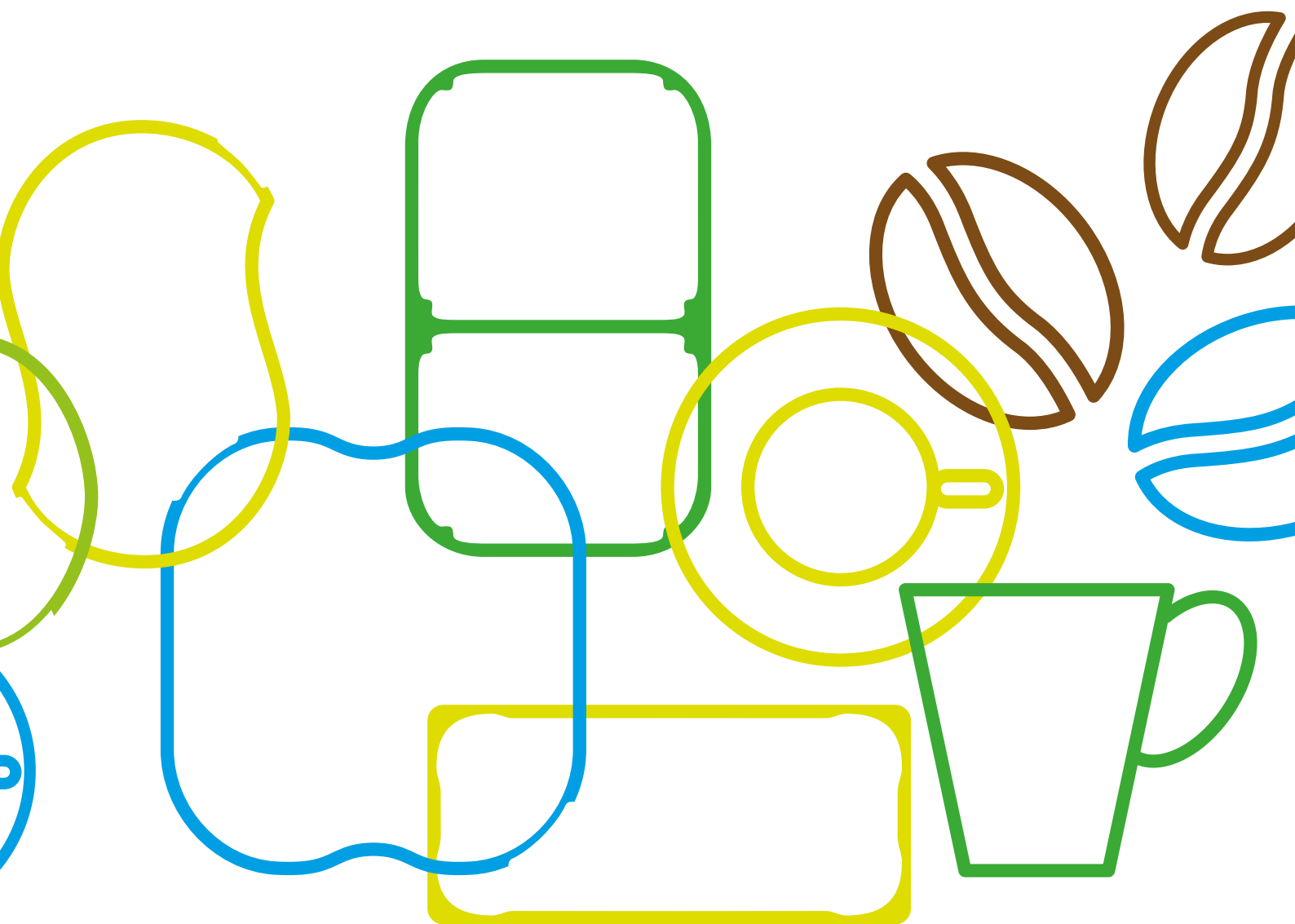




Jaarverslag  
2016 Annual report





[www.mikocoffee.com](http://www.mikocoffee.com)

## TABLE OF CONTENTS

Message from the CEO .....	04
Miko in 2016 .....	06
Annual Report .....	07
Heritage .....	09
Mission Statement .....	11
Strategy Miko .....	12
Group structure .....	13
Analysis of the results .....	14
2016 Developments .....	19
Human Resources .....	28
Stock exchange information .....	29
Corporate governance declaration .....	30
Results and proposal for the allocation of result .....	42
Consolidated annual accounts (IFRS) .....	46
Statutory financial statements Miko N.V. ....	83

## MESSAGE FROM THE CEO

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2016 will go down in history as a year in which we have witnessed fundamental changes in the political landscape. Or will it not? Will it rather be a single drop in the ocean, and will things return to “business as usual” ... Who can tell?

However, against the backdrop of geopolitical turmoil with Brexit, Trump, terrorism and much more things occurring in 2016, MIKO has had an exceptionally good year.

We achieved a turnover of EUR 191.5 million, 7.42 % higher than last year. Earnings before interest and tax (EBIT) amounted to EUR 16 million, surpassing 2015, in which we also recorded solid results, at a healthy 56.05%. Things were in high gear throughout 2016.

A three-year investment program came to an end in the central coffee roastery, involving, amongst other things, the installation of new equipment that enables slow roasting, capitalizing on the growth market for espresso. This three-year project also involved the installation of an ultramodern Sortex machine that removes impurities from the coffee, an automated roller track, a mega-catalyst that breaks down coffee vapours and a series of new silos to hold both raw and roasted coffee beans.

The Plastics department concluded an investment of EUR 3 million, including a multilayer extrusion line. This is designed for the production of food packaging, enabling longer storage life by minimizing air permeability. This very complex technology requires a considerable amount of know-how.

Innoware, our partner in Jakarta (Indonesia) unexpectedly received a significant one-time order to supply promotional products. This required the deployment of an additional 360 temporary staff at very short notice! And in the midst of all this activity, a groundbreaking ceremony was held, following which the construction of a new production site was launched on 30,000 m<sup>2</sup> industrial land acquired in 2015. The construction work is progressing well, and production is scheduled to start at the greenfield site after the summer of 2017. The total investment amounts to approx. EUR 6.7 million.

We are also proud to welcome the Swedish coffee team from Smiling Faces to our group of companies. Some years ago, we took the decision to expand our acquisition activities in Scandinavia. The region is performing relatively well and an increase in the local currencies will reduce the significance of the pound sterling in the group. These efforts resulted in acquisitions in Sweden, Denmark and Norway.





Kaffekompaniet, our initial Swedish subsidiary, is located in the Swedish cities of Gothenburg and Malmö. The addition of Stockholm-based Smiling Faces will enable us to expand into a national coffee service organization.

We are also proud to report that – up till now - we have acquired tracts of rainforest - equivalent to almost 14,000 football pitches, for perpetual protection. This shows how sustainability and corporate social responsibility are not empty slogans for us. We would like to thank all our customers throughout the world who are contributing to this on a daily basis.

We would also like to extend our thanks to our shareholders. Your confidence in MIKO helped our share price achieve yet another fine result in 2016, starting at exactly EUR 100 and ending at exactly EUR 110.

And what to expect for 2017? While we still can't read that crystal ball, given that approx. 12 % of our turnover is derived in the United Kingdom, Brexit and the resulting fall in the pound sterling will make our operations slightly more challenging. Conversely, our recent expansion in Scandinavian countries will result in the fact that their respective currencies will counterbalance the significance of the pound sterling in the group.

Moreover, there is no certainty, however, that a similar opportunity as that seen in Indonesia will repeat itself in 2017. Nevertheless, our investment budget of EUR 15.8 million reflects the fact that we have the necessary confidence in our recurring business ...

This year our workforce grew beyond 1,000 employees. An historic moment. Many thanks to you all, the entire MIKO family with currently 1,116 members. We would not have brought this year to such a splendid close without your dedication and positive attitude ...

## MIKO in 2016

191.5 M EUR  
TURNOVER

16 M EUR  
EBIT

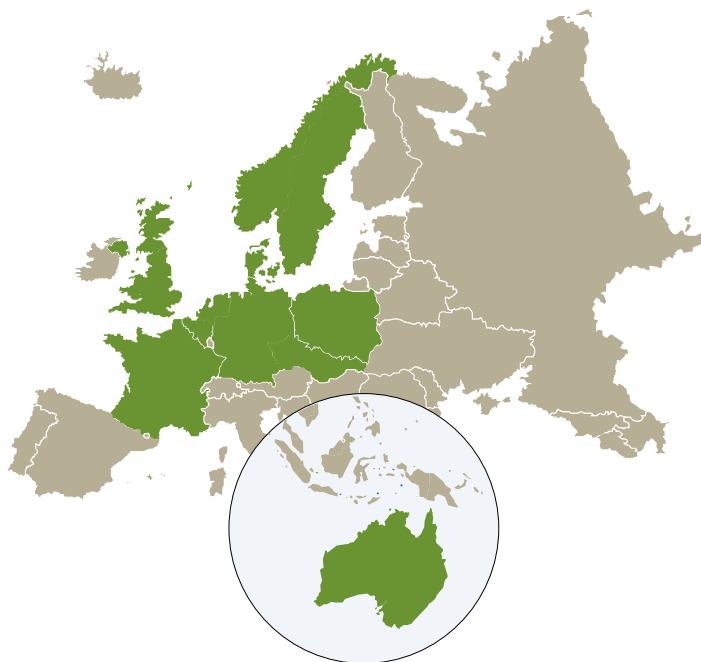
27 M EUR  
EBITDA

1.54 EUR  
GROSS DIVIDEND



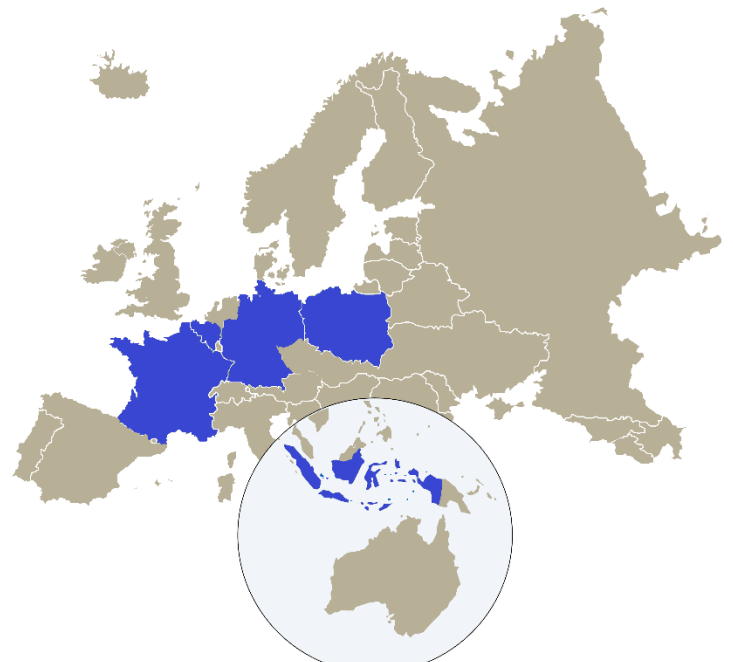
96.5 M EUR turnover  
18 locations  
12 countries  
1 central roastery – smaller local roasters  
578 coffee specialists

Out-of-Home Market  
Office Coffee Solutions  
Restaurants – Bars – Hotels –  
Health Care  
International MIKO distributors



94.9 M EUR turnover  
5 locations  
5 countries  
3 production sites  
538 plastics specialists

Injection Moulding  
In-Mould Labelling (IML)  
Thermoforming  
Extrusion



**Miko N.V.**

**Steenweg op Mol 177  
2300 Turnhout  
KBO nr. 0404.175.739  
RPR Turnhout**

**(the "Company")**

## **ANNUAL REPORT**

Dear Shareholders,

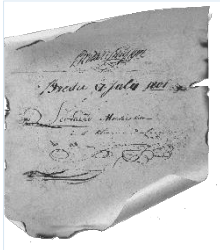
The Board of Directors of Miko N.V. takes pleasure in reporting to you on the company's activities and results over the financial year 2016. The consolidated annual accounts, the single annual accounts and this annual report were approved at the meeting of the Board of Directors on 20 March 2017 and will be presented to the Ordinary General Meeting on 23 May 2017.





## HERITAGE

Over 200 years of tradition summarized in a number of milestones  
 This is our legacy ... our heritage  
 MIKO's rich history shows  
 how innovation can be the basis for long-term growth



**1801**

Leonardus Michielsen starts up a coffee roasting business and starts trading in colonial merchandise.



**1908**

Jan Michielsen incorporates coffee roastery Michielsen Koffie.



**1937**

The company expands to the outer circle of the city of Turhout, the name MIKO is born. .



**1958**

Brussels World Exposition  
 MIKO launches the one-cup coffee filter... an absolute innovation in the field of coffee consumption



**1972**

Strategic orientation from coffee on the shelves in retail... Towards a focus on Out-of-Home coffee consumption in companies, offices, bars, hotels and restaurants

**MIKO PLASTICS CENTER N.V.**

**1974**

The knowlege of plastics acquired through the one-cup coffee filters development is being put to further use ... a plastics divisison is founded for all types of ackaging. Today's Miko Pac is born.





**1998**

IPO of MIKO N.V.'s shares on the Brussels stock exchange



**1999 - ....**

Further expansion in both the coffee division (France, the United Kingdom, Slovakia, the Czech Republic, ....) and the plastic division (the current MIKO PAC Sp. z o.o., in Bydgoszcz, Poland).



**2003**

MIKO is proud to receive the prestigious "Company of the Year" trophy, an initiative of E&Y, de Tijd and BNP Paribas Fortis.



**2005**

Launch of the PURO Fair-trade coffee brand and the start of rainforest acquisition through World Land Trust.



**2010**

Rebranding the plastics division results in the MIKO PAC name and logo.



PART OF MIKO GROUP



**2013 - .....**

Further international expansion in the coffee division through a number of targeted acquisition in Scandinavia.



**2014**

MIKO PAC enters into a strategic partnership through a 50% participation in the plastics company PT. Innoware (Jakarta, Indonesia).

*"When you can't change the direction of the wind – adjust your sails"*  
  
- H. Jackson Brown -





## MISSION STATEMENT

"MIKO wants to be the partner for Out-of-Home customers by supplying careless coffee concepts based upon high - quality products and services"

- Your coffee, our concern -



"MIKO PAC wants to be a sustainable and recognized partner for the development and supply of plastics packaging with an added value"



MIKO is a dynamic and internationally focused group of companies, with a clear long-term vision, in which consistent investments have been made over recent years in marketing, R&D and production.

In that regard the group is diversified in such a way that it is divided into two core activities: coffee and plastics, each of which have devised their own mission statements.

## Strategy cornerstones:

### 1. Core activities: coffee service and plastics processing

MIKO's foundation lies in the further development of our two core activities, both through internal and external growth. Consolidating our market position in our home countries remains of paramount importance, although it remains our ambition to achieve further internationalization.

### 2. Avoiding myopia... thinking long term

MIKO exists for over 200 years... we will not allow ourselves to be seduced by opportunism or short term thinking. Rather we maintain to assess possible investments on the basis of their strategic contribution in the long-term, even though this might be at the expense of short-term results.

### 3. Think Big ... Act Small - Think Global ... Act Local

We will continue to make use of our key benefit of flexibility for both core activities. Tailor made solutions, fast response times and specialization remain crucial for further growth in the very demanding markets in which we operate.

### 4. Strive for excellence

Our continuous efforts in research and development will enable us to continue our aim for improvement of our high product standard, both for coffee as for plastics.

