Wittenborg ApS
Central Business Registration No.
37 80 48 19
C.F. Tietgens Boulevard 19
5220 Odense SØ

Annual Report 2017

The Annual General Meeting adopted the annual report on 31st May 2018

Chairman of the General Meeting

Name: Finn Kjærhus

Contents

Entity details

Entity

Wittenborg ApS
C.F. Tietgens Boulevard 19
5220 Odense SØ

Central Business Registration No.:	37 80 48 19
Registered in:	Odense
Financial year:	01.01.2017 - 31.12.2017
E-mail:	finance.odense@evocagroup.com

Board of directors

Finn Kjærhus, Chairman
Stefano Barato, Vice Chairman
Enoel Rocchetti

Executive Board

Finn Kjærhus, Chief Executive Officer

Bank

Nordea Bank
Strandgade 3
0900 København C

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 Wittenborg ApS for the financial year 01.01.2017 - 31.12.2017

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 31st May 2018

Executive Board

Finn Kjærhus,
Chief Executive Officer

Board of directors

Finn Kjærhus, Chairman	Stefano Barato, Vice Chairman	Enoel Rocchetti

Independent auditor's report

To the shareholders of Wittenborg ApS

Our opinion

We have audited the financial statements of Wittenborg ApS for the financial year 01.01.2017 - 31.12.2017, 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 31-12-2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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.

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 statement

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, 31st May 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33963556

Lars Knage Nielsen
State Authorised Public Accountant
mne-nr. mne10074

Management commentary

	2017 DKK '000	2016 DKK '000	2015 DKK '000	2014 DKK '000	2013 DKK '000
Financial highlights					
Key figures					
Revenue	451.036	436.115	434.999	497.210	474.272
Gross profit/loss	96.945	83.387	105.410	96.887	98.310
Operating profit/loss	58.677	46.240	67.889	58.770	57.420
Net financials	-5.569	2.927	-3.380	-1.462	-2.145
Profit/loss for the year	41.488	37.764	48.482	43.006	41.631
Investments in property, plant and equipment	0	0	0	1.839	177
Total assets	208.154	228.028	413.898	444.974	373.898
Equity	130.650	138.031	250.680	249.833	210.187
Employees in average	34	35	36	36	36
Ratios					
Gross margin (%)	21,5	19,1	24,2	19,5	20,7
Net margin (%)	9,2	8,7	11,1	8,6	8,8
Return on equity (%)	30,9	19,4	19,4	18,7	22,0
Solvency ratio (%)	62,8	60,5	60,6	56,1	56,2

Management commentary

Primary activities
The Company is part of Evoca Group, the European market leader within manufacture of vending machines. The Group is engaged in designing, developing, manufacturing and selling automated vending equipment for dispensing hot and cold beverages, confectionary and food products.

The Company's main activities are sales of Wittenborg's products and the Italian parent Company's Necta products in the Nordic markets. Furthermore the logistical and sales responsibility for one of the Group's key account customers lies within the area of responsibility of the Danish Company.

The Company is concentrating its activities on distribution and sale of products within the three technologies for dispensing hot beverages: freshly brewed coffee and tea, instant powdered products, and espresso bean to cup.

The development and manufacturing activitites of Wittenborg's products have been outsourced to the parent Company in Italy.

Development in activities
The revenue increased from 436.115 Tkr. in 2016 to 451.036 Tkr. in 2017. The revenue profited by increased sales to the Nordic markets.

The earnings after tax for 2017 is 41.488 Tkr. compared to 37.764 Tkr. for 2016 and the Company's balance sheet as per 31st of December 2017 shows an equity of 130.650 Tkr.

The Company wrote off 4.105 Tkr. on the last development costs for Mirante, a specific customer produced machine, due to its low level of sales. The Company has obtained the right from the customer to sell the Mirante to other customers.

The result is considered satisfactory.

Outlook
Research and development
In line with the increasing focus on environmental and energy issues associated with the acquisition and operation of its products, the Company constantly strives to further develop its product portfolio to ensure that it is as energy and environmentally friendly as possible.

Statement of social responsibility
The Company does not have a social resonsibility policy as per the rules of §99a in the Danish Financial Statements Act.

