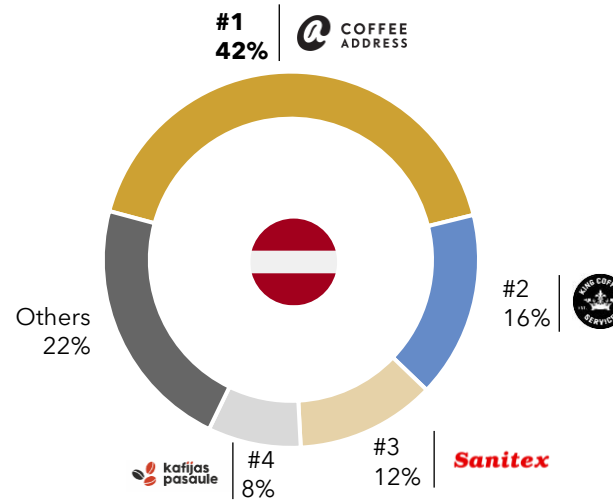
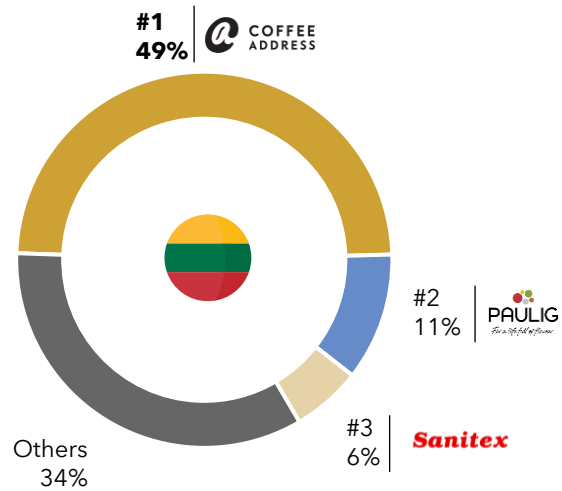
- Selecta subsidiaries in the Baltics
- Acquired by BaltCap in 2017
- Independent entities with decentralized operations
- Market consolidation (7 companies acquired and integrated)
- Increased revenue more than 3x to €44m and EBITDA 5x to €9.2m
- Successful development and implementation of digitalization strategy
- Upgraded and streamlined machine park
- Established robust supply chains for attractive market solutions

M&A targets in CEE

# Competitive Landscape - Relevant Market Segments

Coffee Address is the clear market leader across all relevant market segments in which the company is present.

## POSITIONS IN RELEVANT MARKET SEGMENTS



Notes: (1) Vending and OCS  
Source: European Vending Association, Helgi Library, Your Coffee Site, Statista, Claria market study



# 2

## BUSINESS OVERVIEW



# Main business segments



**COFFEE & SNACK VENDING**



**FOOD SOLUTIONS**

2024-Sep LTM results:

- Revenue: € 21.5m
- Gross profit margin: 47%

Offering:

- Bean-to-cup coffee and snack machines in a wide network of locations
- Public and private vending machines located in high-traffic public areas and private premises
- Coffee Address, Lavazza or Illy branded coffee machines
- 100% cashless transactions available

Service type:

- Full service, including equipment, coffee and regular servicing

Equipment:



Digital Solution:

- AI-enabled vending management system
- Nayax- and Vendon-powered cashless payments
- Coffee Address Club customer loyalty app

- Revenue: € 1m in 2025
- Gross profit margin: 32%

- Fresh and frozen food, snacks, drinks
- Mainly private/closed premises
- Modular solution
- 100% cashless transactions available

- Full service, including equipment, wide selection of products, including local products, regular servicing

- Coffee Address custom solution



- AI-enabled vending management system
- Nayax- and Vendon-powered cashless payments
- Coffee Address Club customer loyalty app

# | Main business segments



COMMERCIAL



OFFICE COFFEE SOLUTIONS

2024-Sep LTM results:

- Revenue: € 12 m
- Gross profit margin: 54%

Offering:

- Premium high-capacity bean-to-cup fresh coffee machines for commercial clients with high customer flow
- Focused on market-leading fuel retail and convenience chains for take-away coffee
- Typically supplied with private-label coffee from two international roasters

Service type:

- Based on customer need, from equipment sales and service-only to full solution including category management advice

Equipment:



Digital Solution:

- Self-service portal

- Revenue: € 7.8m
- Gross profit margin: 51%

- Premium low, medium and high-capacity bean-to-cup fresh or instant coffee machines
- Focused on larger offices with 50+ employees
- Can be supplemented by snack offering

- Partial service with daily cleaning and filling performed by the customer



- Self-service portal

# Vending, Commercial and OCS

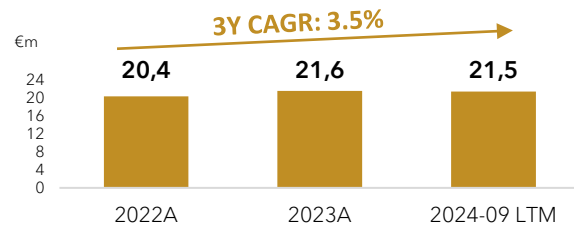
## VENDING

Coffee and Snack Vending & Food Solutions

Highly diversified customer base combined with a large number of vends

Machines located in a wide-network of high-traffic public areas and in private premises, such as large factories

- **5,700** Machines
- **33.5 million** Vends

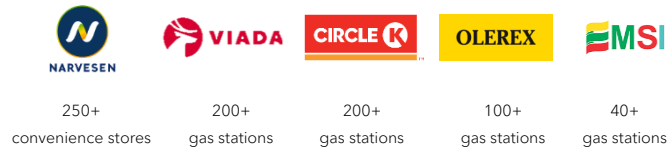
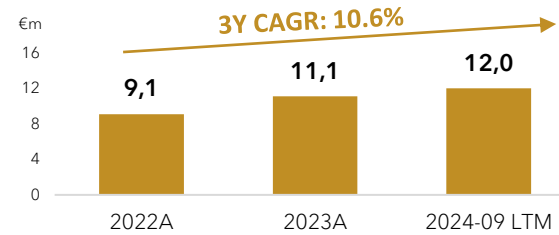