### 5. People... our key asset for success!

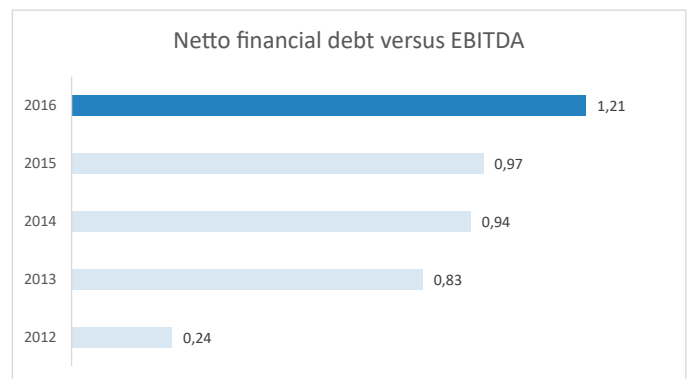
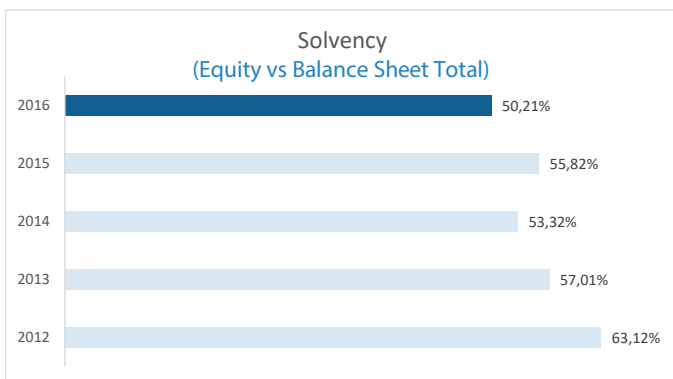
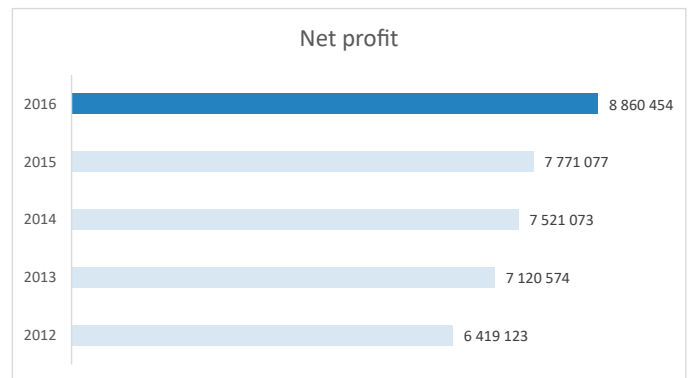
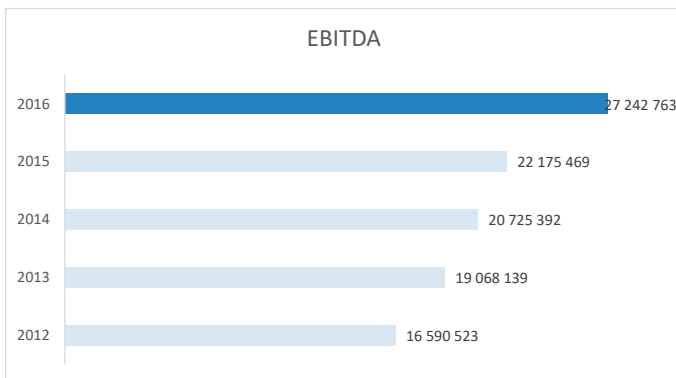
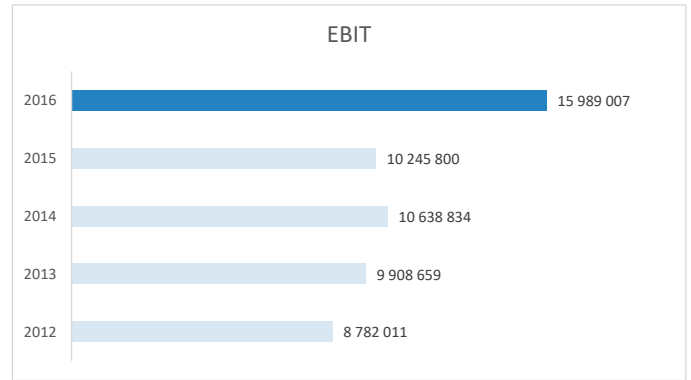
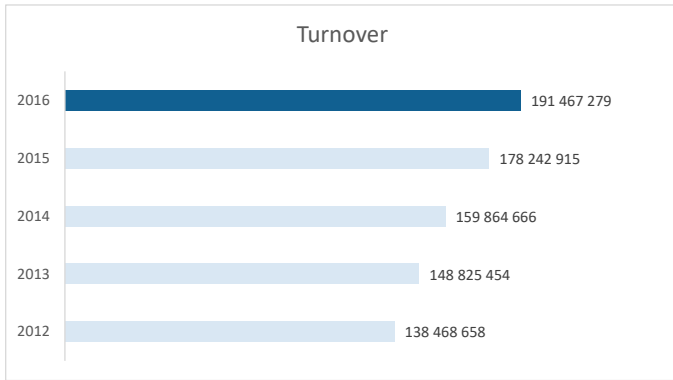
Excellence can only be achieved if people are prepared to dedicate themselves to this goal. Motivation and knowledge are key ... MIKO strives to motivate its employees by giving them the opportunity to contribute their own creativity and energy and by recognizing these qualities. There are opportunities for career development for those who pursue and wish to achieve this.

### 6. Sustainability

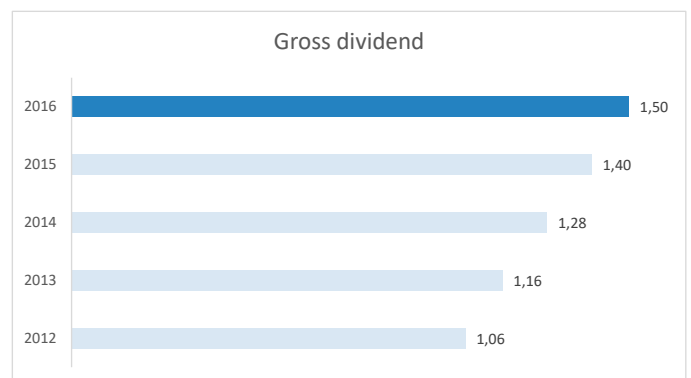
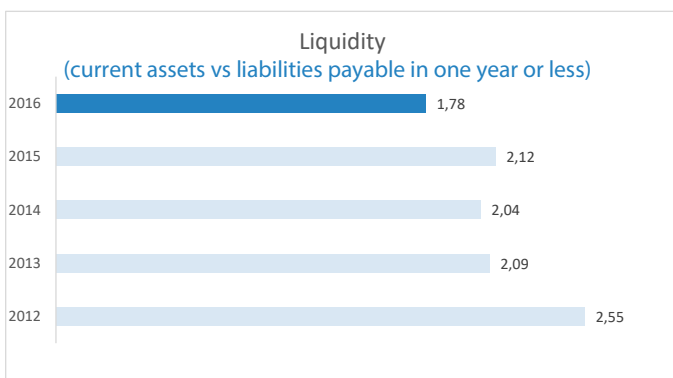
MIKO has had a focus on sustainability since 2005 with – amongst others – the launch of its PURO coffee brand. MIKO observes the following key values: Planet, People, Profit ... and Pleasure



## ANALYSIS OF THE RESULTS



Net financial debt: interest bearing debt due in more than 1 year and due within one year less cash and cash equivalents



## KEY FINANCIAL DATA

### Income statement

	2016 (K EUR)	2015 (K EUR)	Difference 2016/2015
Turnover	191,467	178,243	7.42%
Other operating income	4,674	3,656	27.84%
Total expenses	-180,152	-171,653	4.95%
Earnings before interest and taxes (EBIT)	15,989	10,246	56.05%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	27,243	22,175	22.85%
Net financial result	-940	89	-1.156.18%
Profit before taxes	15,049	10,335	45.61%
Corporation tax	-4,298	-2,535	69.55%
Net profit of the group	10,751	7,800	37.83%
Attributable to minority interest	1,891	29	6.420.69%
Attributable to shareholders of MIKO	8,860	7,771	14.02%
Number of shares (basic, in units)	1,242,000	1,242,000	
Basic earnings per share, attributable to equity holders of MIKO (euro)	7.13	6.26	13.90%
Diluted earnings per share, attributable to equity holders of MIKO (euro)	7.09	6.21	14.17%
Gross dividend	1,913	1,739	10.00%
Gross dividend per share (euro)	1.54	1.40	10.00%

Company **turnover** increased by more than EUR 13 million. Turnover in the plastics department increased by more than EUR 6 million. This is explained by two opposite effects. On the one hand the sales prices decreased due to lower raw material prices. On the other hand, partner PT. Innoware in Indonesia received a large one-off order for promotional materials.

Turnover in the coffee segment increased by almost EUR 7 million. This increase results from the increased sales in most home countries. Furthermore, the merger with Qusotic in Germany at the end of 2015 as well as the acquisition of Smiling Faces in Sweden had a positive impact on turnover.

**Costs** increased by 4.95 %, and therefore rose slower than turnover. On the one hand this is explained by the decrease in the purchase prices of raw coffee beans. On the other hand, the aforementioned order with PT. Innoware also had an important impact.

The overall **gross margin** amounted to 50.19 % (47.35 % in 2015). This increase is connected with the coffee prices that were lower on average in 2016 than in 2015.

All this resulted in an increase in **EBIT** (earnings before interest and taxes) of EUR 5.7 million (+56.05 %) and an increase in **EBITDA** (earnings before interest, taxes, depreciation and amortization) of EUR 5.10 million (+22.85 %).

The **financial result** amounted to EUR -1.0 million, a decrease of EUR 1.0 million compared to 2015. This decrease can mainly be attributed to negative exchange rate differences (GBP, PLN, NOK).

The group paid EUR 4.3 million in **tax**, which corresponds to a tax burden of 28.56 % (compared to 24.53 % in 2015).

The net profit amounted to EUR 8.86 million, a 14.02 % increase in relation to the previous financial year. The Board of Directors proposed that the General Meeting raises the gross dividend per share from EUR 1.40 to EUR 1.54.

## Balance sheet

	2016 (K EUR)		2015 (K EUR)	
<b>ASSETS</b>				
<u>Non-current assets</u>				
Tangible assets	53,931		48,101	
Intangible assets	30,707		21,326	
Deferred tax demands	998		763	
Trade and other receivables due in more than one year	416		881	
<b>Total fixed assets</b>		<b>86,052</b>		<b>71,071</b>
<u>Current assets</u>				
Inventories	29,859		28,090	
Trade and other receivables due in less than one year	37,958		31,846	
Cash and cash equivalents	10,643		10,629	
<b>Total current assets</b>		<b>78,460</b>		<b>70,565</b>
<b>Total assets</b>		<b>164,512</b>		<b>141,636</b>
<b>LIABILITIES</b>				
<u>Equity</u>				
<b>Total equity</b>		<b>82,599</b>		<b>79,063</b>
<u>Liabilities due in more than one year</u>				
Interest-bearing loans due in more than one year	30,352		21,904	
Obligations regarding personnel	617		629	
Deferred tax obligations	5,019		4,427	
Trade and other payables due in more than one year	909		827	
Long-term provisions	937		1,431	
<b>Total liabilities due in more than one year</b>		<b>37,834</b>		<b>29,218</b>
<u>Liabilities due in one year or less</u>				
Interest-bearing loans due in one year or less	13,305		10,240	
Taxes and social security contributions payable	7,883		5,718	
Trade and other payables due in one year or less	22,891		17,397	
<b>Total liabilities payable in one year or less</b>		<b>44,079</b>		<b>33,355</b>
<b>Total liabilities</b>		<b>164,512</b>		<b>141,636</b>

The **tangible assets** increased by approx. EUR 5.8 million. A total EUR 17.8 million was invested in 2016. Investments in the Plastics department mainly concerned production equipment, i.e. machines, robots and moulds and investments in a new production facility in Indonesia. Investments in the Coffee department were made in coffee machines and the new coffee roasting unit.

These investments were offset by EUR 10.3 million depreciation and EUR 1.0 million disposals. On the other hand, the tangible assets decreased by EU 0.7 million on account of negative currency effects.

The **intangible assets** increased by almost EUR 9.4 million. This concerns goodwill relating to the acquisition of Smiling Faces AB in Sweden.

**Non-current receivables** decreased by EUR 0.5 million. This concerns finance lease receivables that had expired and were transferred to current receivables.

The **stock** increased by EUR 1.8 million as a consequence of increased turnover on the one hand and the acquisition of Smiling Faces AB in Sweden on the other.

**Current receivables** increased by EUR 6.1 million or 19 %. This is attributable to increased turnover and the DSO increase from 55.05 days to 64.05 days. The DSO increase is the consequence of an extraordinary contract in Indonesia.

The available resources (**cash**) remained virtually constant compared to 2015. For more information, see the cash flow overview below.

**Equity** increased by approx. EUR 3.5 million. This increase is attributable to net profit of the financial year. This was compensated by the dividend paid (EUR 1.8 million) and the revaluation on balance sheet date of the future right to acquire the remaining minority interest in the acquired group companies (EUR -4.4 million). On the other hand the weak exchange rate, of amongst others the pound sterling, resulted in a negative conversion difference of EUR -1.0 million.

The **loans due in more than one year** increased by approx. EUR 8.4 million. The increase relates primarily to a new loan entered into in order to finance the acquisition in Sweden.

The **obligations regarding personnel** relate to pre-retirement obligations in Belgium and additional pension obligations in Poland, France and Indonesia.

The **deferred tax obligations** arise primarily due to the different depreciation rates that are used from an economic perspective on the one hand and a fiscal perspective on the other. The increase of this balance sheet item is associated with the investments in tangible assets.

The trade **payables due in more than one year** relate primarily to securities paid by clients of the Coffee department, which have to be refunded when the client returns the equipment that he has leased or been loaned.

The **long-term provisions** relate primarily to the provisions for the share option plan for management.

The **loans due in less than one year** increased by EUR 3.1 million. This concerns the new loan entered into in order to finance the acquisition in Sweden.

The **taxes payable** increased by approx. EUR 2.2 million, which can be explained by the sharp rise in the result before taxation and the rise in the relative tax burden from 24.53 % to 28.56 %.

The **current trade and other payables** increased by EUR 5.5 million, on account of increased turnover and the costs relating to this. On the other hand, the average number of days for suppliers increased from 40 in 2015 to 52 in 2016.

## Statement of cash flows

	2016 (K EUR)	2015 (K EUR)
Earnings before interest and taxes (EBIT)	15,989	10,246
Income tax expense	-4,186	-2,641
Non-cash adjustments	9,904	12,127
(Increase)/decrease in working capital	326	-5,528
<b>Cash flow from operating activities</b>	<b>22,033</b>	<b>14,204</b>
<b>Cash flow from investment activities</b>	<b>-27,445</b>	<b>-12,582</b>
<b>Cash flow from financial activities</b>	<b>3,533</b>	<b>-8,088</b>
Conversion differences	1,044	-442
<b>Total cash flows</b>	<b>-835</b>	<b>-6,908</b>

The cash flow from operating activities increased by approx. EUR 7.8 million as a consequence of the rise in the result.

The negative cash flow from investment activities is a consequence of the substantial investments made in 2016, on the one hand in tangible assets and on the other in the form of the acquisition in Sweden.

The cash flow from financial activities amounted to EUR 3.5 million and derives from new loans entered into to finance acquisitions and the repayment of loans entered into in the past.

The effects of these measures resulted in a decrease in cash by approx. EUR 0.8 million. However, the Company still has a strong cash position (in excess of EUR 9.0 million).



## 2016 DEVELOPMENTS

### COFFEE

The coffee department achieved a consolidated turnover of EUR 96.5 million in 2016, which represents a 7.78 % increase in relation to 2015. As such the coffee department's share of the group turnover amounted to 50.40 %.

#### Investments

The investments in tangible assets in 2016 amounted to EUR 6.3 million.