Wittenborg ApS is part of the Evoca Group, understood as the "Evoca S.p.A." Parent Company and the companies controlled by it. The Ethical Code is enforceable in Italy and in all other Countries where Evoca Group operates.

http://www.evocagroup.com/ethical-code

Management commentary

At a board meeting the 31 March 2014 a policy regarding the gender diversity in the Board of Directors was adopted. This entails, that if the board members, elected by the shareholders, are 3 or less, at least 33,3% shall be the under- represented gender. If the board members, elected by the shareholders, are more than 3, at least 40% shall be the underrepresented gender. The purpose of the policy is to ensure the representation of both genders in the Company's Board of Directors during a certain period of time.

During the current financial year, this policy was fully adopted in the Company.

As the Company has less than 50 employees the policy only includes the board members elected by the shareholders.

Special risks
The Company's currency risks are hedged at group level through the Treasury Department at Group Headquarters. The Company does, however, hedge the currency exposure of sales to US. Other foreign exchange risks relate to receivables denominated in EUR, GBP and USD.

Expectations for the coming year
The Company is expecting the turnover for 2018 to be 2 to 5% higher than what was realised in 2017. We expect the profit and loss for 2018 to be 8-10% higher than what was realised in 2017.

Accounting policies

Reporting class

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large enterprises). There has not been any changes in the accounting policies from last year.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Accounting policies

Derivative financial instruments - continued

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries.

Distribution costs

Distribution costs comprise cost incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses.

Adminstrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies, 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 transactions in foreign currencies 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).

Accounting policies

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is 8 to 15 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 5 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

An amount corresponding to the capitalized development costs incurred after 1 January 2016 is recognized under the item "Reserve for development costs" under equity. The reserve is reduced by depreciation.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	up to 40 years
Plant and machinery	up to 8 years
Other fixtures and fittings, tools and equipment	up to 5 years
Leasehold improvements	up to 10 years

For leasehold improvements and assets subject to finance leases, the deprecation period cannot exceed the contract period.

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Depreciation period and residual value are reassessed annually.

Inventories
Inventories are measured at the lower of cost using the weighted average method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in the cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

Accounting policies

Cash
Cash comprises cash in hand and bank deposits.

Dividend
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 provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments etc.

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the company has a legal or constructive obligation and it is probable that economic benefits must be given to settle the obligation.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Evoca S.p.A., the company has not prepared a cash flow statement.

Accounting policies

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	Gross profit x 100 / Revenue	The Entity's operating gearing.
Net margin (%)	Profit/loss for the year x 100 / Revenue	The Entity's operating profitability.
Return on equity (%)	Profit/loss for the year x 100 / Average equity	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	Equity x 100 / Total assets	The financial strength of the Entity.

Income statement for 2017

	Notes	2017 DKK	2016 DKK
Revenue	1	451.036.409	436.114.996
Production costs	3	-354.091.448	-352.727.911
Gross profit/loss		**96.944.961**	**83.387.085**
Distribution costs	3	-18.113.587	-17.535.989
Administrative costs	2,3	-20.154.621	-19.611.481
Operating profit/loss		**58.676.753**	**46.239.615**
Other financial income	4	177.991	5.998.527
Other financial expenses	5	-5.747.173	-3.071.203
Profit/loss from ordinary activities before tax		**53.107.571**	**49.166.939**
Tax on profit/loss from ordinay activities	6	-11.619.744	-11.402.857
Profit/loss for the year		**41.487.827**	**37.764.082**
Proposed distribution of profit/loss	7		