## COMMERCIAL

Multi-year contracts and a diversified customer base

Machines located typically in fuel stations and convenience stores

- **3,080** Machines
- **420 tons** Coffee sold

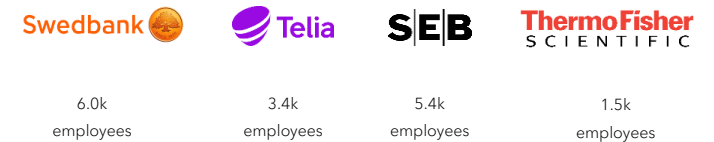
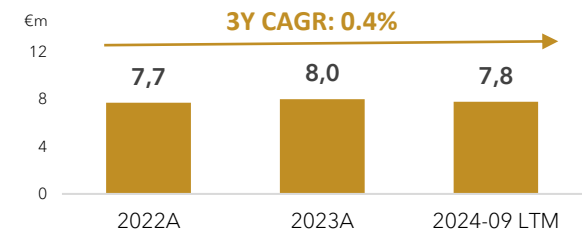


## OFFICE COFFEE SOLUTIONS

Multi-year contracts and a diversified customer base

Machines located typically in large offices with 50+ employees

- **4,880** Machines
- **300 tons** Coffee sold



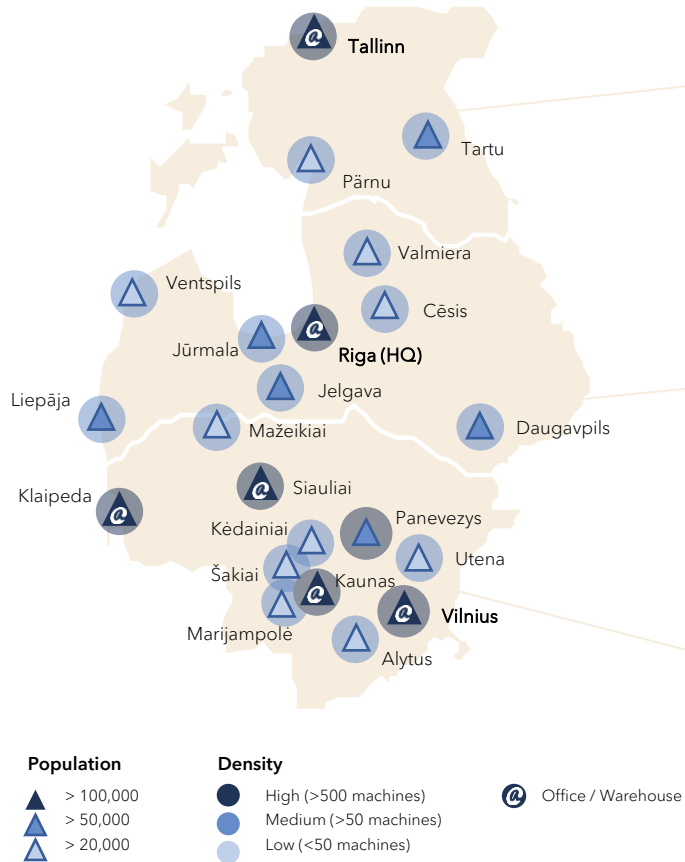
Key figures<sup>(1)</sup>:

Segment revenue:

Selected clients:

