

**N&W (Denmark) ApS**  
**Central Business Registration No.**  
**29 19 85 94**  
**C.F. Tietgens Boulevard 19**  
**5220 Odense SØ**

**Annual Report 2016**

The Annual General Meeting adopted the annual report on the 31. May 2017

**Chairman of the General Meeting**



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Name: Andrea Zocchi

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## Entity details

### Entity

N&W (Denmark) ApS  
C.F. Tietgens Boulevard 19  
5220 Odense SØ

|                                    |  |
|------------------------------------|--|
| Central Business Registration No.: | 29 19 85 94  |
| Registered in:                     | Odense   |
| Financial year:                    | 01.01.2016 - 31.12.2016  |
| E-mail:                            | <a href="mailto:finance.odense@nwglobalvending.dk">finance.odense@nwglobalvending.dk</a> |

### Board of Directors

Andrea Zocchi, Chairman

### Executive Board

Andrea Zocchi, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
Postboks 10  
5100 Odense C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of N&W (Denmark) ApS for the financial year 01.01.2016 - 31.12.2016

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 31. May 2017

### Executive Board



Andrea Zocchi  
Chief Executive Officer

### Board of Directors



Andrea Zocchi  
Chairman

## Independent auditor's report

### To the shareholders of N&W (Denmark) ApS

#### Our opinion

We have audited the financial statements of N&W (Denmark) ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Significant uncertainty regarding going concern

Without modifying our conclusion, we refer to the information in note no. 1, from which it is evident that, for 2016, the Company has realized a result of -10.615 Tkr. and at 31st December 2016, has an equity totaling 20.636 Tkr. The Company has received a letter of financial support from its Parent, N&W Global Vending S.p.A., Italy, which is valid until 30 June 2018, for which reason Management finds that the Company has sufficient liquidity in 2016. Accordingly, the Management has presented the financial statements on a going concern basis. We have no reason to take a different view than that of the Management.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 31. May 2017

**Deloitte**  
Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56

Lars Krage Nielsen  
State Authorised Public Accountant



## Management commentary

|                             | 2016     | 2015     | 2014     | 2013     | 2012     |
|-----------------------------|----------|----------|----------|----------|----------|
|                             | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| <b>Financial highlights</b> |          |          |          |          |          |
| <b>Key figures</b>          |          |          |          |          |          |
| Gross profit/loss           | -93      | -138     | -114     | -85      | -91      |
| Operating profit/loss       | -93      | -138     | -114     | -85      | -91      |
| Net financials              | -14.330  | -842     | -5.161   | -8.842   | -21.189  |
| Profit/loss for the year    | -10.615  | 2.655    | -2.108   | -5.251   | -15.999  |
| Total assets                | 283.904  | 429.519  | 467.418  | 477.266  | 466.559  |
| Equity                      | 20.636   | 31.664   | 26.646   | 32.097   | 37.188   |
| <b>Ratios</b>               |          |          |          |          |          |
| Return on equity (%)        | -40,6    | 9,1      | -7,2     | -15,2    | -71,1    |
| Solvency ratio(%)           | 7,3      | 7,4      | 5,7      | 6,7      | 8,0      |

## Management commentary

### Primary activities

N&W (Denmark) ApS holds 100% of the shares in Wittenborg ApS, and is part of the European market leader within vending machine production, N&W Global Vending Group.

### Development in activities

The earnings after tax for 2016 is -10.615 Tkr. compared to 2.655 Tkr. for 2015 and the Company's balance sheet as per 31st of December 2016 shows an equity of 20.636 Tkr.

### Special risks

The Company's currency risks are hedged at group level through the Treasury Department at Group Headquarters. The Company does not hedge own foreign exchange risks. The major part of the foreign exchange risk relates to loans in EUR.

### Expectations for the coming year

Expectations for 2017 are higher than what was achieved in 2016 due to expectations of improved results in Wittenborg ApS and further reduction in the financial expenses.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Accounting policies

### Reporting class

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Changes in accounting policies

The Company has implemented the changes resulting from the amendments to the Danish Financial Statements Act that take effect at 1 January 2016, see Act. No 738 of 1 June 2015.

The amendment of the Danish Financial Statements Act, which took effect at 1 January 2016, has resulted in additional disclosures in the Annual Report; other than that, the amendment has not affected the Company's financial position at 31 December 2016.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Consolidated financial statements

With reference to section 112 in the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationary and office supplies, marketing costs, amortization, depreciation etc.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit and losses after full elimination of internal profit and losses with deduction of depreciation on goodwill.

## Accounting policies

### Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprises interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortized positive, or negative, goodwill and minus or plus unrealized intra-group profit and losses.