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Completed development projects		12.466.085	25.535.283
Goodwill		0	4.704.098
Development projects in progress		1.720.534	2.866.321
Intangible assets	8	**14.186.619**	**33.105.702**
Plant and machinery		0	12.489
Other fixures and fittings, tools and equipment		759.453	1.648.895
Leasehold improvements		618.552	714.524
Property, plant and equipment	9	**1.378.005**	**2.375.908**
Deposits		426.681	426.681
Fixed assets investments	10	**426.681**	**426.681**
Fixed assets		**15.991.305**	**35.908.291**
Manufactured goods and goods for resale		39.309.036	33.310.321
Inventories		**39.309.036**	**33.310.321**
Trade receivables		44.346.672	48.389.636
Receivables from group enterprises		33.061.834	18.644.894
Deferred tax asset	13	1.084.689	0
Other short-term receivables		228.220	150.134
Prepayments	11	765.686	575.653
Receivables		**79.487.101**	**67.760.317**
Cash		**73.366.139**	**91.049.146**
Current assets		**192.162.276**	**192.119.784**
Assets		**208.153.581**	**228.028.075**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital	12	20.000.000	75.000.000
Reserve for development costs		3.422.674	5.147.206
Retained earnings		57.226.920	7.884.176
Proposed dividend		50.000.000	50.000.000
Equity		**130.649.594**	**138.031.382**
Provisions for deferred tax	13	0	2.134.686
Other provisions	14	12.548.617	14.842.091
Provisions		**12.548.617**	**16.976.777**
Trade payables		3.983.140	3.803.450
Debt to group enterprises		30.228.882	35.764.812
Income tax payable		15.270.584	15.297.913
Other payables		15.472.764	18.153.741
Current liabilities other than provisions		**64.955.370**	**73.019.916**
Liabilities other than provisions		**64.955.370**	**73.019.916**
Equity and liabilities		**208.153.581**	**228.028.075**

Unrecognised rental and lease commitments	15
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Events after the balance sheet date	20

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	75.000.000	5.147.206	7.884.176	50.000.000	138.031.382
Ordinary dividend paid	0	0	0	-50.000.000	-50.000.000
Fair value adjustments of hedging instruments	0	0	1.130.385	0	1.130.385
Profit/loss for the year	0	0	-8.512.173	50.000.000	41.487.827
Capital reduction	-55.000.000	0	55.000.000	0	0
Reserves for development	0	-1.724.532	1.724.532	0	0
Equity end of year	**20.000.000**	**3.422.674**	**57.226.920**	**50.000.000**	**130.649.594**

Notes

1. Revenue

	2017 DKK	2016 DKK
Scandinavia and Balticum	163.943.862	163.706.575
Other Europe	219.182.643	196.720.744
Overseas	62.697.597	69.634.926
Intercompany	5.212.307	6.052.751
	451.036.409	**436.114.996**

As Wittenborg ApS only operate with one segment - the information will only be on revenue and on the sales area when it is measured.

2. Fees for the auditor appointed by the Annual General Meeting

	2017 DKK	2016 DKK
Information on auditors fees:		
Statutory audit	295.049	291.119
Tax advice	30.000	30.000
Other	2.632	0
	325.049	**321.119**

3. Staff costs

	2017 DKK	2016 DKK
Wages and salaries	16.531.658	15.939.409
Pension costs	1.365.470	1.294.167
Other social security costs	699.482	747.729
	18.596.610	**17.981.305**
Average number of employees	**34**	**35**

Referring to section 98B, subsection (2) of the Danish Financial Statements Act. 3 information about management remuneration is omitted.

4. Other financial income

	2017 DKK	2016 DKK
Financial income arising from group enterprises	72.235	5.421.094
Interest income	105.756	6.992
Exchange rate adjustment	0	570.441
	177.991	**5.998.527**

Notes

5. Other financial expenses

	2017 DKK	2016 DKK
Exchange rate adjustment	2.351.623	-
Other financial expenses	3.395.550	3.071.203
	5.747.173	**3.071.203**

6. Tax on ordinary profit/loss for the year

	2017 DKK	2016 DKK
Current tax	15.339.053	15.861.793
Change in deferred tax for the year	-3.538.202	-4.497.198
Adjustment relating to previous years	-221.005	-45.888
Other taxes	39.898	84.150
	11.619.744	**11.402.857**

7. Proposed distribution of profit/loss

	2017 DKK	2016 DKK
Dividend for the financial year	50.000.000	50.000.000
Retained earnings	-8.512.173	-12.235.918
	41.487.827	**37.764.082**

8. Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	106.162.803	87.025.098	2.866.321
Additions	0	0	1.720.534
Disposals	0	0	-2.866.321
Cost end of year	**106.162.803**	**87.025.098**	**1.720.534**
Amortisation and impairment losses beginning of year	-80.627.520	-82.321.000	0
Impairment losses for the year	-4.105.389	0	0
Amortisation for the year	-8.963.809	-4.704.098	0
Disposals	0	0	0
Amortisation and impairment losses end of year	**-93.696.718**	**-87.025.098**	**0**
Carrying amount end of year	**12.466.085**	**0**	**1.720.534**

The development of new machines is outsourced to group companies in Italy. Development projects concern the development of new versions of machines for the coffee & vending industry. There are the necessary resources available for development, which are continuously tested in relation to specific customer and market aspirations, thus ensuring the desired result. Sales of new products are expected for existing and new customers. Prior to launching the projects, the company has investigated the need and requirement specification at the customers.