In August 2016, Miko Koffie concluded a multi-annual investment package amounting to a total EUR 4 million for the expansion and doubling of the capacity of its coffee roasting business.

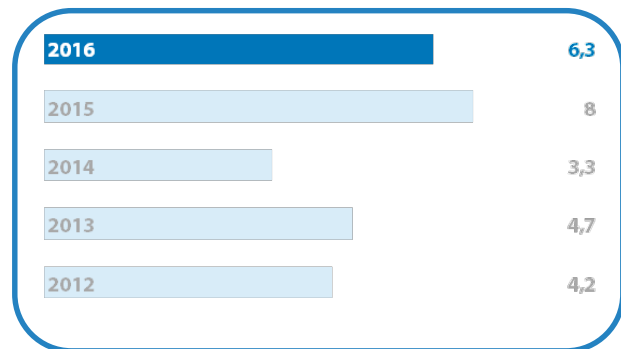
To mitigate the risk of future capacity shortfalls and to handle continued growth, an investment program was initiated in 2014 to boost the capacity of our Turnhout roasting house.

The new Brambati coffee roaster was commissioned in 2015, which also enables slow roasting (which is eminently suitable for roasting espresso coffee). The other components of this investment package were concluded in 2016, including a Sortex machine which removes all the impurities from raw coffee, a new roller track that can be used to automatically transport pallets with finished products in the direction of our warehouses. However, the investment program focused not only on the quality of our coffee and logistical efficiency, but also on environment and odour development. Against that backdrop, it was decided to combine the investment program with the installation of a catalyst that breaks down coffee vapours.

Moreover, investments in 2016 also comprised the traditional investments made within the context of purchasing coffee equipment intended for our customers.

#### Investments MIKO KOFFIE

(in Million EUR)



But today we do not roast our coffees in Belgium only..

Our subsidiary in Australia (Beverage Marketing Australia Pty) also saw the installation of a new Brambati coffee roaster. In view of the location of our Australian branch, the roastery was appropriately named the 'Sunshine Coast Coffee Roastery'.

In our Cornwall (UK) establishment, we made the necessary investment in order to continue and further extend the success of locally roasted coffee through the installation of a new coffee roaster with a higher capacity.

The coffee roaster that was originally installed in the Cornwall premises for that purpose, is to be relocated to Miko Coffee (Scotland) Ltd. in order to launch the concept of locally roasted coffee in Scotland after its proven success in Cornwall.

## Highlights

### New look & feel for PURO

After taking the opportunity back in 2015 to celebrate PURO's 10th anniversary, we have granted this fairtrade coffee brand a new look & feel throughout 2016 by the launch of a marketing campaign and by rebranding the PURO coffee website.

However, we have not made any changes whatsoever to the basic principles of this coffee... it remains an excellent quality Fair-trade coffee and we will continue to dedicate ourselves to sustainability and social responsibility through PURO.

Through our unique partnership with the World Land Trust organisation, we continue to contribute to the purchase and protection of rainforest in various coffee-producing countries. Still a contribution is made to this organisation for every kilo of PURO coffee sold, which has resulted up till now in:

protection of 9 nature reserves  
across 7 countries

which is roughly about the equivalent of 14.000 football fields  
of rainforest protected

A full overview of all initiatives and reserves of which the protection was supported by PURO up till now is available at our new PURO website: [www.purocoffee.com](http://www.purocoffee.com).

### Integration in Norway and Germany

Both for our subsidiary located in Oslo (*Kaffeautomater AS – A:Kaffe – Part of Miko Group since beginning 2015*) as for our German establishment (*Miko Kaffee GmbH – asset acquisition of Qusotic GmbH & Co KG end 2015*) 2016 was a year of (further) integration within our group.

2016 ended on a positive note in Norway, by our local affiliate being awarded a national tender for different departments of several Norwegian government authorities and ministries, which will be enjoying a variety of our blends available, such as PURO, MIKO CLASSIC and our Italian flavoured blend GRAND MILANO.

Miko Kaffee GmbH focused primarily on the further optimization of its existing organizational structures, decided to switch to a central warehousing located in the Nuremberg branch, and the concept "Sneky" iced drink was evaluated against the backdrop of further roll-out within our group.





## Positive challenges in the United Kingdom

Our colleagues in the United Kingdom succeeded in entering into a strategic partnership with a well-known chain of motorway restaurants and brasseries, enabling them not only to offer the very best coffee to their customers, but also to raise the profile of the MIKO brand throughout the United Kingdom along the length of the country's key motorways.

The success of locally roasted and artisan coffee in the United Kingdom led to the decision to expand the capacity of our small roasting house in Cornwall by installing a new roasting oven enabling the processing of higher volumes.

A rebranding exercise was also undertaken for the Glasgow-based MIKO entity, which involved renaming it from Espresso Adesso Ltd. to Miko Coffee (Scotland) Ltd. The scheduled relocation of the existing coffee roaster from our branch in Cornwall to Glasgow means that it will also be possible to put the art of artisan, locally roasted coffee to the test in Scotland.



## We welcomed the Smiling Faces team in our group



On 28 June 2016, MIKO's Coffee division acquired 100 % of the shares of Stockholm-based Smiling Faces AB.

Smiling Faces AB is an innovative Swedish coffee-service operator that focuses on supplying coffee-service solutions to large and medium-sized clients in the office coffee service market segment, and which achieves a turnover of more than EUR 9 million with 39 employees.

The company supplies its clients with small and medium-sized coffee and vending machines and the necessary ingredients (coffee, sugar, milk, tea and hot chocolate).

In addition to the supply of coffee, Smiling Faces also offers drinking water systems to its clients, as well as healthy snacks in its "Fruit by Smiling Faces" segment.

The company and its employees have also developed a strong set of services, which is referred to as Pausmanagement® (managing the coffee break).

MIKO is therefore particularly proud of being able to welcome the Smiling Faces team to our group in 2016, and of consolidating our presence in Scandinavia even further. With regard to Sweden in particular, MIKO already has a strong basis in Gothenburg and Malmö in the form of its subsidiary Kaffekompaniet AB. This latest move has enabled MIKO to expand its business in Sweden to an additional operational base in the centre of Stockholm.

Moreover, the collaboration with our new colleagues in Stockholm has already resulted in an initial successful synergy thanks to a clear decision by their new client H&M IT to offer PURO coffee to its workforce.







# Coffee by Smiling Faces



Ta en paus med oss!

I make the work a better place!

I make the work a better place!

SMILING FACES  
The First Professional

SMILING FACES  
work

www.smilingfaces.se



# Fruit by Smiling Faces





## PLASTICS



The Plastics division realized a consolidated turnover of EUR 94.9 million over 2016, a 7.06% increase compared to 2015 and representing 49.6% of group turnover.

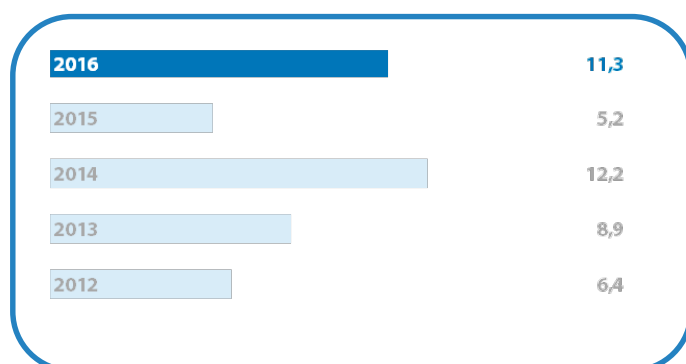
### Investments

The investments in the Plastics division in 2016 amounted to EUR 11.3 million and related to investments in production infrastructure, machines, robots and moulds.

The investments were related to further expansion and improvement of production infrastructures, moulds, further robotisation and machinery, including the finalisation of the installation of a multilayer extrusion line giving Miko Pac the opportunity to manufacture its own EVOH barrier products that permit a longer storage and shelf life of the food products packed in Miko Pac packaging.

### Investments MIKO PAC

(in million EUR)



### Technology

#### Thermoforming

In the Thermoforming unit polypropylene pellets are used to extrude a plastic film. A mild heat is applied to this film in the thermoforming machine after which it is given its final shape by using a mould. Film residue is recycled back into the production process.

Main focus for this production process lies with dishes and boxes for the packaging of ready meals.

A further step in this process relates to EVOH barrier labels, which increase the shelf life of the products, and on labels printed on both sides.

#### Injection Moulding

In the Injection Moulding unit plastics that has been made liquid, is injected in a mould under high pressure. After cooling in order to solidify the finished product, it can be removed from the mould. This process makes it possible to produce a very accurately shaped packaging.

#### In-Mould Labelling

In-Mould Labelling (IML) concerns a process in which a plastic label is also placed in the relevant mould, resulting in a neatly labelled packaging with an integrated label. The process makes it possible to product highly decorative packagings.



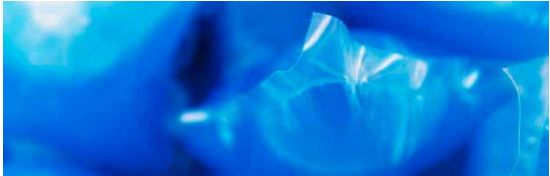
# Markets

The packaging products produced by the various units of Miko Pac, are intended for use in different market segments, including:

Cheese & Dairy



Home Care



Ice Cream



Baby Food



Fish & Seafood



Butter & Margarine



Meat & Poultry



Ready to go – meals



Fruits



Vegetables



Construction materials



Pharma



Spices & Nuts



Lifestyle







## Research & Development – Innovation and co-creation

Packaging at Miko Pac is often designed in partnership with our customers, where Miko Pac makes its expertise available for its customers.

Besides Miko Pac's standard offering, we are also always keen on developing tailor made solutions in line with our clients' specific wishes and requirements.

Miko Pac's R&D team partners up with our clients as from the very early beginning of a new design for a piece of packaging, assisting them to translate this into an industrial drawing, developing prototypes and test models, including advising our customers on how the packaging can be processed best in relation to the client's specific production line.

In this way, various new models of packaging were launched over 2016.

"Packaging does a lot more than fulfilling a functional role. Functionality, originality, costs, design as well as naturalness and sustainability like reduce, re-use and recycle have to go hand in hand.

The purpose of packaging at Unilever:  
It sells, protects and enhances"

T. Beschenbossel  
Procurement Manager Tubs & Lids  
Unilever





## Highlights

### Diversification

Miko Pac's European units went through a further diversification throughout 2016, both on client portfolio and geographical sales markets, as on market segments and product range.

### EVOH Launch

In view of the increasing demand for extrusion capacity, the installation of a new multilayer extrusion line was concluded in the first half of 2016. The new line has been taken into production and besides enabling Miko Pac to produce different colours and different layers of film, it also provides Miko Pac the opportunity to propose products to its customers that contain an EVOH barrier. Products with such an oxygen barrier result in packaging being offered that guarantee a longer storage life of the respective food products.

The offering of packaging using this technology is now also being rolled out in a go to market.

### Thermo Growth

The production units realized strong growth in the Thermoforming unit.

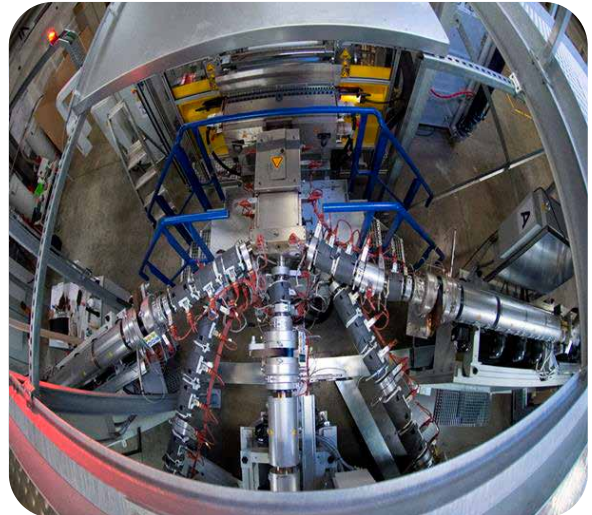
The number of Thermo packaging produced over 2016 has risen with 20% compared to 2015. In order to be able to further support this growth path, Miko Pac has decided to invest in the further expansion of its production site in Poland in order to provide this production site with a full functioning Thermo division of its own including its own extrusion line.

### Focus on co-development

Through its Research & Development team, Miko Pac placed a strong focus throughout 2016 on Miko Pac acting as a packaging partner and co-developer of packagings for its customers.

### New Market segments

Both MIKO PAC FRANCE SAS, launched as a sales offices early 2015, and German subsidiary MIKO-HORDIJK VERPACKUNGEN GmbH, realized a strong growth over 2016 thanks to them attracting new customers for products in new market segments such as salads, fruit and vegetables, ...





**Greenfield Plant for PT. Innoware  
(Jakarta, Indonesia)**

Work started in 2016 on the construction of a completely new greenfield production site for PT. Innoware close to Jakarta.

The official start of the construction work was marked by a groundbreaking ceremony attended by representatives from MIKO PAC and our local partner.

The new production site is scheduled for completion and hand-over in the course of 2017.

We must also note that the current production site has received BRC certification as one of Indonesia's first production sites for packaging.

Innoware comprises two departments: a Packaging department, where plastic packaging is produced for the food industry, and a Promo department, where the emphasis lies on plastic promotional products, such as cups and soap-boxes.

Both departments will continue to play a key role in the further development of PT. Innoware in the future.

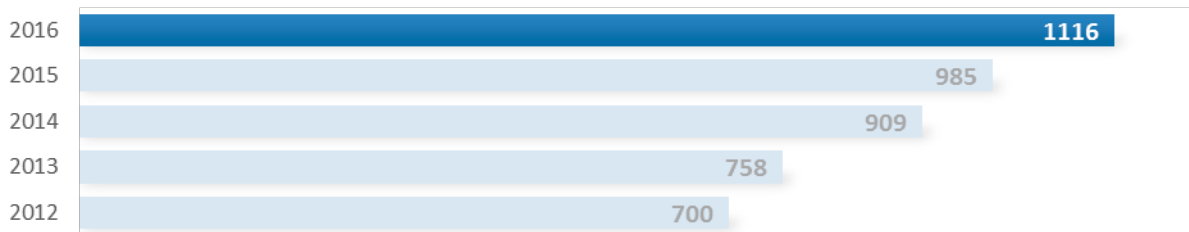
MIKO PAC's choice for a strategic collaboration with Innoware, which started in 2014, is on the one hand driven by Indonesia's potential where population is concerned, and its central location in southeast Asia. And on the other, the decision was also in line with the reasoning of large food concerns to evolve from regional suppliers to global suppliers, in which procurement decisions are being taken in an increasingly centralized way.

The Promo department realized a significant project in 2016 in the contexts of a (non-recurring) development and production of sales items, specifically for a major international group of companies.