# Geographic overview

Dense presence and a strategic network of locations in key urban areas

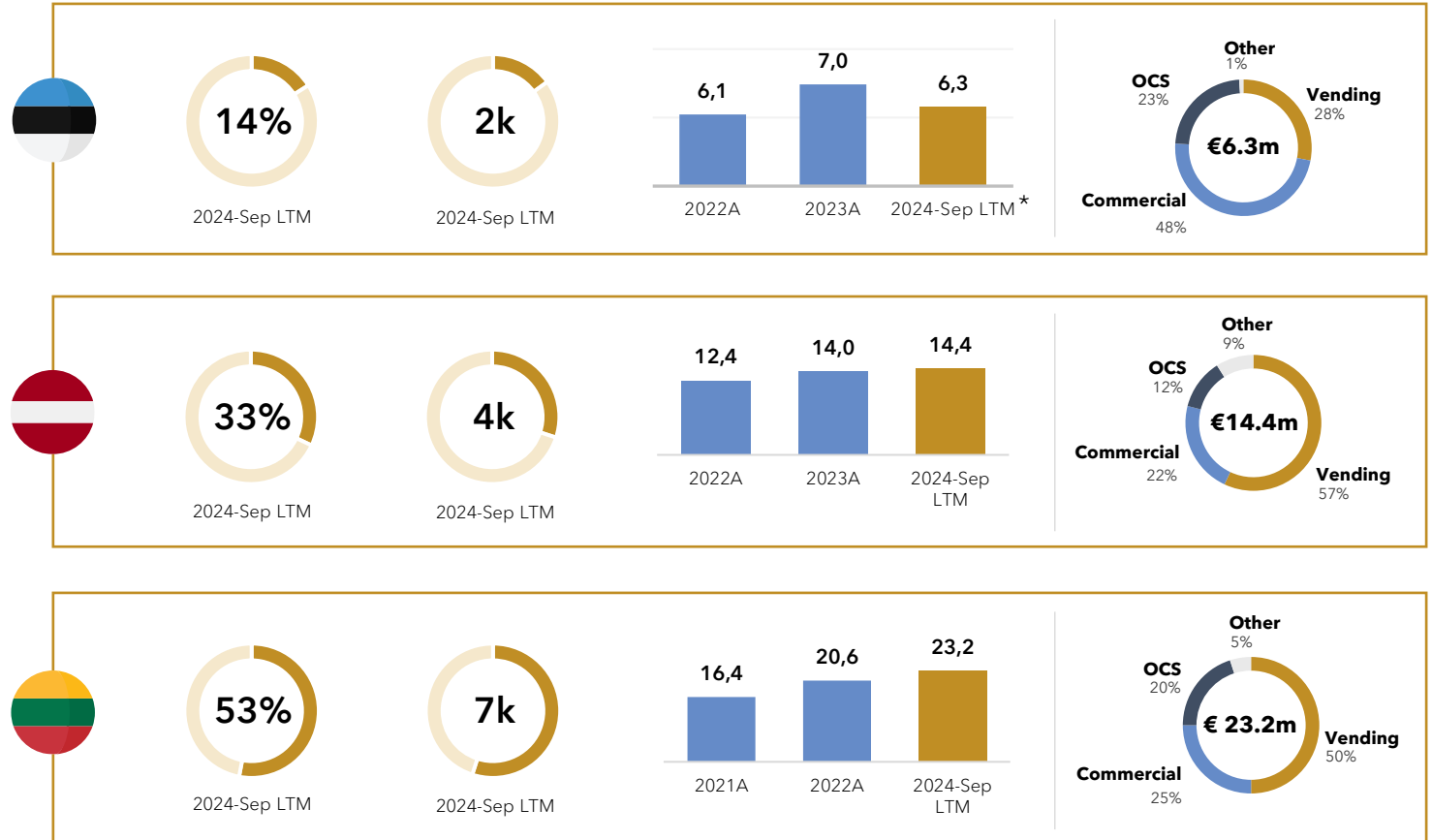


% OF GROUP REVENUE

# OF MACHINES

REVENUE DEVELOPMENT, €M

SEGMENTS, 2024-SEP LTM



\*mainly decreases due to lower machines sales compared to 2023

# Digital leadership snapshot



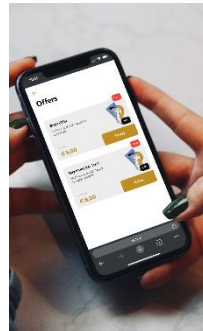
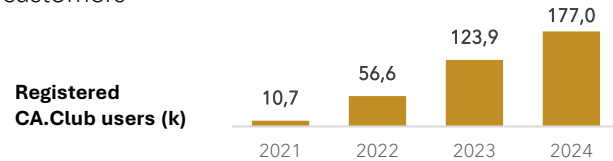
Advanced digital solutions underpin the Company's superior profitability and are part of Coffee Address DNA



## KEY DIGITAL LEADERSHIP BUILDING BLOCKS

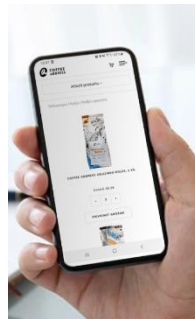
### 1 CA.Club loyalty program

- Consumer loyalty program for frequent Coffee Address vending clients
- Discounts, promotions and other benefits for loyal customers



### 3 Coffee Address self-service portal

- Self-service portal for B2B customers
- Online ordering and service requests



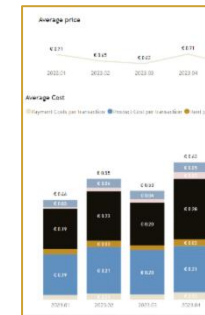
### 2 Proprietary vending management system

- 100% machines equipped with cash less
- Proprietary system managing a digitally integrated vending machine network
- Automated and predictive dynamic service routing algorithms
- Automated maintenance and refilling planning



### 4 Data-driven analytics

- Consistent data collection and recording
- Power-BI based analytics for operational performance tracking

