Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-No. 33963556
Tværkajen 5
Postboks 10
5100 Odense C

Phone 63 14 66 00
Fax 63 14 66 12
www.deloitte.dk

Wittenborg ApS
Central Business Registration No 37804819

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Stefano Barato

Contents

Entity details

Entity

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

Central Business Registration No: 37804819
Registered in: Odense
Financial year: 01.01.2015 - 31.12.2015

E-mail: finance.odense@nwglobalvending.dk

Committee of Representatives

Stefano Barato, Chairman
Enoel Rocchetti
Finn Kjærhus
Ann Christina Keld

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 31.05.2016

Executive Board

Finn Kjærhus
Chief Executive Officer

Committee of Representatives

Stefano Barato Chairman	Enoel Rocchetti	Finn Kjærhus
Ann Christina Keld		

Independent auditor's reports

To the owners of Wittenborg ApS

Report on the financial statements

We have audited the financial statements of Wittenborg ApS for the financial year 01.01.2015 - 31.12.2015, 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.

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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company’s financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Odense, 31.05.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Lars Knage Nielsen
State Authorised Public Accountant

Management commentary

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Financial highlights					
Key figures					
Revenue	434,999	497,210	474,272	458,836	470,189
Gross profit/loss	105,410	96,887	98,310	85,814	40,733
Operating profit/loss	67,889	58,770	57,420	46,843	5,843
Net financials	(3,380)	(1,462)	(2,145)	(1,607)	(25)
Profit/loss for the year	48,482	43,006	41,631	36,229	4,409
Total assets	413,898	444,974	373,898	320,613	307,464
Equity	250,680	249,833	210,187	168,396	131,469
Employees in average	36	36	36	40	156
Ratios					
Gross margin (%)	24.2	19.5	20.7	18.7	8.7
Net margin (%)	11.1	8.6	8.8	7.9	0.9
Return on equity (%)	19.4	18.7	22.0	24.2	3.4
Solvency ratio (%)	60.6	56.1	56.2	52.5	42.8

Management commentary

Primary activities

The company is a part of N&W Global Vending 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.

Development in activities and finances

The revenue decreased from 497,210 Tkr. in 2014 to 434,999 Tkr. in 2015. The decrease is attributable to 62,211 Tkr. The revenue decrease was mainly due to lower sales realized to the key account customers and a delayed introduction of the new 9100 coffee machine.

The earnings after tax for 2015 is 48,482 Tkr. compared to 43,006 Tkr. for last year and the company’s balance sheet as per 31st of December 2015 shows an equity of 250,680 Tkr.

The result is considered satisfactory.

Outlook

Research and development

According to a R&D Service Agreement the development activities of the Group have been outsourced to the parent company in Italy.

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 responsibility policy as per the rules in ÅRL §99.a.

However for further information we refer to the website of the parent company, N&W Global Vending S.p.A, where the group policy for social responsibility can be found on the following link:

Management commentary

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

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 underrepresented gender. If the board members, elected by the shareholders, are more than 3, at least 40% shall be the underrepresented gender."

As the company has less than 50 employees, but belongs to reporting class C, the policy only includes the board members elected by the shareholders. 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 2015 this policy was fully adopted in the company.

Special risks

Wittenborg ApS' currency risks are hedged at group level through the Treasury Department at Group Headquarters. Wittenborg ApS 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 an increased revenue for the coming year among other due to the introduction of the 9100 and other new products.

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

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

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

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.

Accounting policies

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 as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative 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 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 comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax 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 a 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, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises di-

Accounting policies

rect and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset’s fair value and present value of future lease payments.

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 asset.

Interest expenses on loans for the financing of the manufacture of plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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 depreciation period cannot exceed the contract period.

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

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 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 equalling nominal value less write-downs for bad and doubtful debts.

Accounting policies

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 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 carryforwards, 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, returns, loss on contract work in progress, decided and published restructurings, etc.

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

Cash flow statement is, cf. The Danish Financial Statements Act paragraph 86, leaved out.

Accounting policies

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

Income statement for 2015

	Notes	2015 DKK	2014 DKK'000
Revenue	1	434,998,661	497,210
Production costs	3	(329,589,069)	(400,323)
Gross profit/loss		**105,409,592**	**96,887**
Distribution costs	3	(17,643,585)	(16,004)
Administrative costs	2, 3	(19,877,018)	(22,113)
Operating profit/loss		**67,888,989**	**58,770**
Other financial income	4	887,933	3,595
Other financial expenses	5	(4,268,176)	(5,057)
Profit/loss from ordinary activities before tax		**64,508,746**	**57,308**
Tax on profit/loss from ordinary activities	6	(16,027,221)	(14,302)
Profit/loss for the year		**48,481,525**	**43,006**
Proposed distribution of profit/loss			
Dividend for the financial year		150,000,000	50,000
Retained earnings		(101,518,475)	(6,994)
		48,481,525	**43,006**

Balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK'000
Completed development projects		39,165,795	34,960
Goodwill		9,409,098	14,114
Development projects in progress		5,726,510	10,947
Intangible assets	7	**54,301,403**	**60,021**
Plant and machinery		33,897	78
Other fixtures and fittings, tools and equipment		2,559,989	3,495
Leasehold improvements		810,496	907
Property, plant and equipment	8	**3,404,382**	**4,480**
Deposits		414,253	402
Fixed asset investments		**414,253**	**402**
Fixed assets		**58,120,038**	**64,903**
Manufactured goods and goods for resale		30,931,154	38,992
Inventories		**30,931,154**	**38,992**
Trade receivables		46,929,049	77,993
Receivables from group enterprises		171,764,983	221,273
Other short-term receivables		774,819	876
Receivables		**219,468,851**	**300,142**
Cash		**105,378,141**	**40,937**
Current assets		**355,778,146**	**380,071**
Assets		**413,898,184**	**444,974**

Balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK'000
Contributed capital	9	75,000,000	75,000
Retained earnings		25,680,010	124,833
Proposed dividend		150,000,000	50,000
Equity		**250,680,010**	**249,833**
Provisions for deferred tax	10	6,730,998	6,432
Other provisions	11	15,186,352	17,237
Provisions		**21,917,350**	**23,669**
Trade payables		5,489,811	7,904
Debt to group enterprises		89,922,542	110,200
Income tax payable		15,198,963	18,746
Other payables		30,689,508	34,622
Current liabilities other than provisions		**141,300,824**	**171,472**
Liabilities other than provisions		**141,300,824**	**171,472**
Equity and liabilities		**413,898,184**	**444,974**

Unrecognised rental and lease commitments	12
Contingent liabilities	13
Ownership	14

Statement of changes in equity for 2015

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	75,000,000	124,833,135	50,000,000	249,833,135
Ordinary dividend paid	0	0	(50,000,000)	(50,000,000)
Fair value adjustments of hedging instruments	0	2,365,350	0	2,365,350
Profit/loss for the year	0	(101,518,475)	150,000,000	48,481,525
Equity end of year	**75,000,000**	**25,680,010**	**150,000,000**	**250,680,010**

Notes

	2015 DKK	2014 DKK'000
1. Revenue		
Scandinavia and Balticum	144,293,954	196,278
Other Europe	221,484,760	205,732
Overseas	57,131,967	89,888
Intercompany	12,087,980	5,312
	434,998,661	**497,210**

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

Information on auditors fees

	2015 DKK	2014 DKK’000
Statutory audit	287,306	319
Tax advice	30,000	40
Other	117,151	0
	434,457	**359**

	2015 DKK	2014 DKK'000
3. Staff costs		
Wages and salaries	16,595,055	16,452
Pension costs	1,350,452	1,326
Other social security costs	485,302	380
	18,430,809	**18,158**
Average number of employees	**36**	**36**

	Remunerati-on of mana-gement 2015 DKK
Total amount for management categories	1,481,195
	1,481,195

Notes

4. Other financial income

	2015 DKK	2014 DKK'000
Financial income arising from group enterprises	202,029	382
Interest income	911	11
Exchange rate adjustments	684,993	3,202
	887,933	**3,595**

5. Other financial expenses

	2015 DKK	2014 DKK'000
Exchange rate adjustments	2,048,355	3,044
Other financial expenses	2,219,821	2,013
	4,268,176	**5,057**

6. Tax on ordinary profit/loss for the year

	2015 DKK	2014 DKK'000
Current tax	16,386,121	18,775
Change in deferred tax for the year	(480,488)	(4,510)
Adjustment relating to previous years	121,588	37
	16,027,221	**14,302**

7. Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	122,098,345	87,025,098	10,946,765
Transfer to and from other items	0	0	(16,715,599)
Additions	16,715,599	0	11,495,344
Cost end of year	**138,813,944**	**87,025,098**	**5,726,510**
Amortisation and impairment losses beginning of year	(87,138,410)	(72,911,000)	0
Impairment losses for the year	0	(4,705,000)	0
Amortisation for the year	(12,509,739)	0	0
Amortisation and impairment losses end of year	**(99,648,149)**	**(77,616,000)**	**0**
Carrying amount end of year	**39,165,795**	**9,409,098**	**5,726,510**

Notes

8. Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements 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 the year	(188,092)	(2,001,553)	(53,247)
Depreciation for the year	(43,805)	(935,831)	(95,972)
Depreciation and impairment losses end of the year	**(231,897)**	**(2,937,384)**	**(149,219)**
Carrying amount end of year	**33,897**	**2,559,989**	**810,496**

9. Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	75,000	1,000.00	75,000,000
	75,000		**75,000,000**

	2015 DKK	2014 DKK	2013 DKK	2012 DKK	2011 DKK
Changes in contributed capital					
Contributed capital beginning of year	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Contributed capital end of year	**75,000,000**	**75,000,000**	**75,000,000**	**75,000,000**	**75,000,000**

Notes

10. Deferred tax

	2015 DKK	2014 DKK'000
Intangible assets	12,760,830	14,705
Property, plant and equipment	(562,077)	(757)
Inventories	(1,214,326)	(1,307)
Provisions	(3,013,270)	(3,644)
Liabilities other than provisions	(211,297)	(991)
Other taxable temporary differences	(555,523)	(579)
Other deductible temporary differences	(473,339)	(995)
	6,730,998	**6,432**

11. Other provisions

The company provides warranties of 1 year on some of its products and is therefore obliged to repair or replace goods which are not satisfactory.

	2015 DKK	2014 DKK'000
Warranty provision beginning	14,872,917	10,291
Provision for the year	(2,050,491)	4,582
Warranty provision at the end	12,822,426	14,873
Other provisions	2,363,926	2,364
Total other provisions	**15,186,352**	**17,237**

12. Unrecognised rental and lease commitments

	2015 DKK	2014 DKK'000
Commitments under rental agreements or leases until expiry	**7,735,113**	**7,800**

13. 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 liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Notes

14. Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

N&W (Denmark) ApS, Odense, Denmark