Our People

Evolution



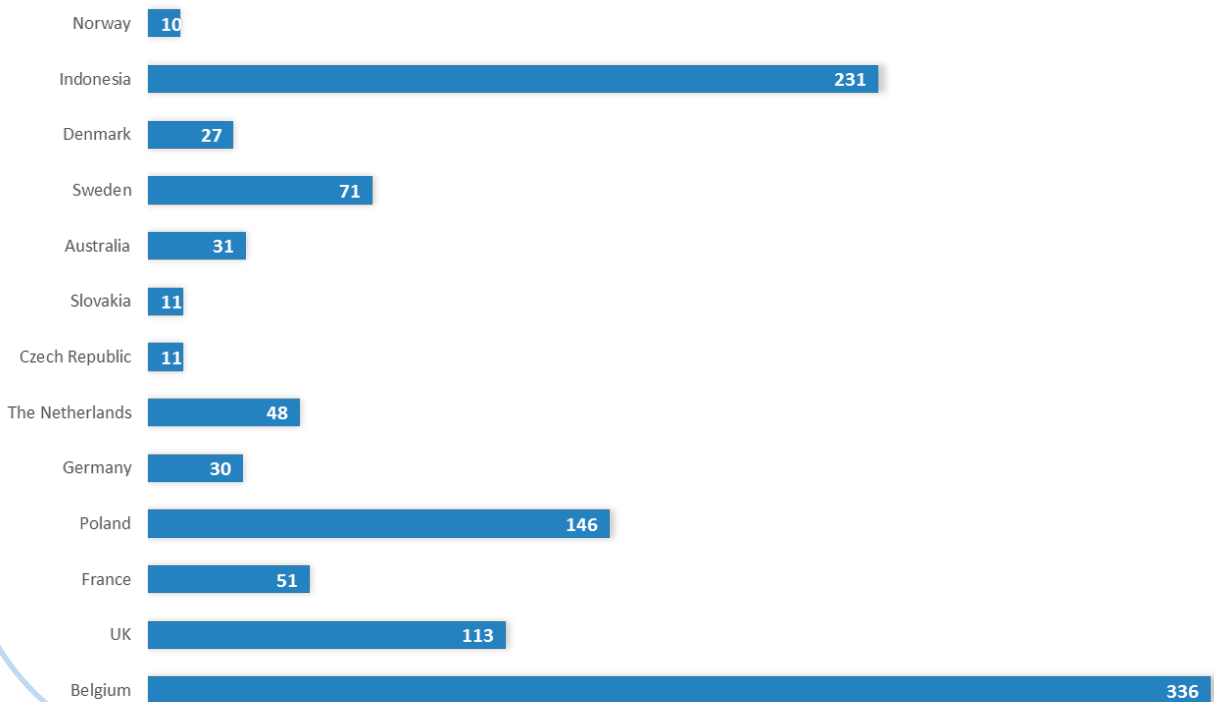
Employees by Gender



Employees per division



Employees per country





## STOCK EXCHANGE INFORMATION

INFORMATION MIKO SHARE (IN EURO)	31-03-2017	2016	2015	2014	2013	2012
Highest Price till 31/12 (till 31/03 in 2017)	121,94	111,10	104,25	71,99	66,20	54,10
Lowest Price till 31/12 (till 31/03 in 2017)	105,11	89,00	70,20	64,00	50,14	43,50
Price per 31/12 (per 31/03 in 2017)	120,00	110,00	101,79	71,19	64,79	50,54
Market Capitalisation per 31/12	149 M EUR	136 M EUR	126 M EUR	88 M EUR	80 M EUR	62M EUR
Number of Shares per 31/12	1.242.000	1.242.000	1.242.000	1.242.000	1.242.000	1.242.000

### 1. Stock Market Listing

The Miko shares are listed on Euronext (Brussels) since 1998 on the spot market with double fixing. The share code is MIKO (ISIN CODE: BE0003731453).

### 2. Evolution of the MIKO share

The graph hereunder provides an overview of the evolution of the share price of the MIKO share over the period 01/01/2016 tot 31/12/2016 in comparison with the results of the BEL 20 index over the same period.

### 3. Market Capitalisation

On December 31<sup>st</sup> 2016, MIKO 's market capitalization amounted to 136.620.000 EUR.

### 4. MIKO Corporate Website

MIKO's corporate website contains an extensive investor relations section. The website thus plays an increasingly important role with regard to financial communications from MIKO and corporate governance information towards its stakeholders.

Evolution of MIKO N.V. share price compared to BEL 20 Price index over 2016



## CORPORATE GOVERNANCE DECLARATION

MIKO has adopted a corporate governance charter in accordance to which we have engaged ourselves to comply with the principles of the Corporate Governance Code of March 12th 2009, and the related legal and regulatory framework and guidelines. The MIKO Corporate Governance Charter describes the main characteristics of our corporate governance policy including the internal rules of our Board of Directors, Audit Committee, the Nomination & Remuneration Committee and management committee (EXCO). Based upon the relevant legislation and corporate governance related developments, we will update our corporate governance polity accordingly. The MIKO Corporate Governance Charter is available on our corporate website ([www.mikogroup.be](http://www.mikogroup.be))

In this chapter of our annual report, we outline the actual application of our corporate governance charter.



## 1. MIKO Board of Directors and its committees

### 1.1. Board of Directors

MIKO N.V.'s Board of Directors is - as per 20 March 2017 - composed as follows:

<b>Chairman (non-executive )</b> Frans Michielsens	<b>Managing Director / CEO</b> Frans Van Tilborg
<b>Non-Executive Directors</b> Patrick Michielsens Bart Wauters	<b>Executive Directors</b> Kristof Michielsens Karl Hermans
<b>Independent Directors</b> Flor Joosen Mark Stulens Chris Van Doorslaer Sabine Sagaert B.V.B.A. ( <i>permanently represented by Ms. Sabine Sagaert</i> ) Cynthia Van Hulle	

#### Composition

MIKO N.V.'s Board of Directors consisted of the directors as listed here above, throughout the entire accounting year 2016. The independent directors as listed here above, comply with the criteria for independence as provided for in article 526ter of the Belgian Companies Code.

In accordance with MIKO N.V.'s articles of association, the mandate of Mr. Frans Michielsens shall cease automatically by law at the General Meeting of MIKO N.V. which is dated May 23rd 2017, this resulting from the fact that Mr. Frans Michielsens has reached the age of 70 years.

The obligations in relation to gender diversity of the Board of Directors, as provided for in article 518bis §1 of the Belgian Companies Code, which came into force as from January 1st 2017, shall be applicable on MIKO N.V. as from January 1st 2019. MIKO N.V. shall make sure to be in compliance with these regulations in due time.

MIKO N.V. generally appoints the members of its Board of Directors for a period of 6 year, which is to be considered an exception on the provisions of article 4.6 of the Corporate Governance Code which recommends a maximum period of 4 years. However, MIKO N.V. is of the opinion this deviation remains acceptable given the element that this allows the members of the Board of Directors of MIKO N.V. to get an in depth understanding on MIKO's operations which results in said directors being able to perform the activities under this mandate in the most efficient manner. Nevertheless, the underlying purpose of said provision of the Corporate Governance Code is realized by MIKO N.V. by making sure that half of the mandates of the members of the Board of Directors come to expire every 3 years.

The secretary of the Board of Directors of MIKO N.V. is Mr. Johan Vandervee.

#### Meetings of the Board of Directors

The Board of Directors had 6 meetings in 2016. Directors Bart Wauters and Mark Stulens were excused one time for such meeting of the Board, director Cynthia Van Hulle has been excused twice, and director Sabine Sagaert B.V.B.A. has been excused three times for a meeting of the Board of Directors.

Following topics have been discussed:

- Adoption annual account 2015, approval annual report 2015, proposal for press release and proposal for the distribution of profits;
- Half annual figures (30/06) and proposal for press release;
- Intermediary figures and financial results;
- Discussion on investment projects;
- Discussion on possible acquisitions;
- Discussion on historic evolution of the figures and benchmark;
- Composition of the Audit Committee;
- Discussion and approval of the 2017 Budget and 2017 Strategy.

Moreover, the respective Chairmen of the Board's advising committees reported to the Board of Directors after every meeting and made their respective recommendations.

There have been no unusual transactions in 2016 between directors and MIKO N.V., nor have there been any current accounts or guaranties from MIKO N.V. to or for the benefit of any member of the Board of Directors. There has not been any conflict of interest in the meaning of articles 523 and 524 of the Belgian Companies Code.

## 1.2. Audit Committee and Appointment & Remuneration Committee

### Audit Committee

MIKO N.V.'s Audit Committee consists – as per March 20<sup>th</sup> 2017 – out of 2 independent directors, being Mr. Mark Stulens (Chairman) and Ms. Cynthia Van Hulle, and 1 non-executive director, being Mr. Patrick Michielsens.

Up and until May 10<sup>th</sup> 2016 Mr. Flor Joosen – as independent director – was also a member of the Audit Committee instead of Ms. Cynthia Van Hulle. All members have sufficient experience in relation to accounting and audit.

The Audit Committee conducted 4 meetings in 2016. All members were present at all 4 meetings, with the exception of Ms. Cynthia Van Hulle who was excused for 2 meetings of the committee.

The following topics were discussed:

- Discussion on the annual and half yearly results;
- Risk management and internal control systems;
- Risk matrix;
- Presentation of the auditor's audit plan for 2016;
- External loans on MIKO Group level.

### Appointment & Remuneration Committee

MIKO N.V. has opted to make use of the possibility to combine the appointment committee and the remuneration committee in one single committee.

On March 20<sup>th</sup> 2017, the Appointment & Remuneration Committee consisted of 3 independent director and 1 non-executive director.

The members of the Appointment & Remuneration Committee that are independent directors are Mr. Chris Van Doorslaer (Chairman), Mr. Flor Joosen and Mr. Mark Stulens. In his capacity of non-executive director, Mr. Bart Wauters is also a member of the Appointment & Remuneration Committee. All members have sufficient experience in relation to human resources and remuneration.

The Appointment & Remuneration Committee conducted 2 meetings in 2016 during which all members are present.

Following topics were discussed:

- Composition of the Board of Directors
- Proposal for re-appointment members of the Board of Directors;
- Discussion on the remuneration of international management;
- Discussion on the increase of responsibilities for certain functions, salary increase of members of staff in Belgium;
- Allocation of share options;
- Proposal on the appointment of a new member of the EXCO.

### Evaluation

The internal rules of the Appointment & Remuneration Committee provide insight in the methodology use by MIKO N.V. in evaluating the Board of Directors, its individual members and the other committees.

The Board of Directors is evaluated every three years, for the last time in 2015, in order to assess its functioning and effectiveness. The following topics are addressed in such an evaluation: size and general functioning of the Board of Directors, the way in which its meetings are prepared, the individual members' respective contribution to the meetings of the Board of Directors, attendance and involvement by the members of the Board during its meetings and decision making, the composition in relation to the necessary expertise in those fields of particular relevance for MIKO.

This evaluation allows further optimization of the Board of Directors of MIKO. The Appointment & Remuneration Committee presents a motivated report of this evaluation to the Board of Directors.

MIKO's CEO's performance are discussed once per year – at a minimum – by the Appointment & Remuneration Committee, without the CEO being present.

Periodically the Board of Directors, the Audit Committee and the Appointment & Remuneration Committee evaluate their own respective internal rules of procedure. Relevant proposals for improvement are subsequently addressed to the Board of Directors.



## 2. Executive Management

### 2.1. Management Committee (“EXCO”)

MIKO does not have a management committee in the sense of the Belgian Companies Code. The day to day activities of the group are managed by the CEO assisted by the EXCO that is convened frequently.

The EXCO discusses the group’s strategy, decides upon the objectives and provides these to the Board of Directors for approval. Furthermore, the EXCO closely follows the results of the different affiliated companies within the group, drafts the budgets and prepares the annual accounts.

In 2016, no unusual transactions between members of the EXCO and MIKO N.V., nor any other entities belonging to MIKO group, occurred. Moreover, there are no current accounts or guarantees provided by MIKO N.V., or any other group entity, to or in favour of one of these persons.

On March 20<sup>th</sup> 2017, MIKO’s EXCO consists of the following members:

Frans Van Tilborg, CEO  
Dirk Hermans, Director Purchase  
Karl Hermans, Managing Director Plastics  
Kristof Michielsens, Managing Director Plastics  
Joël Merens, Director Miko Coffee Service (Belgium)  
Johan Vandervee, Director HR  
Wim van Gemert, CFO

*(as from January 2017)*

Stijn Michielsens, Director Export – Green Coffee



## 2.2. Management teams

The largest subsidiaries in both the coffee and the plastics division are managed by their own management teams that meet up in relation to the day-to-day activities and introduce the relevant EXCO decisions in their respective organisation.

Miko Pac N.V.'s management team consists of the following members on March 20<sup>th</sup> 2017: Karl Hermans en Kristof Michiels (co-Chairmen), Mick Bols, Wim De Ceuster, Ilja Leppens, Lief Jochems, Guy Van De Pol, Patrick Van Zummeren, Gert Verstraelen and Katelijne Vos.

Miko Koffie N.V.'s management consists of the following members on March 20<sup>th</sup> 2017: Stefaan Baeyens, Bart Laps, Frank Michiels, Eric Vandenabeele, Johan Vandervee, Steve Van Oerle and Katelijne Vos.

Miko Coffee Service N.V.'s management team consists of the following members on March 20<sup>th</sup> 2017: Joël Merens (Chairman), Johan De Boeck, Ruben Deylgat, Stephen Hernandez, Marc Swinnen, Anje Vermeersch, Ilse Volckaert and Katelijne Vos.

## 2.3. Day to day management of our affiliates abroad

Situation on March 20<sup>th</sup> 2017:

Miko Coffee Ltd.	United Kingdom	Adrian Stagg
Miko Café Services SAS	France	Jacques Grevet
Miko Kaffee GmbH	Germany	Frank Schellenberger
Miko Koffie Service BV	The Netherlands	Koen Van Zon
Miko Kava s.r.o.	Czech Republic	Peter Leinfelder
Miko Kava s.r.o.	Slovakia	Radko Reseta
Kaffekompaniet Din Pauspartner AB	Sweden	Anders Sjögren
Smiling Faces AB	Sweden	Anders Sjögren
ABC Mokka ApS	Denmark	Thomas Polano
Beverage Marketing Australia AB	Australia	Gary Newcome
Kaffeautomater AS	Norway	Bard Aune
Miko Pac Sp. z o.o.	Poland	Andrzej Olszewski
Miko-Hordijk Verpackungen GmbH	Germany	Sascha Dawid
PT. Innoware	Indonesia	Cirellus Hartono
Miko Pac France SAS	France	Frédéric Duval

### 3. Internal Control & Risk Management Systems

#### 3.1. General

During normal operation the group is exposed to a large number of risks that can lead to objectives not being fully achieved, or not being achieved at all. The management of these risks is a key task of each member of the management team in his or her field.

To support management in this role, the group has set up a body of risk management and internal control systems. The set-up of these systems is based upon the principles of the COSO II model.

In what follows, the most important components of these systems and the most relevant risks are discussed in brief.

#### 3.2. Control Environment

The control environment is primarily governed by the company culture and management style. The harmonisation of the organisation structure, the willingness to take risk and the establishment of responsibilities must help to ensure that risks and risk management are dealt with consciously.

#### 3.3. Supervision

The Board of Directors supervises the proper functioning of the risk management and internal control systems activities via the Audit committee. In doing so, the Audit committee is supported by information provided by the external auditor on the one hand and by management on the other. Every six months the activities performed and their results are discussed with the Audit committee.

#### 3.4. Risk Management within MIKO

To achieve a structured and systematic management of operating risks, the group has developed and introduced an approach and methodology based upon Enterprise Risk Management (ERM) since 2010.

##### Purpose

It is the intention firstly to list, track and manage the risks to which the group is exposed and secondly to increase risk awareness, particularly among the leaders of the group. This attitude is to be gradually rolled out further to the rest of the organisation.

##### Process & Methodology

The key risks associated with the group's activities are reflected in five categories:

- **strategic risks**, such as customer and supplier risks, acquisitions and employment of available resources
- **operational risks**, such as people and organisation, IT, production, expertise, capacity and fraud
- **financial risks**, such as capital structure, financial markets (interest, raw materials, currency) and financial reporting
- **legal risks**, such as changing legislation, contracts and soft law
- **external risks**, such as natural disasters, political situations, fire and acts of terror.

To provide a consistent basis for allocating risk scores to the identified risks, scales have been developed for "probability" on the one hand and "impact" on the other. Based upon these two scales, a risk matrix is drawn up in which the risks are divided up according to their severity (high, medium and low).

The high risks are provided with a risk response, a plan to bring the risk score down to below the permissible tolerance limit. The medium and low risks are monitored further. All risks are included in a risk register and are discussed every three months by the Operating committee.