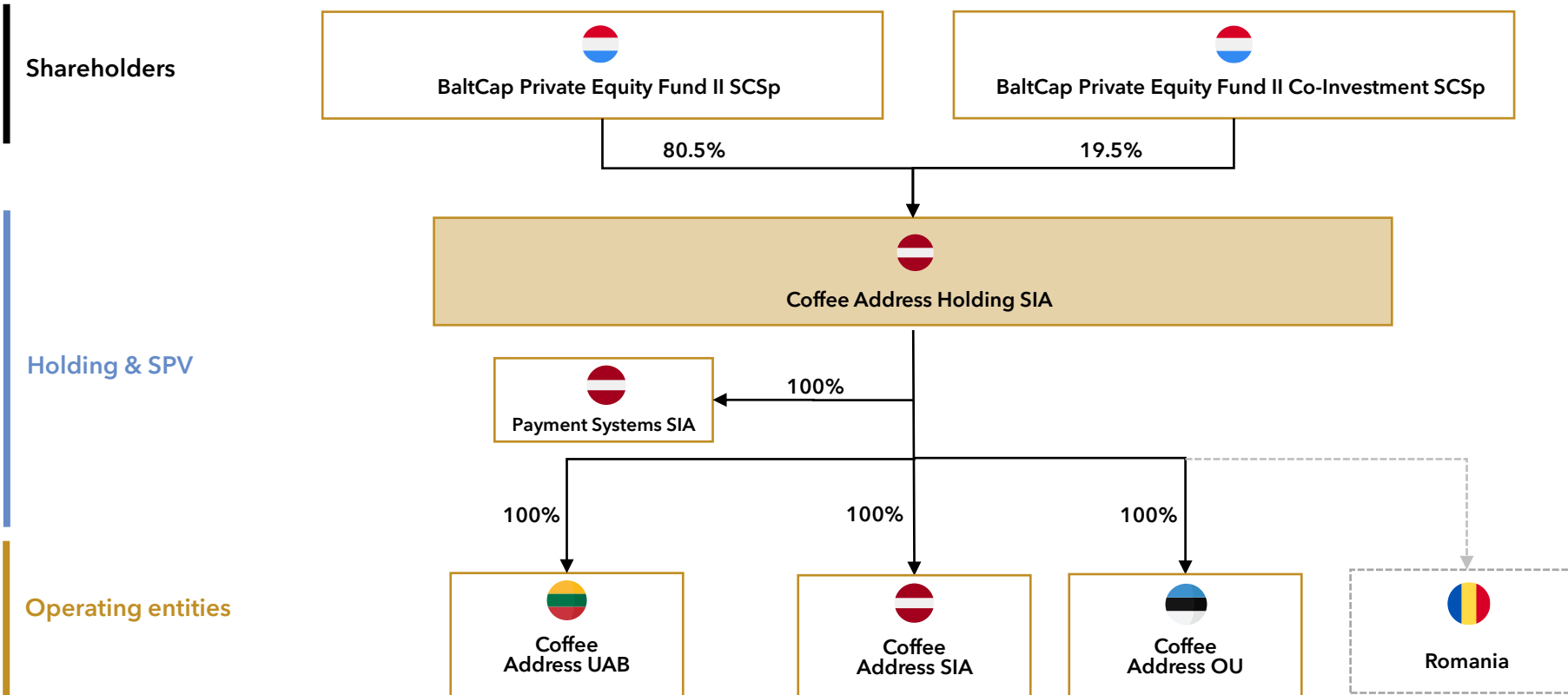


3

TEAM &  
ORGANIZATION



# Ownership structure





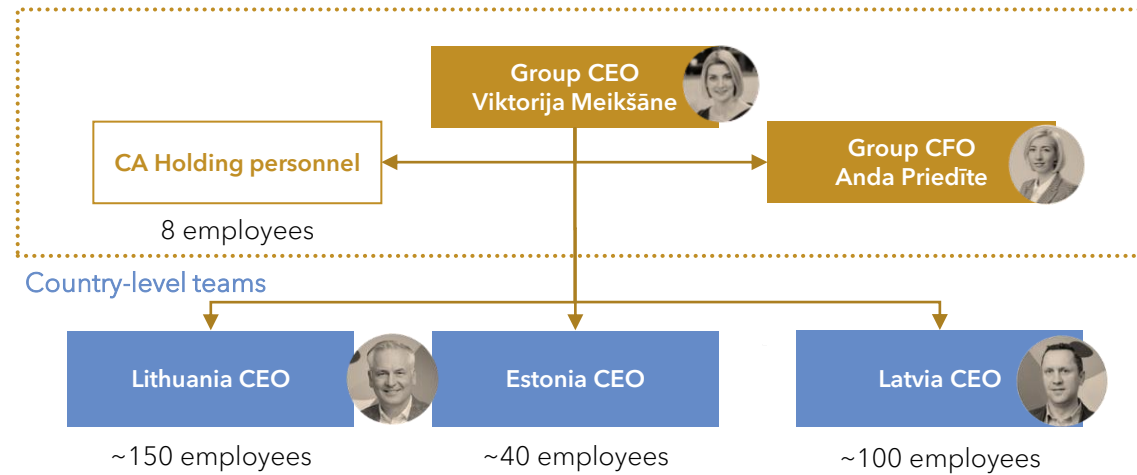
# Organizational structure

Area	Central	Countries
Strategy / business development	✓	
Digitalization	✓	
Finance / mgmt. reporting	✓	
Human resources	✓	✓
Strategic procurement	✓	
Operational procurement		✓
Branding / marketing	✓	✓
Customer relationships/ sales		✓
Route planning		✓
Logistics / warehousing		✓
Technical Service		✓

## Comments

- Coffee Address has a lean and efficient operational setting with client-centric country entities and a centralized headquarters covering corporate functions
- Group management focused on growth initiatives, digitalization, M&A and financing

## Coffee Address Holding



# Values and success factors



## Communicate, decide and achieve

- Focus to win
- Success driven
- Teamwork
- Respect
- Challenge
- Communication without borders
- Allow act and make mistakes
- Persistency
- Fast decisions



## Treat others as we would expect to be treated

- People
- Customer oriented
- Teamwork
- Taking personal responsibility
- Quality
- Reputation
- Transparency



## Improve for a better tomorrow

- Innovations
- Sustainability
- Tomorrow's best is better than today's best
- Continuous growth

## KEY SUCCESS FACTORS

- 01 | Strategic network of best locations
- 02 | Attractive solutions and concepts for customers
- 03 | Lean and digitalized internal processes
- 04 | "One Company" in three countries
- 05 | Engaged and motivated employees