Group enterprises with negative equity are measure at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquitted enterprises with a strong market position and a long-term earnings profile if the longer amortization period is considered to give a better reflection of the benefit from the relevant resources. Goodwill is amortised over a period of 15 years, due to the reflection of the benefit from the resources.

## Accounting policies

### Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

| Ratios               | Calculation formula  | Ratios reflect   |
|----------------------|--|--|
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The Entity's return on capital invested in the Entity by the owners. |
| Solvency ratio (%)   | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                     | The financial strength of the Entity.                                |

## Income statement for 2016

|  | Notes | 2016<br>DKK        | 2015<br>DKK      |
|--|-------|--------------------|------------------|
| Other external expenses                                  |       | -92.588            | -137.916         |
| <b>Result before financial items</b>                     |       | <b>-92.588</b>     | <b>-137.916</b>  |
| Income from investments in group enterprises             | 2     | 2.412.949          | 13.130.525       |
| Other financial income                                   | 3     | 1.788.471          | 98.861           |
| Other financial expenses                                 | 4     | -18.531.302        | -14.071.237      |
| <b>Profit/(loss) from ordinary activities before tax</b> |       | <b>-14.422.470</b> | <b>-979.767</b>  |
| Tax on profit/(loss) from ordinary activities            | 5     | 3.807.075          | 3.635.004        |
| <b>Profit/(loss) for the year</b>                        |       | <b>-10.615.395</b> | <b>2.655.237</b> |
| <b>Proposed distribution of profit/(loss)</b>            |       |                    |                  |
| Retained earnings  |       | -10.615.395        | 2.655.237        |
|  |       | <b>-10.615.395</b> | <b>2.655.237</b> |

**Balance sheet as at 31.12.2016**

|                                  | Notes | 2016<br>DKK               | 2015<br>DKK               |
|----------------------------------|-------|---------------------------|---------------------------|
| <b>Assets</b>                    |       |                           |                           |
| Investments in group enterprises |       | 276.505.184               | 424.504.944               |
| <b>Fixed Asset investments</b>   | 6     | <u>276.505.184</u>        | <u>424.504.944</u>        |
| <b>Fixed Assets</b>              |       | <u>276.505.184</u>        | <u>424.504.944</u>        |
| Other short-term receivables     |       | 0                         | 1.444.067                 |
| Income tax receivable            |       | 7.399.128                 | 3.489.413                 |
| <b>Receivable</b>                |       | <u>7.399.128</u>          | <u>4.933.480</u>          |
| <b>Cash</b>                      |       | <u>0</u>                  | <u>80.816</u>             |
| <b>Current Assets</b>            |       | <u>7.399.128</u>          | <u>5.014.296</u>          |
| <b>Assets</b>                    |       | <u><u>283.904.312</u></u> | <u><u>429.519.240</u></u> |

**Balance sheet as at 31.12.2016**

|  |       | 2016               | 2015               |
|--|-------|--------------------|--------------------|
| Liabilities and equity                           | Notes | DKK                | DKK                |
| Contributed capital                              | 7     | 745.000            | 745.000            |
| Retained earnings                                |       | 19.891.112         | 30.919.216         |
| <b>Equity</b>                                    |       | <b>20.636.112</b>  | <b>31.664.216</b>  |
| Bank loans                                       |       | 0                  | 233.104.308        |
| Debt to group enterprises                        |       | 263.195.200        | 163.599.198        |
| Other payables                                   |       | 73.000             | 1.151.518          |
| <b>Current liabilities other than provisions</b> |       | <b>263.268.200</b> | <b>397.855.024</b> |
| <b>Liabilities other than provision</b>          |       | <b>263.268.200</b> | <b>397.855.024</b> |
| <b>Liabilities and equity</b>                    |       | <b>283.904.312</b> | <b>429.519.240</b> |
| Going concern                                    | 1     |                    |                    |
| Related parties with control                     | 8     |                    |                    |

## Statement of changes in equity for 2016

|  | <u>Contributed<br/>capital</u> | <u>Retained<br/>earnings</u> | <u>DKK<br/>Total</u> |
|--|--------------------------------|------------------------------|----------------------|
| Equity at 1. January 2016                    | 745.000                        | 30.919.216                   | 31.664.216           |
| Fair value adjustment of hedging instruments | 0                              | -412.709                     | -412.709             |
| Net profit/(loss) for the year               | 0                              | -10.615.395                  | -10.615.395          |
| <b>Equity end of year</b>                    | <b>745.000</b>                 | <b>19.891.112</b>            | <b>20.636.112</b>    |