##### Key Risks for MIKO

###### • Strategic risks

Risks in relation to raw material price & markets

For both the coffee and the plastics sector there is a risk that it will not be possible to pass rising raw materials prices on to the customer in full or even at all. It is not possible to resolve this in its entirety for the coffee sector, as MIKO is not a market leader, is obliged to protect its market share and can only follow the market leaders. That is why it is essential to be well informed about what the competition is doing in the various markets and to respond quickly to this. In the plastics sector we endeavour to include as many clients as possible in the "price chain" with automatic price adjustment every three or six months. Although this results in a delay in passing on cost increases, it does contain the risk within acceptable standards.

Risks in relation to customers and suppliers

The economic climate is associated with an increased credit risk. The group limits this risk by the multiple screening of all important customers and suppliers, in combination with the application of credit limits.

###### • Operational risks

Risks in relation to people and organisation

The sudden loss of people in key functions is a risk for the group. This is countered by keeping the individual job card – which describes the various duties of each staff member and indicates which person within the organisation can stand in as a replacement in the short term – up-to-date.

Risks in relation to IT

IT system malfunctions can have serious consequences for MIKO Group. In order to protect the continuity of data processing, back-up systems have been put in place.

###### • Financial risks

Risks in relation to financial reporting

Incorrect reporting can impact the shares of MIKO Group. Since the group result is determined by the sum of the results from the group companies, the group pays a great deal of attention to internal reporting. For each legal entity, annual forecasts are drawn up regarding the expected result, expected cash flow and investment needs. The local responsible persons report monthly to the EXCO; comparisons are always made with the forecasts in the areas of results, cash position and realised investments. The foreign entities are regularly audited to verify the data that they have supplied. The results delivered are presented and explained by the management at each meeting of the Board of Directors.

#### Currency risks

A limited number of transactions occur in a currency other than the Euro. This relates primarily to transactions in PLN and GBP. Because this risk is small and has a low impact, the group does not cover it using derived financial products.

#### Liquidity and interests risks

The liquidity position of the group is tracked daily by management. Furthermore, this risk is sufficiently managed by the use of distributed financing sources. The external finance attracted is centrally managed and, as far as possible, concluded for a period that is the same as the duration of the project for which the financing is entered into.

- **Legal risks**

#### Risks in relation to product liability

MIKO has underwritten certain policies to insure against risks of product liability and recalls. Furthermore, extensive quality controls are performed on products destined for sale.

- **External risks**

#### Risk in relation to fire, natural disasters, ...

MIKO has underwritten insurance policies for this and also pays a great deal of attention to internal training regarding fire safety and prevention.

#### Risks in relation to power outage

Power outages, either scheduled or otherwise, mainly pose risks for the group's production facilities. Management takes measures to limit the impact of such events, one measure being the installation of emergency generators.

### 3.5. Control Activities

#### EXCO's analysis

Every month the results realised are compared with the budgets approved by the Board of Directors. In addition to the financial indicators the situation regarding human resources and training is also evaluated. Changing market situations, as well as new opportunities and threats, are discussed.

#### Data Processing

In order to achieve coherent and transparent data processing throughout the entire organisation, the strategy of MIKO Group is to eventually have all its sites working on the same IT-platform

#### Physical controls

Physical checks are made at regular intervals. For example, several stock control counts are performed throughout the year. Foreign entities are also visited several times to investigate whether the information provided by them is in line with the actual situation.

### 3.6. Information & Communication

At each meeting the requisite consideration is paid to reporting, plus the question to whom this reporting must be provided. This ensures that the right information or the agreed action can flow through the group in an efficient manner. The group also uses large TV screens, not only to announce operational and financial data but also to disseminate the mission and values of the group.

### 3.7. Control

MIKO Group's Audit committee meets with the executive management to discuss financial reporting and investigates the degree to which the executive management fulfils the recommendations of the external auditor.

## 4. Remuneration Report

### 4.1. Introduction

The purpose of the 2016 remuneration report is to publish information in relation to MIKO's remuneration policy for the members of its Board of Directors and of the EXCO in a transparent manner. This report shall be submitted to MIKO N.V.'s general meeting dated May 23<sup>rd</sup> 2017 for approval.

### 4.2. Procedures in relation to the remuneration policy and remuneration

The internal rules of procedure of MIKO's Appointment & Remuneration Committee provide the methodology for the development of its remuneration policy and decision making in relation to the remuneration level.

The Appointment & Remuneration Committee – acting on its own initiative or on request of the Board of Directors – provides recommendations in relation to the remuneration of the members of the Board of Directors, the CEO, EXCO members and the remuneration of the persons in charge of managing the day to day activities of the affiliates abroad.

Such recommendations comprise – at a minimum – of the key contractual provisions (including the characteristics of pension plans), severance packages and the key elements of the remuneration including the relative weight of each component of the remuneration, performance criteria for variable remuneration, long term incentives and benefits in kind.

### 4.3. Remuneration policy during 2016

It is MIKO's intention to strive to attract, motivate and retain competent leaders through its remuneration policy, by observing a good balance between fixed remuneration and incentives (performance related remuneration, share options and pension plans).

The remuneration policy was not the subject of any significant changes during 2016.

### 4.4. Remuneration of the members of the Board of Directors

Each member of the Board of Directors of MIKO N.V. received a fixed fee amounting to EUR 13.000 over 2016.

In addition, the Chairman of the Board of Directors received an additional remuneration of EUR 2.000.

Article 7.6 of the Corporate Governance Code provides that the remuneration of non-executive directors is to take into account specific roles, responsibilities and time spent. Given the fact that the Appointment & Remuneration Committee is of the opinion that, with exception of the Chairman of the Board of Directors, the efforts of all directors are approximately equal, the company does not provide for any differentiated remuneration among its members of the Board of Directors, with exception of the Chairman.

The non-executive members of the Board of Directors did not receive any performance related remuneration or other benefits.

### 4.5. Remuneration of the CEO

MIKO Group's CEO, Mr. Frans Van Tilborg, has a self-employed statute. The CEO's remuneration package is based upon benchmarking. The amounts mentioned are gross amounts prior to social contributions and include the benefits in kind.

The fixed salary of the CEO in 2016 amounted to EUR 239.217,40 EUR. The variable remuneration paid in 2016 based upon the goals set for 2015, amounted to EUR 37.728,60 EUR. The pension plan contribution and invalidity insurance amounted to EUR 68.490,65 EUR and the benefits in kind (car etc.) amounted to EUR 15.680,92 EUR.

As the variable part of the remuneration is lower than a quarter of the total remuneration, the payment thereof is not to be spread over time as provided for in article 520ter of the Belgian Companies Code.

The payment of the annual variable remuneration is dependent on whether the set objectives as outlined in the budgets of the previous accounting year, as approved by the Board of Directors, have been met and relate to EBITDA (for 50%) and on result after taxes (for 50%).

There is no recovery right for variable remuneration that would be allocated on the basis of incorrect financial data.

The agreement with the CEO provides that, in the event its mandate would be terminated on the company's initiative, a termination fee is payable by the company equal to 4 month's remuneration per period of 5 year of employment within MIKO, and this up to maximum of 18 months. Such a termination fee was already provided for in the independent collaborative agreement with Mr. Frans Van Tilborg, existing prior to his appointment as CEO.

### 4.6. Remuneration of the Executive management

The EXCO members have a self-employed statute.

The remuneration package of the EXCO members is based upon benchmarking. For 2016 the remuneration (excluding the CEO's remuneration) for the EXCO members was the following. A fixed salary over 2016 amounting to EUR 787.847,32. The variable component amounted to EUR 142.939,99. The amounts for pension contributions and invalidity insurance amount to EUR 299.909,27. The benefits in kind over 2016 combined amounted to EUR 58.004,41.

The payment of the annual variable remuneration is dependent on whether the objectives, based upon previous year's budgets as approved by the Board of Directors, have been met, and are based on EBITDA (50%) and result after taxes (50%).

There is no recovery right for variable remuneration that would be allocated on the basis of incorrect financial data.

The agreements entered into with the EXCO members provide that, in the event the mandate would be terminated on the company's initiative, a termination fee is payable by the company equal to 4 month's remuneration per period of 5 year of employment within MIKO, and this up to a maximum of 18 months. Including such a termination fee in the agreement was a necessary prerequisite for the members of the EXCO in order to accept their assignments.

## 4.7. Share Options

### (i) Exercise of options in 2016

EXCO members have exercised the following share options in 2016 :

Year granted	12/2012	12/2012
Exercise pERIOD	2016 – 2017	2016 – 2022
Exercise Price	50,51 EUR	50,51 EUR
Frans Van Tilborg		1.000
Dirk Hermans	1.000	
Karl Hermans	500	
Joël Merens		1.000
Kristof Michielsens		1.000
Wim Van Gemert	500	
Johan Vandervee		1.000

### (ii) Share options awarded in 2016

In 2016 the members of the EXCO signed in on the following share options:

Year Granted	12/2016
Exercise Period	2020-2023
Exercise Price	109,20
Frans Van Tilborg	1.000
Dirk Hermans	
Karl Hermans	1.000
Joël Merens	
Kristof Michielsens	1.000
Wim Van Gemert	
Johan Vandervee	1.000
Stijn Michielsens	

No share options expired during financial year 2016.

## 5. Capital and Share Ownership

### 5.1. General

MIKO N.V.'S capital is divided into 1.242.000 shares without nominal value. And is fully paid up. There are no statutory restrictions in relation to the transfer of the shares. The Company has not issued any dividend-right shares, bonds, convertible bonds or warrants.

### 5.2. Reference Shareholder

Company's reference shareholder is still the Michielsens family, that started the roasting and selling of coffee in 1801. After the IPO in 1998 the Michielsens family still owns 55% of the shares of MIKO N.V.

These shares are held through Stichting Administratiekantoor (STAK) OKIM established in accordance with the laws of the Netherlands, and through Imko Holding N.V., a company established in accordance with the laws of Belgium.

On the data of the balance sheet, STAK OKIM and Imko Holding N.V. jointly owned 687.000 shares of MIKO N.V., being 55,31% of the voting rights as provided for in the shareholders structured published here below.

By virtue of an agreement with STAK OKIM and Imko Holding N.V., the Company pays the management and operating costs of STAK OKIM. Furthermore, the Company provides accounting services for Imko Holding N.V. The costs associated with these services amount to approximately EUR 5.000 per year. In view of the minor importance of this in relation to the net asset value of the Company, article 524 of the Belgian Companies Code is not applicable.

The Company has entered into a loan agreement with Imko Holding N.V. The total amount borrowed on the balance sheet date amounted to EUR 2.925.000. The procedure as set out in article 524 of the Belgian Companies Code was applied in 2014 in relation to an extension of this loan effected at that time.

### 5.4. Shareholders structure

Situation on March 20<sup>th</sup> 2017, as known to the Company:

	Number of Shares	% Voting Rights
Stichting Administratiekantoor OKIM	403.710	32,50%
Imko Holding N.V.	283.290	22,81%
De Wilg Comm.V.	53.361	4,30%
FMR Co. Inc <sup>(1)</sup>	49.996	4,03%
<b>Public</b>	451.643	36,36%
<b>Total</b>	<b>1.242.000</b>	<b>100,00%</b>

(1) FMR Co. Inc's participation is known to the Company as a result of the transparency notification received by MIKO N.V. as mentioned here above.



## 5.5. Purchase of Own Shares

The General Meeting dated May 26<sup>th</sup> 2015 decided to extend the mandate granted to the Board of Directors of MIKO N.V. to, for a period of five years, purchase its own shares in accordance with article 620 §1, section 5 of the Belgian Companies Code. This mandate grants the Board of Directors of MIKO N.V. the possibility, without prior approval of the Company's General Meeting, to purchase its own shares and this, for a maximum up to 20% of the registered capital. The purchase or trade may occur at a price equal to at least 85% and up to a maximum of 115% of the latest closing price against which these shares were listed in Eurolist by Euronext Brussels on the day prior to the day of the purchase or trade.

This mandate remains in force for a period of 5 years as from its publication in the Belgian Official Gazette which is dated on June 25<sup>th</sup> 2015 and may, in accordance with the provisions of article 620 of the Belgian Companies Code be renewed subsequently.

During 2016 MIKO N.V. has not purchased any of its own shares, and was thus not in the possession of any of its own shares on December 31<sup>st</sup> 2016.

## 5.6. Information in relation to article 34 of the Royal Decree dated November 14<sup>th</sup> 2007

### (i) Capital Structure

There are no different categories of shares. For more information and the Company's shareholders structures, please see here above in this chapter.

### (ii) Transfer Restrictions

There are no statutory limitations on the transfer of the shares.

### (iii) Specific Control Rights

In accordance with the provisions of article 14 of MIKO N.V.'s articles of association, Stichting Administratiekantoor OKIM has an exclusive right to propose candidates for the majority of the members of the Board of Directors, for as long as it, directly or indirectly, holds 25.1% of the shares in the Company. No other special control rights are attached to any of the securities.

### (iv) Employee Share plan

There are no employee share plans for which the control rights are not directly exercised by the relevant employees.

### (v) Voting Right Restrictions

In accordance with article 461 of the Belgian Companies Code, article 10 of the articles of association of MIKO N.V., provides the Board of Directors the right to suspend the exercise of rights associated with a share if such shares belongs to several owners, this until one person is indicated as the shareholder towards the Company.

No other statutory limitations exist in relation to the exercise of voting rights. For the specific rules regarding exercise of voting rights, we refer to the MIKO Corporate Governance Charter as publicly available.

### (vi) Shareholders Agreements

For as much as known to the Company, no shareholder agreements exist that may restrict the transfer of any shares in the Company or may restrict the shareholders' voting rights.

### (vii) Rules in relation to the appointment of members of the Board of Directors and amendments to the articles of association

In relation to the appointment and replacement of the members of the Board of Directors, we would like to refer to the section Appointment & Remuneration Committee of this report.

The articles of association do not provide any particular rules in relation to amending them. The rules established by law and documented in article 558 and following of the Belgian Companies Code are applicable.

### (viii) Competencies of the Board of Directors

Generally, MIKO N.V.'s Board of Directors has the duties and authorities assigned to it by means of the Belgian Companies Code.

Through the articles of association of MIKO N.V. and various decisions of its General Meeting, the Board of Directors has been granted extended authorizations in relation to the purchase of own shares as outlined here above in this chapter.

Moreover, the following authorizations have been granted to the Board of Directors of MIKO N.V. within the framework of protection mechanisms. The Board of Directors of MIKO N.V. has not made any use of these mandates during 2016.

- a) The Board of Directors of MIKO N.V. has mandated by the General Meeting dated May 26<sup>th</sup> 2015, to – in the event of a public take-over bid on the shares of the Company, within the context of the authorized capital, increase the registered capital of the Company in accordance with the conditions of article 607 of the Belgian Companies Code.

This mandate is valid for a period of 3 years and has been published in the attachments to the Belgian Official Gazette on June 25<sup>th</sup> 2015.

- b) In accordance with the provisions of article 603 of the Belgian Companies Code, the extraordinary General Meeting dated May 22<sup>nd</sup> 2012, has, by introducing article 6b in the articles of association of the Company, provided the Board of Directors with the mandate to increase the Company's registered share capital, in one or several times, with a maximum equal to such registered share capital, or to issue – under the same conditions – convertible bonds or warrants. This authorization may equally be used for capital increase or the issuance of convertible bonds or warrant, whereby the preferential rights of the shareholders is limited or excluded to the benefit of one or several other parties, other than employees of the Company or employees of affiliates of the Company, including capital increases by means of the incorporation of reserves.

This mandate has been granted for a period of 5 years as from June 12<sup>th</sup> 2012, being the date of publication thereof in the attachments to the Belgian Official Gazette. A proposal for extension of



this mandate shall be submitted to the General Meeting of MIKO N.V. dated May 23<sup>rd</sup> 2017 for approval.