# Environmental, Social and Governance principles

## Recharging People, Recharging Earth



### PLANET



#### Plastic-free cups

Eliminate single-use plastic waste



#### Recycle 100% of coffee grounds

Reduce organic waste



#### Reusable cups

Available in all vending machines



#### Waste diversion from landfills

By 90% through recycling



### PRODUCT



#### Certified purchased coffee

Rainforest Alliance, Fairtrade or organic



#### Supplier compliance control

Regarding CA sustainability strategy



#### Nutritional transparency

Guide consumer health choices via CA Club



### PEOPLE



#### Employee training

Min. hours of firmwide training



#### Biannual themed events for employees

Sustain engagement, health and social responsibility

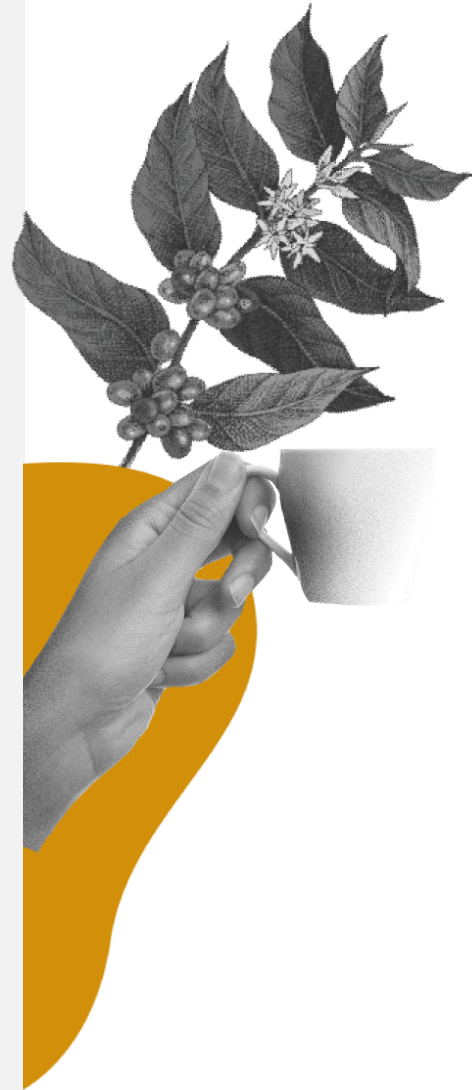


#### No work-related injuries

Commit to zero and control

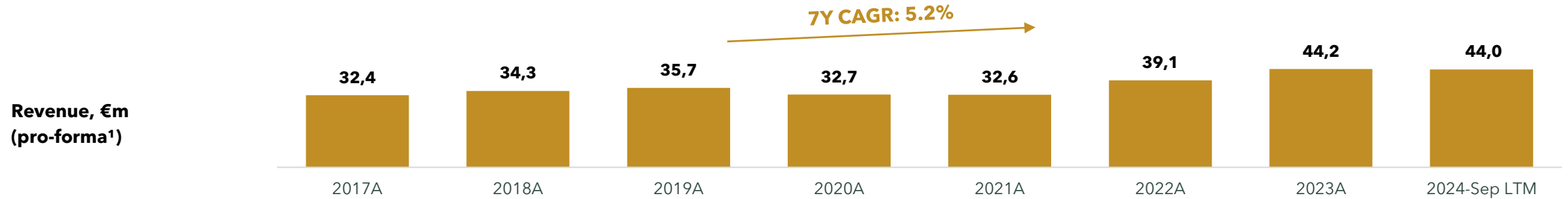
4

## KEY FINANCIALS



# Resilient financial performance throughout economic cycles

## Robust financials and healthy profitability



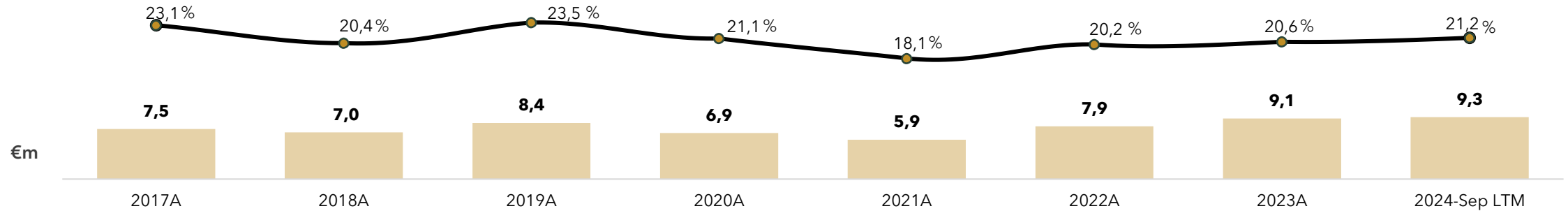
Revenue by segment, €m	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024-Sep LTM
Public & Private vending	16.2	17.5	18.7	14.0	15.3	20.4	21.6	21.5
Commercial	6.1	6.3	6.8	6.7	7.6	9.3	11.1	12.0
OCS	7.7	9.4	9.5	7.3	6.3	7.7	8.0	7.8
Machine and other	2.4	1.1	0.8	4.8	3.4	1.7	3.5	2.7
<b>Total</b>	<b>32.4</b>	<b>34.3</b>	<b>35.7</b>	<b>32.7</b>	<b>32.6</b>	<b>39.1</b>	<b>44.2</b>	<b>44.0</b>

## Industry-leading profitability and acquisition expertise set the perfect foundation for further expansion

# Resilient financial performance throughout economic cycles

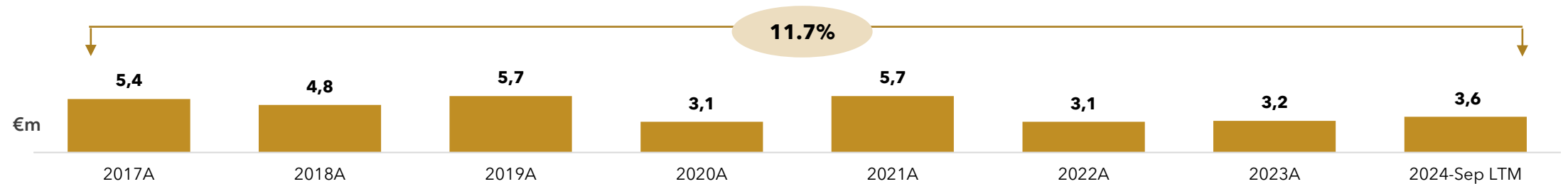
Robust financials and healthy profitability

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN



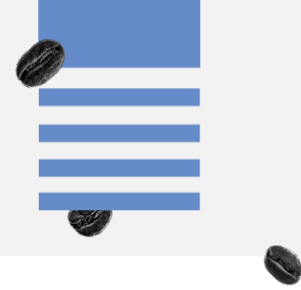
## CAPEX

Capex represents % of revenue over 2017-2024-Sep LTM



Industry-leading profitability and acquisition expertise set the perfect foundation for further expansion

# Key Consolidated P&L Positions



## Solid financial grounds for further expansion in CEE

€m	2022A	2023A	2024-09 LTM
<b>1 Revenue</b>	<b>39.1</b>	<b>44.2</b>	<b>44.0</b>
Vending revenue	20.4	21.6	21.5
Commercial revenue	9.1	11.1	12.0
OCS revenue	7.7	8.0	7.8
Machine sales and other revenue	1.9	3.5	2.6
<b>Cost of goods sold</b>	<b>20.2</b>	<b>23.8</b>	<b>23.2</b>
<b>Gross profit</b>	<b>18.9</b>	<b>20.4</b>	<b>20.7</b>
<i>Gross profit margin (%)</i>	<i>48%</i>	<i>46%</i>	<i>47%</i>
<b>Operating expenses</b>	<b>11.0</b>	<b>11.3</b>	<b>11.4</b>
Staff costs	8.1	8.4	8.7
<b>2 Other operating expenses</b>	<b>2.8</b>	<b>3.0</b>	<b>2.8</b>
<b>Adjusted EBITDA</b>	<b>7.9</b>	<b>9.1</b>	<b>9.3</b>
<i>Adjusted EBITDA margin (%)</i>	<i>20%</i>	<i>21%</i>	<i>21%</i>
<b>Total adjustments</b>	<b>1.1</b>	<b>1.5</b>	<b>1.5</b>
<b>3 Holding costs</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>
<b>4 Total one-offs</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>
<b>Reported EBITDA</b>	<b>6.8</b>	<b>7.6</b>	<b>7.8</b>
<i>Reported EBITDA margin (%)</i>	<i>17%</i>	<i>17%</i>	<i>18%</i>