## Notes

### 1. Going concern

The Company realised a result of -10.615 Tkr. and at 31 December 2016, has an equity totaling 20.636 Tkr. It has, however, also received a letter of financial support from its Parent, N&W Global Vending S.p.A., Italy, which is valid until 30 June 2018, for which reason Management finds that the Company has sufficient liquidity in 2016. Accordingly, Management has presented the financial statements on a going concern basis.

|  | 2016<br>DKK             | 2015<br>DKK              |
|--|-------------------------|--------------------------|
| <b>2. Income from investments in group enterprises</b> |                         |                          |
| Share of profit after tax, group enterprises           | 37.764.082              | 48.481.658               |
| Amortisation of goodwill, group enterprises            | <u>-35.351.133</u>      | <u>-35.351.133</u>       |
|  | <b><u>2.412.949</u></b> | <b><u>13.130.525</u></b> |

|                                  | 2016<br>DKK             | 2015<br>DKK          |
|----------------------------------|-------------------------|----------------------|
| <b>3. Other financial income</b> |                         |                      |
| Exchange rate adjustments        | 1.788.471               | 0                    |
| Other financial income           | <u>0</u>                | <u>98.861</u>        |
|                                  | <b><u>1.788.471</u></b> | <b><u>98.861</u></b> |

|   | 2016<br>DKK              | 2015<br>DKK              |
|---|--------------------------|--------------------------|
| <b>4. Other financial expenses</b>        |                          |                          |
| Financial expenses from group enterprises | 15.168.923               | 189.932                  |
| Interest expenses                         | 3.362.379                | 12.809.810               |
| Exchange rate adjustments                 | 0                        | 1.069.894                |
| Other financial expenses                  | <u>0</u>                 | <u>1.601</u>             |
|   | <b><u>18.531.302</u></b> | <b><u>14.071.237</u></b> |

|  | 2016<br>DKK              | 2015<br>DKK              |
|--|--------------------------|--------------------------|
| <b>5. Tax on ordinary profit/loss for the year</b> |                          |                          |
| Current tax  | -3.837.128               | -3.489.413               |
| Adjustment relating to previous years              | <u>30.053</u>            | <u>-145.591</u>          |
|  | <b><u>-3.807.075</u></b> | <b><u>-3.635.004</u></b> |



## Notes

### 6. Fixed asset investments

|  | <b>Investments in<br/>group<br/>enterprises<br/>DKK</b> |
|--|---|
| Cost at 1 January                      | <u>731.894.000</u>                                      |
| <b>Cost end of year</b>                | <b><u>731.894.000</u></b>                               |
| Impairment losses beginning of year    | -307.389.056  |
| Amortisation of goodwill               | -35.351.133   |
| Share of profit/loss after tax         | 37.764.082  |
| Dividend                               | -150.000.000  |
| Other adjustments                      | <u>-412.709</u>   |
| Impairment losses end of year          | <b><u>-455.388.816</u></b>                              |
| <b>Carrying amount end of year</b>     | <b><u>276.505.184</u></b>                               |
| Carrying value of recognized goodwill: | <u>138.458.867</u>                                      |

|                | <u>Registered in</u> | <u>Corporate<br/>form</u> | <u>Equity interest<br/>%</u> | <u>Equity DKK</u> | <u>Result DKK</u> |
|----------------|----------------------|---------------------------|------------------------------|-------------------|-------------------|
| Subsidiaries:  |                      |                           |                              |                   |                   |
| Wittenborg ApS | <u>Odense</u>        | <u>ApS</u>                | <u>100.00</u>                | <u>75.000.000</u> | <u>37.764.082</u> |

## Notes

|  | <u>Number</u> | <u>Par value<br/>DKK</u> | <u>Nominal<br/>value<br/>DKK</u> |
|--|---------------|--------------------------|----------------------------------|
| <b>7. Contributed capital</b>          |               |                          |                                  |
| Share capital                          | 100.000       | 7,45                     | 745.000                          |
|  |               | <u>2016<br/>DKK</u>      |                                  |
| <b>Changes in contributed capital</b>  |               |                          |                                  |
| Contributed capital 1 January 2012     |               | 745.000                  |                                  |
| Changes in share capital               |               | 0                        |                                  |
| <b>Contributed capital end of year</b> |               | <u>745.000</u>           |                                  |

## 8. Related parties with control

Group Relations:

The company's immediate parent, of which the company is a subsidiary, is N&W Global Vending S.p.A, Italy

The company's ultimate parent, which prepares the consolidated annual accounts, where the company is subsidiary is: N&W Global Vending S.p.A, Italy

The consolidated annual accounts can be requested on application to N&W (Denmark) ApS,  
C.F. Tietgens Boulevard 19,5220 Odense SØ, Denmark)