(ix) Contractual provisions in relation to a Change of Control

For as much as the Company would be a party to any agreement(s) that would come into effect, would change or would terminate as a result of a change in control after a public takeover, the Board of Directors is of the opinion that such agreements are either of subordinate importance, or of such a nature that their publication would seriously damage the Company.

(x) Compensation resulting from redundancies following a public takeover bid

No agreements have been concluded between the Company and its subsidiaries on the one hand, and directors or employees of the Company or its subsidiaries on the other hand, that provide for specific compensation if, following a public takeover bid, the directors resign or have to be made redundant without valid reason, or if employees see their employment agreement(s) terminated.

As such, the normal rules for the termination of the directors' contract or employment contract will be applicable in such situation. Please also refer to the specific sections on this topic in the remuneration report here above.

## 6. Research & Development

MIKO has spent an amount of approximately 1. M EUR on research and development over 2016, and this primarily in relation to costs for the development of new moulds in the Plastics division.

## 7. Important events after closure of the financial year

No important events occurred after the end of the 2016 financial year.

## 8. Auditor

At the General Meeting dated May 24th 2016, the limited liability company PricewaterhouseCoopers Bedrijfsrevisoren,

having its registered offices at 1932 Sint-Stevens-Woluwe, Woluwe Garden, Woluwedal 18 ("PWC"), was reappointed as auditor of the Company for a period of 3 years running up and until the Company's General Meeting in 2019. PWC has been represented by Mr. Koen Hens as from 2014.

A fee of EUR 8.500 was paid to the auditor for auditing the annual accounts of MIKO N.V.

A total fee amounting to EUR 143.317 was paid to the auditor in relation to the auditing of the annual accounts of various subsidiaries.

During 2016 MIKO Group made use of certain services rendered by companies with whom the auditor has a professional working relationship, in relation to which a fee was paid amounting to EUR 19.255.

MIKO N.V. has issued a guarantee for the following entities in order to allow them to make use of an exemption for having their respective annual reports audited as allowed under sections 479A and 479C of the United Kingdom's Companies Act 2006:

- Miko Coffee Ltd
- Miko Coffee South West Ltd
- Cornish Coffee Company Ltd
- Miko Coffee (Scotland) Ltd

## 9. Branches

The Company has no branches

## 10. Valuation rules

The Board of Directors confirms that the valuation rules included in the explanations to the annual accounts are correct and well-founded. In the current circumstances, the Company will presumably continue to make a profit based upon the existing relevant factors, meaning that the continuity of the Company is guaranteed.

## 11. Financial Instruments

The Company does not make use of any financial instruments to a degree that is considered to be significant for the evaluation of its assets, liabilities, financial position and results.

## RESULTS AND PROPOSAL FOR THE ALLOCATION OF RESULT

The Board of Directors of MIKO N.V. proposes the following allocation of results to the General Meeting.

Statutory result 2016	EUR 1.424.918,76
Transferred result 2015	EUR 216,26
Withdrawal from available reserves	EUR 488.000,00
Remuneration of the capital	EUR 1.912.680,00
Gross dividend per share	EUR 1,54
Net dividend per share	EUR 1,078
Balance to be transferred	EUR 455,02

In the event MIKO N.V.'s General Meeting to be held on May 23<sup>rd</sup> 2017 approves the Board of Directors' proposal to issue a gross dividend per share amounting to EUR 1.54, this gross dividend – after deduction of the applicable withholding tax – shall be payable as from June 12th 2017 under coupon number 19 at KBC Bank.

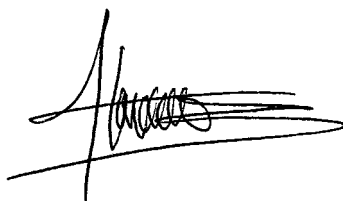
We hereby request MIKO N.V.'s General Meeting to approve the content of this annual report and the annual accounts over accounting year 2016, and to grant discharge to the members of the Board of Directors of the Company and the Company's auditor.

Done in Turnhout, on March 20<sup>th</sup> 2017

On behalf of the Board of Directors of MIKO N.V.



Kristof Michielsens  
Director



Karl Hermans  
Director



Frans Van Tilborg  
Managing Director  
CEO

# CORPORATE SOCIAL RESPONSIBILITY

## A conversation on sustainability

Corporate Social Responsibility, sustainability, ethical approach.... Each and every one of those are terms receiving quite a substantial amount of attention over the past few years.... attention that is well deserved and important, and which challenges companies to think about their respective position in society, their impact on their direct environment and on options on how to handle such position and impact through corporate social responsibility programs.

At MIKO ... sustainability has a long history, which has become very identifiable as from 2005 when MIKO launched its first sustainability project

The key values MIKO assigned to its sustainability program back in 2005 were... and still are ... PLANET PEOPLE PROFIT ... and PLEASURE...

Through a unique cooperation with the organisation World Land Trust, MIKO has actively continued to contribute as from 2005 to the purchase and protection of rainforests located in various coffee producing countries. Ever since its launch in 2006 MIKO's PURO Fair-trade coffee has been paramount in relation to this campaign resulting in MIKO donating an amount to World Land Trust for every kilo of PURO coffee it sells.

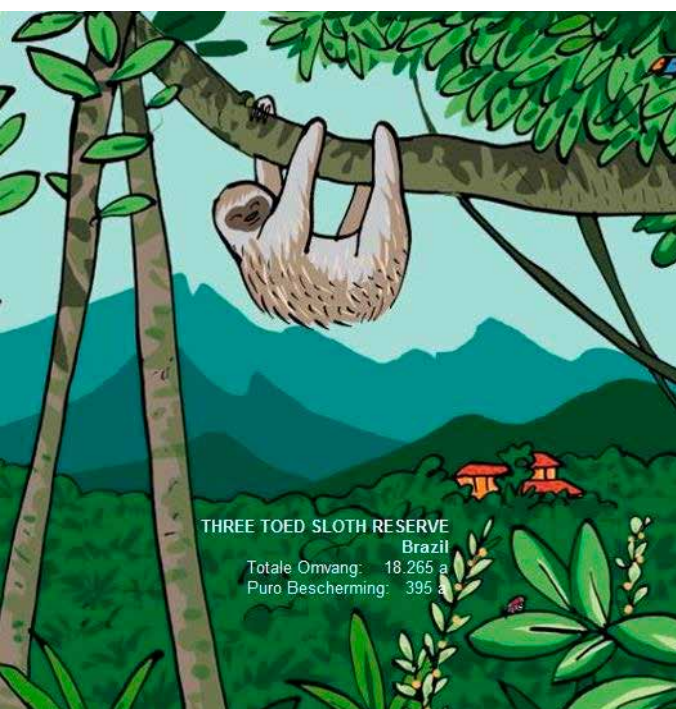
As such, up till now MIKO – through its PURO coffee – has contributed to the protection of:

9 natural reserves

Across 7 different countries

Being approximately about 14.000 football fields of rainforest protected

The reserves are located in Brazil, Guatemala, Peru, Mexico, Ecuador, Honduras and Colombia. A full overview of all reserves, amount or acres protected, specific characteristics and habitat of each reserve is available at [www.purocoffee.com](http://www.purocoffee.com).



THREE TOED SLOTH RESERVE  
Brazil  
Totale Omvang: 18.265 a  
Puro Bescherming: 395 a



BLACK HANDED MONKEY RESERVE  
Honduras  
Totale Omvang: 1.268 a  
Puro Bescherming: 215 a



COTTON TOP TAMARINE RESERVE  
Colombia  
Totale Omvang: 5.691 a  
Puro Bescherming: 860 a



# People

Besides contribution to the wellbeing of our PLANET, MIKO also has a hart for PEOPLE. Therefore, each pack of PURO coffee proudly bears the Fair-trade label, guaranteeing fair trade for local coffee farmers in the South and coffee being processed in accordance with international fairtrade standards. In this way local farmers and their organizations are provided with an instrument for sustainable development having an impact on economics (minimum price, premiums), social environment (human work, no child or forced labour, access to health care and schools) and on ecological development (support & training for local farmers in order to improve production processes).



Besides Fairtrade, MIKO supports a variety of initiatives and is a well valued member of several organizations and partnerships ... including

### ENTREPRENEURS FOR ENTREPRENEURS

MIKO is committed to contribute actively to increase sustainable economic growth in developing countries and was one of the nominees for the "Entrepreneurs for Entrepreneurs Trophy 2016.

### CONGODORPEN

MIKO supports the non-profit organisation "Congodorpen" trough local entrepreneurship in coffee harvesting by providing support in relation to machinery and plantations that are resistant to diseases ...

### TREES4SCHOOLS

This project in South Africa has been supported by MIKO as from 2008 already. Initially the project started by planting trees for local schools but has evolved quickly to a next level in which local children and their communities are taught how to plant and harvest vegetables through local initiatives. In this way children were provided with food, education and were looked over.

In the meanwhile 1.226 trees have been planted, 77 vegetable gardens have been started providing food for 823 individuals!



Needless to say that these initiatives are highly supported among MIKO employees, through – amongst others – a successful cycling event and lots of other initiatives....





# Planet & Energy

For as much as Energy is concerned, MIKO's initiatives in its Belgian divisions are a close cooperation between divisions and people of both the coffee division and the plastics division within MIKO PAC.

Both organizations aim to lower their respective energy consumption in a structural manner...



Several initiative have been taken in relation to PLANET & ENERGY

## HEATING

Production, warehouses and offices of the MIKO HQ are heated with the warmth produced through the compressed air installation

## SOLAR ENERGY

Solar systems have been installed at the roof of our central production plant, generating a significant production of energy.

## PAPER & INK

Recycled paper... we print on both sides!

## GLOBAL ROUTING SYSTEM

Coffee delivery to our Belgian customers is performed by taking the most efficient routing through our global routing system.

## Gasses

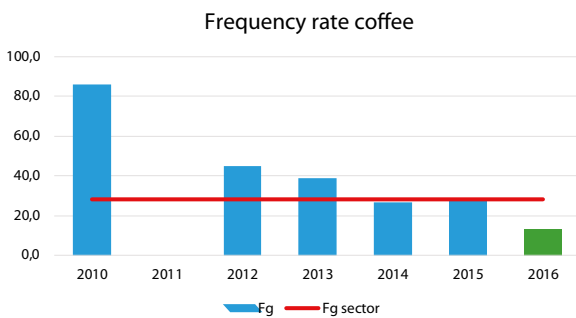
Gas that is released while roasting our coffee beans is purified by our investment in an afterburner and catalyst.

## ENERGY AGREEMENT

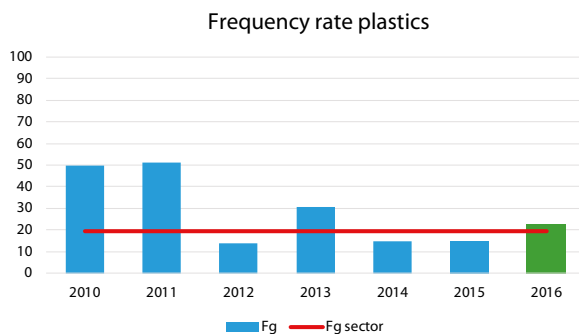
Our Belgian site has recently signed up to an energy agreement providing specific goals in relation to our commitment to reduce our energy consumption.

# People & Safety

## Industrial Accidents Coffee



## Industrial Accidents Plastics



**Miko N.V.**  
**Steenweg op Mol 177**  
**2300 Turnhout**  
**KBO nr. 0404.175.739**  
**RPR Turnhout**

## **CONSOLIDATED ANNUAL ACCOUNTS (IFRS)**

### **1. General Information**

MIKO N.V. and its subsidiaries (together "MIKO Group") produce and distribute coffee and plastic products within the B2B market. Production sites are located in Belgium, Poland and Indonesia.

MIKO N.V.'s registered offices are located at Steenweg op Mol 177, 2300 Turnhout (Belgium). On December 31st 2016, the group employed 1,116 employees, compared to 985 over 2015.

MIKO's results over 2016 have been made publicly available on March 22nd 2017, after having been approved by MIKO's Board of Directors on March 20th 2017. Financial accounts are available as from April 21st 2017 to the shareholders.

The result and the allocation of results are considered to be final after having been approved by MIKO N.V.'s General Meeting, which is to be held on May 23<sup>rd</sup> 2017.

MIKO N.V.'s shares are listed on Euronext Brussels.

## 2. Consolidated income statement according to IFRS (K EUR)

	Notes	2016 (K EUR)		2015 (K EUR)	
<b>Revenue</b>	<b>8.1</b>		<b>191,467</b>		<b>178,243</b>
Revenue from the sale of goods		186,448		173,502	
Revenue from leasing		4,732		4,456	
Proceeds from sale of non-current assets		287		285	
Other operating income	8.2		4,674		3,656
Raw materials & consumables	8.3	-95,375		-93,839	
Employee benefit expense	8.4	-43,638		-39,557	
Depreciation and amortisation	9.1-9.2	-11,476		-10,996	
Other operating expenses	8.2	-29,663		-27,261	
Total costs			-180,152		-171,653
<b>Profit before interests and tax (EBIT)</b>			<b>15,989</b>		<b>10,246</b>
Net financial result			-940		89
Financial income	8.5	362		1,153	
Financial costs	8.5	-1,302		-1,064	
<b>Profit before tax</b>			<b>15,049</b>		<b>10,335</b>
Income tax expense	8.6	-4,298		-2,535	
<b>Profit of the year</b>			<b>10,751</b>		<b>7,800</b>
Attributable to non-controlling interests		1,891	1,891		29
<b>Attributable to owners of Miko</b>			<b>8,860</b>		<b>7,771</b>
Basic earnings per share, attributable to owners of Miko (in euro)	9.15		7.13		6.26
Diluted earnings per share, attributable to owners of Miko (in euro)	9.15		7.09		6.21

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income:

	2016 (K EUR)		2015 (K EUR)	
<b>Profit of the year</b>		10,751		7,800
Currency translation differences	-1,025		463	
Other items of comprehensive income for the year	20		0	
<b>Total comprehensive income</b>		<b>9,746</b>		<b>8,263</b>
Attributable to shareholders of Miko	7,845		8,234	
Attributable to non-controlling interests	1,901		29	

### 3. Consolidated balance sheet according to IFRS (K EUR)

	Notes	2016 (K EUR)	2015 (K EUR)
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant & equipment	9.1	53,931	48,101
Intangible assets	9.2	30,707	21,326
Deferred income tax assets	9.11	998	763
Trade and other receivables	9.3	416	881
<b>Total non-current assets</b>		<b>86,052</b>	<b>71,071</b>
<i>Current assets</i>			
Inventories	9.4	29,859	28,090
Trade and other receivables	9.5	37,958	31,846
Cash and cash equivalents	9.6	10,643	10,629
<b>Total current assets</b>		<b>78,460</b>	<b>70,565</b>
<b>Total assets</b>		<b>164,512</b>	<b>141,636</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Ordinary shares		5,065	5,065
Reserves and retained earnings		72,448	69,676
Currency translation differences		-675	350
Total equity attributable to equity holders of Miko		76,838	75,091
Non-controlling interests		5,761	3,972
<b>Total equity</b>		<b>82,599</b>	<b>79,063</b>
<i>Non-current liabilities</i>			
Borrowings	9.8	30,352	21,904
Post-employment benefits	9.10	617	629
Deferred income tax liabilities	9.12	5,019	4,427
Trade and other payables	9.9	909	827
Provisions for other liabilities and charges	9.10	937	1,431
<b>Total non-current liabilities</b>		<b>37,834</b>	<b>29,218</b>
<i>Current liabilities</i>			
Borrowings	9.8	13,305	10,240
Taxes and social security charges	9.9	7,883	5,718
Trade and other payables	9.9	22,891	17,397
<b>Total current liabilities</b>		<b>44,079</b>	<b>33,355</b>
<b>Total equity and liabilities</b>		<b>164,512</b>	<b>141,636</b>

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.