Notes

9. Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
Cost beginning of year	265.794	5.497.373	959.715
Cost end of year	**265.794**	**5.497.373**	**959.715**
Depreciation and impairment losses beginning of year	-253.305	-3.848.479	-245.191
Depreciation of the year	-12.489	-889.442	-95.972
Depreciation and impairment losses end of year	**-265.794**	**-4.737.921**	**-341.163**
Carrying amount end of year	**0**	**759.453**	**618.552**

10. Fixed assets investments

	2017 DKK
Deposits beginning of year	426.681
Adjustment of the year	-
Deposits end of year	**426.681**

11. Prepayments

	2017 DKK	2016 DKK
Prepaid insurance	11.955	69.978
Prepaid expenses	753.731	505.675
	765.686	**575.653**

Notes

12. Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	20.000	1.000,00	20.000.000
	20.000		**20.000.000**

	2017 DKK
Changes in contributed capital	
Contributed capital 1 January 2013	75.000.000
Capital reduction	-55.000.000
Contributed capital end of year	**20.000.000**

13. Deferred tax

	2017 DKK	2016 DKK
Intangible assets	3.121.056	7.283.254
Property, plant and equipment	-445.789	-454.786
Inventories	-1.007.676	-1.118.110
Provisions	-2.240.632	-2.745.196
Liabilities other than provisions	8.415	-310.412
Other taxable temporary differences	-520.064	-520.064
	-1.084.689	**2.134.686**

	2017 DKK	2016 DKK
Deferred tax beginning of the year	2.134.686	6.730.998
Deferred tax included in Income statement	-3.538.202	-4.497.198
Deferred tax included in Equity	318.827	-99.115
	-1.084.689	**2.134.685**

Notes

14. Other provisions

The company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory.

	2017 DKK	2016 DKK
Warranty provision beginning of the year	12.478.165	12.822.426
Provision for the year	-2.293.474	-344.261
Warranty provision at the end of the year	10.184.691	12.478.165
Other provisions beginning of the year	2.363.926	2.363.926
Other provisions for the year	0	0
Total other provisions at the end of the year	2.363.926	2.363.926
Other provisions in total	**12.548.617**	**14.842.091**

15. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry		
Due within 1 year	2.643.537	2.476.031
Due between 1 to 5 years	1.312.033	3.372.556
Due after 5 years	-	3.296
	3.955.571	**5.851.883**

16. Contingent liabilities

The company participates in a Danish joint taxation arrangement in which N&W (Denmark) ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interst, royalties and dividend for the jointly taxed companies.

	2017 DKK	2016 DKK
17. Derived financial instruments		
Share of other short-term receivables	38.248	-
Share of other payables	-	1.410.964

The Company is hedging USD to the EUR on sales in USD.

Notes

18. Related parties with a controlling interest
The company's immediate parent company is:
N&W (Denmark) ApS, C.F. Tietgens Boulevard 19, 5220 Odense SØ, Denmark

The company's ultimate parent company is:
Evoca S.p.A.,Via Roma 24, 24030 Valbrembo, Italy.

Other related parties with whom Wittenborg ApS has had transactions in 2017:
Sister companies in Italy, Germany, France, Great Britain, Poland, Spain & Holding Company in Denmark

Transaction between related parties and Wittenborg ApS in 2017:
Trade with sister companies. Re. extend of sales see note 1.
Loan with Holding Company.
Transfer of group expenses, such as Management Fee, research and development, marketing and IT expenses.

19. Consolidated financial statements
The company is included in the Group Annual Report for the Parent Company of the largest and smallest Group:
Evoca S.p.A.,Via Roma 24, 24030 Valbrembo, Italy.

20. 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.