### Comments

- 1** Includes machine sales, Espresso Blue coffee capsules, accessories, cups and other products
- 2** Other operating expenses include car costs, office and IT costs
- 3** Holding cost adjustment is included to reflect the underlying business EBITDA because the holding structure is not compulsory for the Company. Holding staff costs are the main operating expenses
- 4** Layoffs, loan refinancing, organizational restructuring and other

# Consolidated Balance Sheet



Solid financial grounds for further expansion in CEE

## BALANCE SHEET

€m	31/12/2022	31/12/2023	30/09/2024
<b>Non-current assets</b>	<b>41.8</b>	<b>41.1</b>	<b>40.9</b>
1 Intangible assets	25.3	25.4	25.3
2 Property, plant and equipment	14.3	13.5	13.8
Right-of-use assets	2.1	2.0	1.6
Other non-current assets	0.1	0.1	0.2
<b>Current assets</b>	<b>10.3</b>	<b>9.7</b>	<b>9.9</b>
3 Inventory	5.1	5.0	5.5
Trade receivables	2.4	2.4	2.1
Other current assets	1.2	1.0	1.0
Cash and cash equivalents	1.7	1.2	1.3
<b>Total assets</b>	<b>52.2</b>	<b>50.8</b>	<b>50.7</b>
<b>Equity</b>	<b>14.4</b>	<b>14.7</b>	<b>15.2</b>
Share capital and reserves	17.2	17.2	17.2
Retained earnings	(2.8)	(2.5)	(2.0)
<b>Total liabilities</b>	<b>37.8</b>	<b>36.2</b>	<b>35.5</b>
4 Bank loans and overdrafts	11.6	13.6	12.2
5 Issued bonds	8.0	5.0	5.0
Loans from shareholders	4.4	4.6	4.7
Lease liabilities	2.3	2.5	2.3
Trade payables	3.2	4.8	4.4
Deferred income	2.2	1.6	1.1
Tax liabilities	2.2	0.9	0.8
Other liabilities	4.0	3.3	5.0
<b>Total equity and liabilities</b>	<b>52.2</b>	<b>50.8</b>	<b>50.7</b>

## Comments

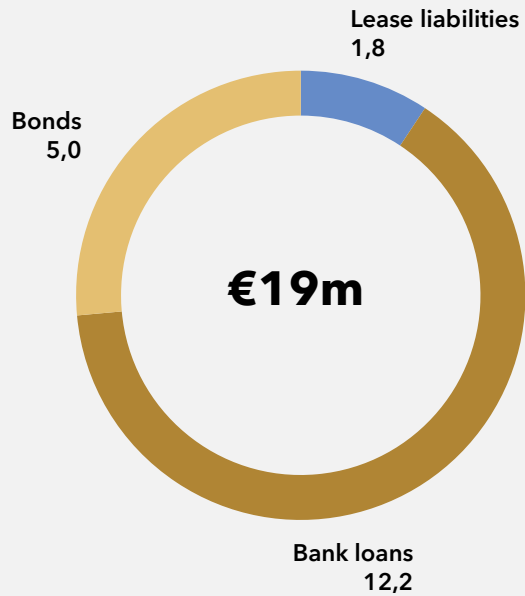
- 1 Intangible assets includes goodwill of 24.6m EUR and other IT related investments.
- 2 Property, plant and equipment position mainly includes high quality coffee machine park and other fixed assets, IT equipment
- 3 Inventories position of 5.5m EUR mainly includes goods for sale, coffee machines and spare parts.
- 4 Diversified funding structure, balanced between debt and equity. Bank loans of 12.2m EUR consist of long term loans and overdraft. Bank loans mainly related to M&A activities.
- 5 Bonds of 5.0m EUR issued by Coffee Address Holding. Bonds are included in the Nasdaq Firsts North alternative market. Maturity date: 30/06/2025.



# Funding Structure

Diversified funding structure, balanced between debt and equity.

## FINANCIAL INDEBTEDNESS AS OF 30 SEPTEMBER 2024

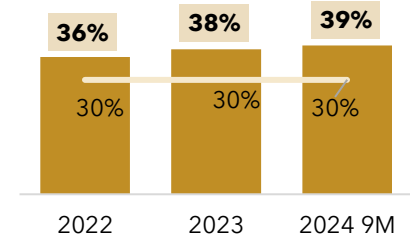


Source: Company information

## KEY RATIOS

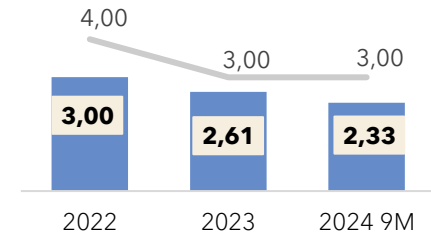
**Equity Ratio**  
(included subordinated loans)