#### 4. Consolidated statement of changes in equity (K EUR)

	Share capital	Reserves 1 & retained earnings	Currency translation differences	Non-controlling interests	Total
<b>Balance as at 31/12/2014</b>	<b>5,065</b>	<b>65,403</b>	<b>-113</b>	<b>3,743</b>	<b>74,098</b>
Profit for the year		7,771		29	7,800
Other comprehensive income			463		463
Subtotal	5,065	73,174	350	3,772	82,361
Purchase of treasury shares					0
Other		43		102	145
Liability relating to future acquisitions of shares		-1,803			-1,803
Dividends relating to 2014		-1,590		-181	-1,771
Changes in non-controlling interests		-148		279	131
<b>Balance at 31/12/2015</b>	<b>5,065</b>	<b>69,676</b>	<b>350</b>	<b>3,972</b>	<b>79,063</b>
Profit for the year		8,860		1,891	10,751
Other comprehensive income		10	-1,025	10	-1,005
Subtotal	5,065	78,546	-675	5,873	88,809
Purchase of treasury shares					0
Other		4		-4	0
Liability relating to future acquisitions of shares		-4,363			-4,363
Dividends relating to 2015		-1,739		-108	-1,847
Changes in non-controlling interests					0
<b>Balance at 31/12/2016</b>	<b>5,065</b>	<b>72,448</b>	<b>-675</b>	<b>5,761</b>	<b>82,599</b>

<sup>1</sup> The reserves contain amounts not available for distribution in the amount of 2,338 K EUR in 2016 (2,237 K EUR in 2015).

<sup>2</sup> This item relates to the changes in the current value of the future obligation to acquire a minority interest in one of the group companies from third parties. The amount has been determined based upon the fair value measurement of the contractual obligations.

## 5. Consolidated statement of cash flows

	Notes	2016 (K EUR)	2015 (K EUR)
<b>Cash flows from operating activities</b>			
Profit before interests and tax (EBIT)	2	15,989	10,246
<b>Income tax paid</b>	2	-4,186	-2,641
<b>Non-cash transactions</b>			
Depreciations, amortisations and impairment	9.1-9.2	11,476	10,996
Other non-cash transactions		-1,572	1,131
<b>Changes in working capital</b>			
(Increase)/decrease in non-current trade and other receivables	9.3	465	406
(Increase)/decrease in inventories	9.4	-1,768	-4,008
(Increase)/decrease in current trade and other receivables	9.5	-6,112	-3,410
Increase/(decrease) in taxes and social charges payable	9.9	2,165	-162
Increase/(decrease) in non-current trade and other payables	9.9	81	-122
Increase/(decrease) in current trade and other payables	9.9	5,495	1,768
<b>Net cash generated from operating activities</b>		<b>22,033</b>	<b>14,204</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	9.2	-1,149	-3,083
Acquisition of shares	9.2	-9,720	
Purchases of property, plant & equipment	9.1	-17,754	-10,316
Proceeds from sale of non-current assets	9.1-9.2	1,267	1,501
Others	9.1-9.2	-89	-684
<b>Net cash used in investing activities</b>		<b>-27,445</b>	<b>-12,582</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares	4	0	0
Dividends paid	4	-1,847	-1,771
Other	4	20	277
Proceeds from borrowings	9.8	13,875	1,735
Repayment of borrowings	9.8	-7,575	-8,418
Financial income	8.5	362	1,153
Financial costs	8.5	-1,302	-1,064
<b>Net cash used in financing activities</b>		<b>3,533</b>	<b>-8,088</b>
Currency translation differences		1,044	-442
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>-835</b>	<b>-6,908</b>
<b>Cash and cash equivalents at beginning of year</b>			
	9.6	<b>9,842</b>	<b>16,750</b>
Cash flows from operating activities		22,033	14,204
Cash flows from investing activities		-27,445	-12,582
Cash flows from financing activities		3,533	-8,088
Currency translation differences		1,044	-442
<b>Cash and cash equivalents at end of year</b>	9.6	<b>9,007</b>	<b>9,842</b>

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.

## 6. Accounting policies

### 6.1. General

These consolidated financial statements of Miko NV on 31 December 2016 have been prepared in accordance with IFRS ("International Financial Reporting Standards") as adopted by the European Union. These include all IFRS standards and IFRIC interpretations ("International Financial Reporting Committee"), issued and effective or early adopted on 31 December 2016. These standards and interpretations, as adopted by the European Union, are equivalent to the standards and interpretations issued by the IASB ("International Accounting Standards Board") effective on 31 December 2016, except for elements of IAS 39 not adopted by the European Union; however, these are not applicable to the Miko group.

The following standards, amendments to standards and interpretations are mandatory for accounting years beginning on or after 1 January 2016, and are considered relevant for the Miko Group and its operations:

- Amendments to IAS 1 'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2016. The amendments to IAS 1 are part of the initiative of the IASB to improve presentation and disclosure in financial reports and are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.
- Amendment to IAS 19, 'Employee benefits', on defined benefit plans (effective 1 July 2014 and endorsed for 1 February 2015). These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements: IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal; IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts; IAS 19, 'Employee benefits' regarding discount rates; IAS 34, 'Interim financial reporting' regarding disclosure of information, IFRS 2, 'Share-based payment', IFRS 3, 'Business Combinations', IFRS 8, 'Operating segments', IFRS 13, 'Fair value measurement', IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets', Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and IAS 39, 'Financial instruments – Recognition and measurement'

The following standards, amendments to standards and interpretations are mandatory for accounting years beginning on or after 1 January 2016, but are not relevant for the Miko Group and its operations:

- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation, effective for annual periods beginning on or after 1 January 2016. This amendment provides guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation, effective for annual periods beginning on or after 1 January 2016. In this amendment the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendment to IAS 16 'Property, plant and equipment' and IAS 41 'Agriculture' on bearer plants, effective for annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing.
- Amendments to IAS 27 'Separate financial statements' on the equity method, effective for annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 28, 'Investments in associates and joint ventures', effective for annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2016 and have been endorsed by the European Union. In the future these will become relevant for the Miko Group:

- IFRS 15 'Revenue from contracts with customers'. The standard will improve comparability of the top line in financial statements globally. Companies using IFRS will be required to apply the revenue standard for annual periods beginning on or after 1 January 2018.

To estimate the impact of IFRS 15, management has set up a plan to analyse all important sales contracts in the first half of 2017 and calculate the impact. This analysis will also be reviewed by the auditor.

The following new standards, amendments and interpretation to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2016 and have not been endorsed by the European Union. In the future these will become relevant for the Miko Group:

- IFRS 16 'Leases'. This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## 6.2. Consolidation principles

The consolidated financial statements contain the financial data of Miko N.V. and its subsidiaries. The list of subsidiaries is included under section 9.16.

Subsidiaries are entities which are controlled by the parent company. "Control" exists when Miko has the power to govern the financial and operating policies in order to obtain benefits from its activities. Miko considers "control" to exist even if the group has less than 50% of the voting rights, but is able to govern the financial and operating policies by virtue of *de facto* control. *De facto* control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of voting rights of other shareholders give the group the power to govern the financial and operating policies.

Holdings in subsidiaries are consolidated as from the day on which control is transferred to Miko and are de-consolidated as from the date control by Miko ceases. Intercompany balances and transactions and unrealised gains or losses between group companies are eliminated. If necessary, accounting policies of group companies are changed in order to ensure consistency with the policies adopted by the group.

## 6.3. Use of estimates

In order to prepare the financial statements in accordance with IFRS, management is required to make a number of estimates and assumptions, which have an impact on the amounts recognised in the financial statements.

The estimates made on each reporting date reflect the existing conditions on that date (for example interest rates and foreign exchange rates). Although these estimates are made by management with maximum knowledge of current events and of the actions the group may undertake, actual results may deviate from these estimates.

The most important estimates which entail a risk of adjustment to the carrying amounts of assets and liabilities within the next financial year are made when conducting goodwill impairment tests. These estimates require the application of assumptions and parameters such as future revenues and discount rates.

The board of directors is of the opinion that there is a reasonable basis for the assumptions, expectations and forecasts and that as a consequence, the valuation of assets and liabilities on 31 December 2016 is not significantly affected by these assumptions and parameters.

## 6.4. Fair value

Financial assets and liabilities are recorded at fair value. Fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy

- Level 1: Valuation based upon quoted prices in active markets;
- Level 2: Valuation on the basis of directly or indirectly (external) observable information;
- Level 3: Valuation fully or partly based on non (external) observable information.

## 6.5. Exchange rates and foreign currency translation

The group's presentation currency is the euro. Transactions in foreign currencies are translated to the euro using the exchange rate of the transaction date.

The translation differences in equity result from the conversion of foreign activities, where the entire balance sheet is translated at the closing rate and the income statement at the average rate. This applies to all entities that have a functional currency different from the euro.

Translation differences which result from a monetary item which is part of the net investment of the reporting entity in a foreign subsidiary are recognised in the income statement of the statutory financial statements of the reporting entity or in the financial statements of the foreign entity. In the consolidated financial statements, these translation differences, which are initially recognised as non-realised results, are re-classified into equity. They are re-classified from equity into the profit and loss statement upon disposal of the net investment.

All other translation differences, along which the conversion of monetary assets and liabilities, are recognised in the income statement at the closing rate at the end of the reporting period.



The following exchange rates have been used for the conversion of entities with a presentation currency other than the euro:

	2016		2015	
	Average rate	Closing rate	Average rate	Closing rate
GBP	1.2203	1.1680	1.3777	1.3625
PLN	0.2292	0.2267	0.2390	0.2345
CZK	0.0370	0.0370	0.0367	0.0370
DKK	0.1343	0.1345	0.1341	0.1340
SEK	0.1056	0.1047	0.1069	0.1088
AUD	0.6719	0.6851	0.6767	0.6713
IDR <sup>1</sup>	14,720.83	14,173.43	14,870.39	15,039.99
NOK	0.1076	0.1101	0.1117	0.1041

<sup>1</sup> Denominated in IDR per EUR

## 6.6. Intangible assets

The intangible assets consist mainly of goodwill, trademarks, licences and customer relationships acquired from third parties.

Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets and liabilities of the acquired subsidiary at the acquisition date. Miko tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired, in accordance with IAS 36 "Impairment of Assets".

A business combination achieved in stages is recorded in the financial statements in accordance with the economic entity approach. This implies that the difference between the cost of acquisition and the fair value of the net identifiable assets and liabilities of the acquired subsidiary at the acquisition date, taking into account minority interests recognised in the balance sheet, is recorded directly to equity.

Negative consolidation differences are recognised if the cost of acquisition of a new participation is lower than the fair value of Miko's share in the net identifiable assets and liabilities of the relevant entity. These negative consolidation differences are recognised immediately in the income statement.

Goodwill impairment is recorded in "depreciations and amortisations" in the income statement.

Intangible assets other than goodwill are carried at cost less accumulated amortisation and impairment, if any. The residual value of intangible assets is assumed to be zero.

Research costs are recognised as an expense when incurred. Development costs are capitalised. A project is considered to be in development if it can be demonstrated that it will generate probable future economic benefits.

The intangible assets are amortised using the straight-line method over the estimated useful life of the asset. The useful lives are as follows:

Category	Duration
Development costs	5 years
Trademarks and licenses	5 years
Customer relationships	5-15 years

The amortisations of intangible assets are included in "depreciations and amortisations" in the income statement.

Borrowing costs are not included in the cost of the intangible assets.

## 6.7. Property, plant & equipment

Property, plant and equipment are valued at historical cost less accumulated depreciations and accumulated impairment. Costs of improvements are capitalized (this is when future economic benefits will result from the asset), while maintenance costs are charged to the income statement as soon as they are made.

Depreciations of an asset start as soon as it is ready for its intended use. The depreciations are calculated using the straight-line method over the estimated useful life of the asset.

The useful lives are as follows:

Category	Duration	Rate
Buildings	40 years	2.50%
Installations and machinery	3-10 years	33.3% -10%
Coffee-making equipment	5-8 years	20% -12.5%
Vehicles	5 years	20%
Other equipment	3-10 years	33.3% -10%

The assets' useful lives and residual values are reviewed yearly and adjusted if necessary. Land has an indefinite useful life.

Borrowing costs are included into the cost of the asset, in accordance with IAS 23.

## 6.8. Impairment of property, plant and equipment

The group assesses the impairment of non-financial assets if events or changes in circumstances indicate that the carrying amount of the asset is higher than the recoverable amount. The recoverable amount is calculated as the higher of the fair value and the present value of the estimated future cash flows from the use of the asset and its subsequent disposal.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are identifiable cash flows. If an asset has been impaired, an impairment loss is recognised in the income statement for the difference between the asset's carrying amount and its recoverable amount. The significant estimates used in determining the present value of future cash flows relate to the appropriate discount rate, the period over which the cash flows have been projected, and the residual value of the assets.

Assets (excluding goodwill) that have been subject to impairment, are reviewed for possible reversal of the impairment on each reporting date. If such indications exist, the recoverable amount of that asset is reassessed and the carrying amount is increased to the revised recoverable amount. The increase is recognised immediately in the income statement. An impairment reversal is only recognised if it results from a change in the assumptions used to calculate the recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount the asset would have had if had no impairment loss had been recognised previously.

## 6.9. Leased assets

Leases in which a significant portion of the risks and rewards of ownership are transferred to the group are classified as finance leases, while other lease agreements are classified as operating leases. Leases of property, plant and equipment that are classified as finance leases are recognised at cost less accumulated depreciations and impairment. These assets are depreciated over their useful life.

Payments made under operational leases are charged to the income statement over the period of the lease.

## 6.10. Inventories

Inventories are stated at the lower of cost, according to the weighted average cost method, and the net realisable value.

Cost comprises the purchase price, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Administrative overhead costs that do not contribute to bringing the inventories to their present location or condition, selling costs, storage costs and abnormal waste are not included in the costs of inventory. The allocation of production overhead is based on normal operating capacity.

Net realisable value is determined as the estimated selling price in the ordinary course of business less estimated selling expenses.

Obsolete and slow moving inventories are systematically impaired.

## 6.11. Receivables

Current and non-current receivables are initially recognised in the balance sheet at fair value and subsequently measured at amortised cost using the effective interest method. When discounting has no material effect, the nominal amount is recognised. Receivables are impaired when collection is uncertain or doubtful. Receivables are individually assessed for recoverability. The increase in the provision for doubtful debtors is included in "other operating expenses" in the income statement.

## 6.12. Cash and cash equivalents

Cash and cash equivalents include all cash, deposits in bank accounts, bank overdrafts, and investments with an original maturity of three months or less.

Bank overdrafts are recognised in the consolidated balance sheet under current borrowings. For the consolidated statement of cash flows, these are included under cash and cash equivalents (see section 9.6.).

## 6.13. Equity

Dividends are recognised as a liability in the period in which they are approved. The final approval is given by the general meeting of shareholders which approves the results of the relevant financial year.

Treasury shares, purchased by Miko or its subsidiaries, are recorded in equity for the consideration paid.

## 6.14. Borrowings

Borrowings are initially recognised at fair value, i.e. the actual value of the received amount less the transaction costs incurred. Borrowings are subsequently carried at amortised cost.

## 6.15. Financial liabilities

The financial liabilities related to the future acquisition of minority interests are valued based upon the fair value of the contractual obligations.

As from accounting year 2016, the difference between the value of the minority interest and the fair value of the contractual obligation is assigned to reserves attributable to the owners of Miko. At every closing date, the changes to the fair value of the contractual obligations are reflected in the balance sheet.

## 6.16. Employee benefits and pension obligations

The cost of all short-term and long-term employees, such as wages and salaries, holiday pay, bonuses and other benefits, are recognised during the period in which the employee renders the relevant service. The group recognises these costs only if a legal or constructive obligation exists to make the relevant payments and a reliable estimate of the liability can be made.

For equity-settled, share-based payments, the fair value is calculated using the Black Scholes method. The result of this calculation is charged to the income statement over the vesting period in accordance with IFRS 2, "share-based payments".