Limit: at least 30%



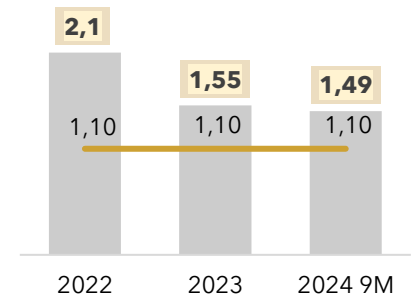
**Net Debt Leverage Ratio**

Limit: less than 4x in 2022 and less than 3x from Jul 2023



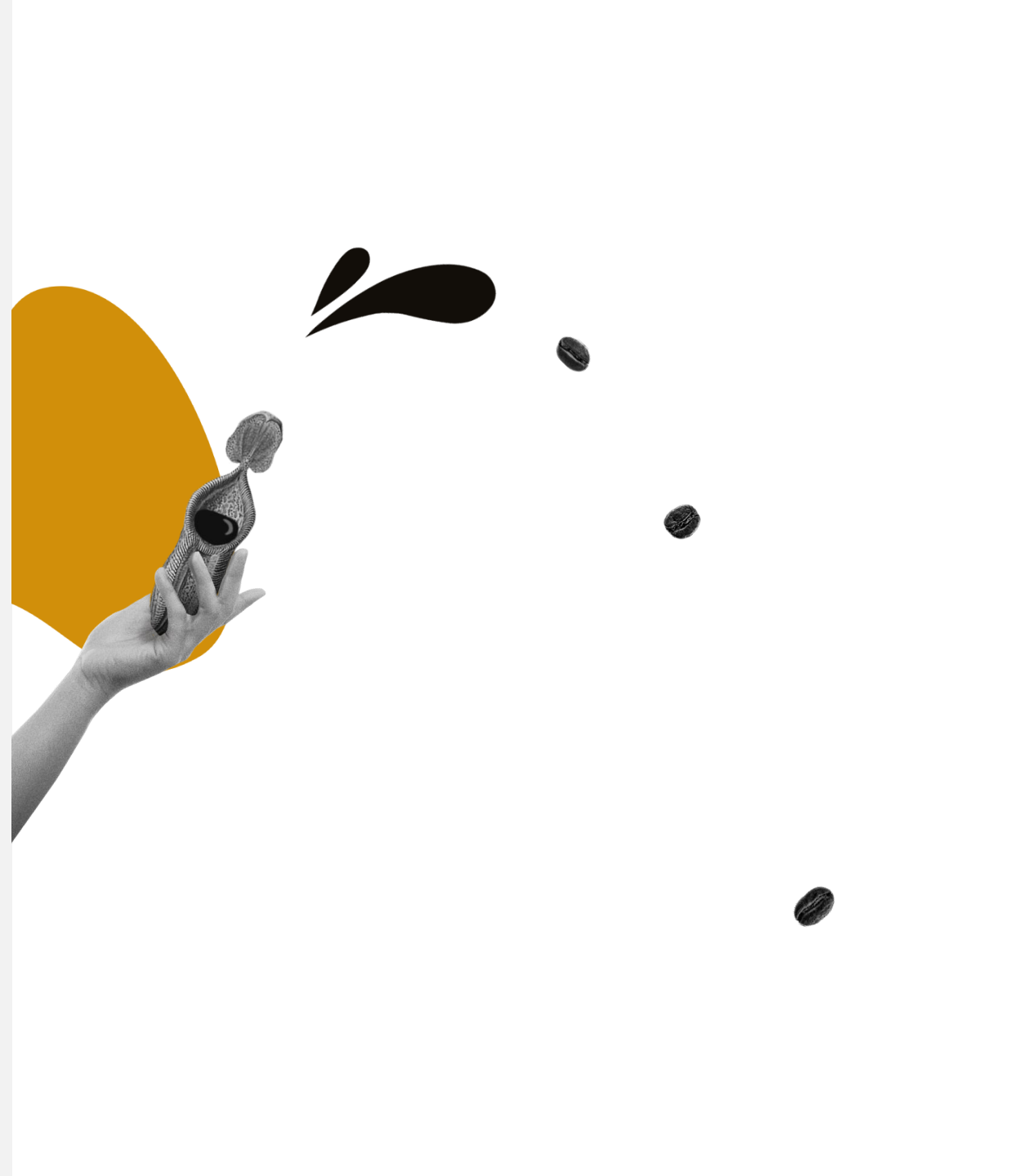
**DSCR**

Limit: at least 1.1x



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BOND OVERVIEW



# | Use of Proceeds

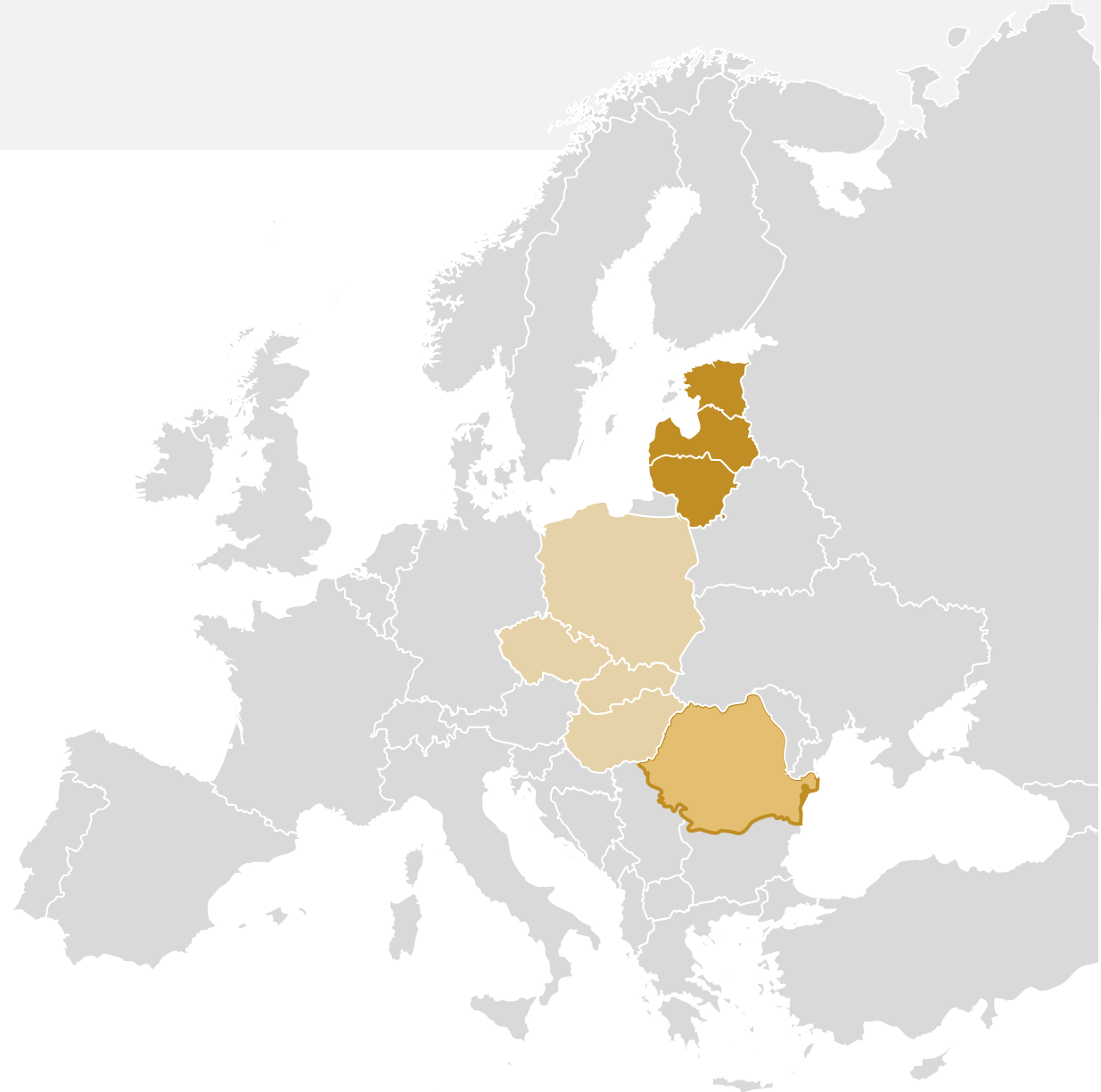
Market dynamics similar to the Baltics

## 1 EXPANSION IN CEE

- Plan to enter in five CEE markets with actionable opportunities in Romania and Poland
- No clear leader; fragmented market is ripe for consolidation
- Availability of potential targets with good strategic fit

## 2 POCKETS OF GROWTH IN THE BALTICS - FOOD SOLUTIONS

- Rollout of food solutions in Baltics



# | Term Sheet



<b>Issuer</b>	<b>SIA Coffee Address Holding</b>
<b>Total size of the issue</b>	<b>EUR 5 000 000</b>
<b>Type of bond</b>	<b>Unsecured bonds</b>
<b>Coupon rate</b>	8.50%
<b>Coupon frequency</b>	Quarterly
<b>Maturity</b>	<b>3 years</b>
<b>Guarantee</b>	Corporate guarantee from Coffee Address SIA, Coffee Address UAB, Coffee Address OU
<b>Call Option</b>	No call - Year 1 @102% - Year 2 @100% 6 months before maturity
<b>Put Option</b>	Change of Control @101%
<b>Type of placement</b>	Private placement
<b>Minimum investment</b>	EUR 100,000
<b>Use of proceeds</b>	General corporate purposes: financing of M&A activities and other investment projects
<b>Listing</b>	Listing on First North

# | Risk Factors



In the next slide is a list of the risk factors that are material for the assessment of the market risk associated with the Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Should one or more of the risks listed materialise, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer and the Group. Moreover, if any of these risks materialise, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the prospective investors could lose all or part of their investments.

Before deciding to purchase the Notes, prospective investors should carefully review and consider the following risk factors, in addition to all other information presented in the Information Document and consult with their own professional advisors if necessary.

Moreover, prospective investors should bear in mind that several of the described risk factors can occur simultaneously and together with other circumstances could have a potentially stronger impact on the Issuer or the Group. This is not an exclusive list of risk factors, and additional risks, of which the Issuer is not presently aware, could also have a material adverse effect on the Issuer and the Group

## **IMPORTANT NOTE**

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The risks indicated in this section, if some or all of them materialise, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario. This section may not feature all the potential risks, which may affect the Issuer and the Group.

# | Risk Factors

## **Risk factors relating to the economic and geopolitical environment:**

- Macroeconomic risk
- Global pandemic risk
- Geopolitical risk
- Changes in legislation risk
- Changes in tax law and practice risk

## **Risks related to the Group's business and the industry:**

- Dependency on key suppliers
- Risk of supply and logistics chain disruptions
- Risk of fluctuations in costs related coffee, fuel and other commodity prices
- Risk of exchange rate fluctuations and new market currency exposure
- Risks related to consumer behavior shifts
- Increasing competition and new market entrants could adversely affect the Group's operations
- Risk of technological disruption

- The Group may not be able to implement its growth strategy within the expected timeframe
- Risk of lagging in digital payment adaptation and security
- Risk of increasing vending rent rates
- Risk of increase in labour and employment costs
- The loss of one or more key personnel members of the Group could have an adverse effect on its business
- Failure to attract and retain qualified personnel may affect the profitability of the Group's operations
- The international expansion of the Group's business may expose it to unique business risks and challenges
- The Group is exposed to operational risks
- Counterparty credit risk
- The Group is exposed to IT system and process risk
- Risk of information technology system failures, network disruptions and breaches in data security

- If the Group fails to attain and maintain a level of liquidity deemed sufficient to support its operations and meet obligations, it could experience adverse effects on its business, financial condition, and operational results
- Risk of capital expenditures
- Risks associated with the integration of acquisitions
- Financial leverage risk
- Risk of change of control

## **Risks related to the notes:**

- The Group may be unable to repay or repurchase the Notes at maturity
- The Notes are unsecured debt instruments
- The Issuer may incur significant additional debt or grant additional security
- There is no established trading market for the Notes. If an actual trading market does not develop for the Notes, the Investor may not be able to resell them quickly, for the price that the Investor paid or at all

# | Risk Factors

- There is a risk that Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order that the Notes are delisted from First North before maturity
- The price of the Notes may be volatile and the market price of the Notes may drop below the initial price a Potential Investor paid for the Notes
- The Group may choose to repurchase or redeem the Notes when prevailing interest rates are relatively low, including in open market purchases
- Changes in tax rates may impact net payments related to the Notes
- Decisions of Majority Noteholders may affect individual rights of the Noteholders
- Some Noteholders may have more preferential terms than others
- The Issuer is dependent on and may be adversely affected by its Subsidiaries

## **Risks related to the guarantee and the collateral agent**

- Risks associated with the Collateral Agent Agreement
- The Guarantee will be subject to certain limitation on enforcement and may be limited by the Applicable Laws or subject to certain defences that may limit its validity and enforceability
- The enforcement of the Guarantee will be subject to the procedures and limitations set out in the Collateral Agent Agreement and the Terms and Conditions
- The rights of the Noteholders depend on the Collateral Agent's actions and financial standing



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Thank you!