The following criteria have been used to calculate the value of the payment plan:

Grant date	2013 <sup>1</sup>	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>
Expected life	6 years	4 years	5 years	6 years
Volatility of share price	21.88%	21.88%	21.88%	21.88%
Risk-free interest rate	1.06%	1.06%	1.06%	1.06%

<sup>1</sup>For more information, reference is made to section 4.7. of the annual report and to section 9.14. of the financial statements.

The volatility of the share price is calculated based on the daily quotes on Euronext Brussels.

The provision for early retirement is determined in accordance with statutory requirements in force in each country. An assessment is made of the employees that are eligible for early retirement, as well as the employees who have made the firm decision to retire early. On 31 December 2016, there are no indications that employees that are eligible for early retirement, but who have not yet made the decision to retire early, will make use of this option. As a result, no provision has been recognised.

For certain bonuses, which can be earned over a period of more than one year, additional provisions are recognised.

## 6.17. Pension obligations

The balance sheet includes a provision for pension obligation. It concerns a "defined contribution" plan, under which the group pays fixed contributions into a pension fund. These contributions are charged to the income statement under employee benefit expense when they become due. It is the obligation of the employer to guarantee the statutory minimum return. Each year, the insurance company calculates whether this return has been attained. In the past, it has never been necessary to make an additional contribution in order to comply with the minimum return. This was also not the case in 2016.

See also section 8.4.1.

## 6.18. Provisions

Miko recognises provisions for liabilities and probable losses of which the amount is uncertain at the reporting date, but which can be estimated reliably. A provision is recognised when the group (a) has a present legal or constructive obligation as a result of past events, (b) it is probable that to settle the obligation an outflow of resources will be required, and (c) the amount of the obligation can be estimated reliably. A past event is considered to give rise to a present obligation if, taking account the available evidence, it is more likely than not that a present obligation exists at the reporting date.

## 6.19. Trade payables

Trade payables are recognised in the balance sheet at discounted cost, unless the impact of discounting is immaterial.

## 6.20. Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. However, deferred tax liabilities are not recognised for differences relating to goodwill, as goodwill amortisations and impairment are not tax deductible.

Deferred tax assets related to deductible temporary differences and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is calculated on the basis of tax rates which are expected to be applied in the period in which the asset will be realised or the liability will be settled, on the basis of the tax laws enacted or substantively enacted at the reporting date.

## 6.21. Revenue

Revenue is recognised when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the group.

Revenue from the sale of goods is recognised when the goods have been delivered and the risks and rewards have been transferred.

Rental income (mainly relating to coffee-making equipment) is recognised at the moment the periodic rents become due. It concerns rental agreements with a duration of three to five years, without purchase option for the customer. The rent is payable from month to month and can be adjusted based on the consumer price index.

Revenue from the sale of services is recognised based on the stage of completion on the reporting date.

Dividend income is recognised when the shareholder has the right to receive payment.

## 6.22. Segment information

In accordance with IFRS 8, Miko has determined the operating segments based on the internal reporting structure and the way in which the board of directors (i.e. the "chief operating decision maker") assesses the performance of the operational activities and allocates resources.

On this basis, the following operating segments have been determined:

- Coffee: this segment delivers coffee to the "out-of-home" market; the coffee is consumed outside the private home, for example in offices, businesses and restaurants.
- Plastics: within this segment, high-quality plastic packaging products are manufactured, among others for the food industry and the "homecare" sector (bubble wraps for laundry detergent).

Each legal entity (subsidiary) of the group is part of one of the operating segments described above. When transactions take place between the segments, these are carried out at arm's length.

The results, assets and liabilities of the segments contain items that belong to one segment, as well as items that can reasonably be allocated to the segment. Assets of the segments comprise mainly intangibles, property, plant and equipment, inventories and trade receivables. Liabilities of the segments comprise mainly trade and other payables.



## 6.23. Financial risk management

In an international group as Miko, financial risk factors exist as a matter of course. The goal, however, is to limit these to a minimum.

### 6.23.1 Foreign exchange risk

Most of our activities, both purchases and sales, are denominated in euros. Even subsidiaries located in non-euro countries are invoiced in euros. However, the group is exposed to foreign exchange risk relating to sales denominated in British Pounds, Polish Zloty, Swedish Crowns, Danish Crowns, Australian Dollar and Indonesian Rupia. Considering the limited impact of this risk, the group does not currently use any derivative financial instruments to manage this risk.

### 6.23.2 Interest rate risk

The majority of existing borrowings has been concluded at a fixed interest rate. For these transactions, the interest rate risk is limited to a cash flow risk. The remaining portion has been concluded at floating interest rates of up to three months. Due to the use of floating-to-fixed interest rate swaps, the interest rate risk is limited, both with regards to size and with regards to duration. A realistic change in market interest rates would therefore not have a significant impact on the company's results.

### 6.23.3 Credit risk

The group does not have a significant concentration of credit risk. Credit control, which is closely monitored by management, keeps the credit risk limited. The maximum credit risk at the reporting date is the carrying amount of receivables.

### 6.23.4 Liquidity risk

Liquidity risk arises from the possibility that the group will be unable to meet its financial obligations as they become due. This risk is managed by using sufficiently dispersed financing sources. Furthermore, the cash position is monitored daily by the group's management. This continuous attention, together with the existing cash surpluses, ensures that there is no short-term liquidity risk.

### 6.23.5 Price risk

In the ordinary course of business, Miko is exposed to risks resulting from fluctuations in market prices. The group currently does not structurally hedge this risk, which means that its results are exposed to fluctuations in the price of green (raw) coffee and plastics. All purchases of raw materials are denominated in euro.

## 7. Segment information

### 7.1. Segment information

Financial year ending 31/12/2015 (K EUR)	Coffee	Plastics	General 3	Total
Total sales	92,486	88,840		181,326
Sales to other segments	-2,920	-163		-3,083
Sales to external customers	89,566	88,677		178,243
Inter-segment eliminations			21	21
Consolidation				0
Non-allocated income and expenses			-678	-678
EBITDA <sup>1</sup>	9,975	12,166	34	22,175
Result of segment (EBIT <sup>2</sup> )	5,481	5,422	-657	10,246
Financial result			89	89
Income tax			-2,535	-2,535
Group profit before non-controlling interest				7,800
Non-controlling interest				29
<b>Net profit</b>				<b>7,771</b>

<sup>1</sup> Profit from operating activities before interests, tax, depreciations and amortisations

<sup>2</sup> Profit from operating activities before interests and tax

<sup>3</sup> Non-allocated elements and consolidation-entries

Financial year ending 31/12/2015 (K EUR)	Coffee	Plastics	Inter-segment elimination	Total
Segment net assets (IFRS) <sup>1</sup>	62,798	64,070		126,868
Non-allocated assets				16,835
Inter-segment eliminations			-2,067	-2,067
<b>Total assets</b>	<b>62,798</b>	<b>64,070</b>	<b>-2,067</b>	<b>141,636</b>
Segment net liabilities <sup>2</sup>	8,773	7,732		16,505
Non-allocated liabilities				127,131
Inter-segment eliminations			-2,000	-2,000
<b>Total liabilities</b>	<b>8,773</b>	<b>7,732</b>	<b>-2,000</b>	<b>141,636</b>
Cost of investments	7,998	5,227		13,225
Cost of non-allocated investments				173
<b>Total cost of investments</b>				<b>13,398</b>
Depreciations and amortisations of segment assets	4,373	6,372		10,745
Depreciations and amortisations of non-allocated assets				251
<b>Total depreciations and amortisations</b>				<b>10,996</b>
Deferred tax assets	763	0		763
Deferred tax liabilities	2,019	2,397	11	4,427
Provisions	157	381		538
Other non-cash transactions				
Provisions for doubtful debtors	813	41		854
Impairment				

<sup>1</sup> Segment net assets consists of following assets: intangible assets, property, plant and equipment, long term trade and leasing receivables and short term trade and leasing receivables.

<sup>2</sup> Segment net liabilities consists of following liabilities: long term and short term trade liabilities.

Financial year ending 31/12/2016 (K EUR)	Coffee	Plastics	General 3	Total
Total sales	100,281	95,111	-5	195,387
Sales to other segments	-3,745	-175		-3,920
Sales to external customers	96,536	94,936	-5	191,467
Inter-segment eliminations			78	78
Consolidation				0
Non-allocated income and expenses			-392	-392
EBITDA <sup>1</sup>	11,307	16,192	-256	27,234
Result of segment (EBIT <sup>2</sup> )	6,258	10,045	-314	15,989
Financial result			-940	-940
Income tax			-4,298	-4,298
Group profit before non-controlling interest				10,751
Non-controlling interest				1,891
<b>Net profit</b>				<b>8,860</b>

<sup>1</sup> Profit from operating activities before interests, tax, depreciations and amortisations

<sup>2</sup> Profit from operating activities before interests and tax

<sup>3</sup> Non-allocated elements and consolidation-entries

Financial year ending 31/12/2016 (K EUR)	Coffee	Plastics	Inter-segment elimination	Total
Segment net assets (IFRS) <sup>1</sup>	76,648	74,878		149,526
Non-allocated assets				16,293
Inter-segment eliminations			-1,307	-1,307
<b>Total assets</b>	<b>76,648</b>	<b>74,878</b>	<b>-1,307</b>	<b>164,512</b>
Segment net liabilities <sup>2</sup>	11,504	9,573		21,077
Non-allocated liabilities				144,754
Inter-segment eliminations			-1,319	-1,319
<b>Total liabilities</b>	<b>11,504</b>	<b>9,573</b>	<b>-1,319</b>	<b>164,512</b>
Cost of investments	17,014	11,360		28,374
Cost of non-allocated investments				249
<b>Total cost of investments</b>				<b>28,623</b>
Depreciations and amortisations of segment assets	4,943	6,285		11,228
Depreciations and amortisations of non-allocated assets				248
<b>Total depreciations and amortisations</b>				<b>11,476</b>
Deferred tax assets	998	0		998
Deferred tax liabilities	2,122	2,890		5,019
Provisions	0	235		235
Other non-cash transactions				
Provisions for doubtful debtors	763	83		846
Impairment				

<sup>1</sup> Segment net assets consists of following assets: intangible assets, property, plant and equipment, long term trade and leasing receivables and short term trade and leasing receivables.

<sup>2</sup> Segment net liabilities consists of following liabilities: long term and short term trade liabilities.

## 7.2. Geographical information

### 7.2.1 Geographical dispersion of revenue (K EUR)

	BE	FR	NL	UK	DE	SE/DK/ NO	PL	ID	Other	Total
2015	33,488	17,359	16,160	28,144	34,911	14,739	13,016	6,220	14,207	178,243
2016	31,255	18,307	16,404	23,655	35,306	20,698	11,303	14,862	19,679	191,467
Evolution	-2,233	948	244	-4,489	395	5,959	-1,712	8,642	5,472	13,224

NB: This information is based on invoice addresses.

Revenue within the coffee segment is spread over a very extensive range of customers. The largest customer within the plastics segment represents 10.46% of the total consolidated revenue of both segments combined, but is spread over several geographical areas.

### 7.2.2 Geographical dispersion of non-current assets <sup>(1)</sup> (K EUR)

	BE	FR	NL	UK	DE	PL	ID	Other	Total
2015	26,415	425	804	3,619	325	14,289	2,851	2,377	51,105
2016	27,712	469	724	3,721	317	14,042	6,855	2,538	56,378
Evolution	1,297	43	-80	102	-7	-247	4,004	161	5,273

<sup>1</sup> Following non-current assets have been taken up in the table: property, plant and equipment, intangible assets excl. goodwill and leasing receivables on more than one year.



## 8. Notes to the income statement

### 8.1. Revenue

	2016 (K EUR)		2015 (K EUR)	
<b>Revenue</b>		<b>191,467</b>		<b>178,243</b>
Revenue from the sale of goods	186,448		173,502	
Revenue from leasing	4,732		4,456	
Proceeds from sale of non-current assets	287		285	

### 8.2. Other operating income and expenses

	2016 (K EUR)		2015 (K EUR)	
<b>Services and other goods</b>		<b>29,287</b>		<b>25,466</b>
Cost of sales	9,524		7,236	
Maintenance	6,393		5,437	
Energy	3,985		4,085	
Vehicles	2,786		2,735	
Insurance	499		584	
Other	6,100		5,389	
<b>Provisions and reversal of provisions</b>		<b>-222</b>		<b>933</b>
<b>Other expenses</b>		<b>598</b>		<b>862</b>
<b>Total other operating expenses</b>		<b>29,663</b>		<b>27,261</b>
<b>Other operating income</b>				
Recharged expenses	2,639		2,071	
Recovered employee benefit expense	1,597		1,344	
Other	438		241	
<b>Total other operating income</b>		<b>4,674</b>		<b>3,656</b>

### 8.3. Change in inventories and gross margin

	2016 (K EUR)	2015 (K EUR)
Purchases	97,143	95,851
Change in inventories	-1,768	-2,013
Gross profit as % of sales	50.19%	47.35%
Loss or impairment of inventories		

## 8.4. Employee benefit expense

	2016 (K EUR)	2015 (K EUR)
Wages and salaries	29,335	26,601
Social security contributions	6,460	6,059
Termination benefits	109	218
Directors' compensation	1,635	1,361
Temporary staff	1,521	1,472
Other	2,515	2,075
Training	178	282
Pension contributions	1,315	1,161
Share-based payments	570	328
<b>Total</b>	<b>43,638</b>	<b>39,557</b>
<b>Number of employees at reporting date (headcount)</b>	<b>1,116</b>	<b>985</b>

Contributions for post-termination benefits, where the company pays fixed contributions into a fund, are recognised in the income statement under employee benefit expense. The total contribution for 2016 was 1,315 K EUR (in 2015 this was 1,161 K EUR).

### 8.4.1. Defined contribution plans

The group has several defined contribution plans with insurance companies, which ensure the investments of the contributions. The contributions are charged to the income statement of the year in which they are paid.

- In Belgium, pension plans are legally structured as defined contribution plans. Because of the law on the second pillar of the pension plans (the so-called "Law Vandebroucke"), all Belgian defined contribution plans must be considered defined benefit plans. The Law Vandebroucke requires that the employer guarantees a minimum return of 3.75% on employees' contributions and of 3.25% on employers' contributions. At the end of 2015, a new law was published, lowering the minimum return on future contributions to 1.75%.

Because of the minimum return that must be guaranteed for defined contribution plans in Belgium, a financial risk is created for the employer (as there is an obligation to make payments in order to meet the minimum return if the fund shows a deficit).

In the past, the Miko Group did not apply this, because higher discount rates were applicable and the minimum return on the funds was guaranteed by the insurance company. Due to the continuously lower interest rates on the European financial markets, the employers run a higher financial risk compared to the past. Therefore, the group needs to evaluate the impact of valuing the pension plans as defined benefit plans.

It results from this analysis that this does not have a significant impact on the figures per 31 December 2016. For informational purposes, the following figures are given:

Employers contribution 2016 (K EUR)	391
Amount of the pension funds per 31 december 2016 (K EUR)	2,259

See also section 6.16.

### 8.4.2. Other post-termination obligations

In several of the group's companies, the possibility exists, in accordance with statutory regulations, to leave the company and enter into early retirement. The group has an obligation to pay additional premiums in addition to the statutory early retirement pension. The provision for early retirement amounted to 115 K EUR on 31 December 2016.

### 8.4.3. Share based payments

Management has the possibility to enter into a share-based payment plan. This means that the company offers management options to buy a fixed number of treasury shares, on the condition that the employment or director's agreement is continued for at least three years. No new shares are created for this plan. The value of the options, calculated in accordance with the Black Scholes model, is charged to the income statement over the vesting period in accordance with IFRS 2.

### 8.4.4. Termination benefits

Termination benefits are payments that may be due to employees who leave the company before the statutory pension age. These benefits are recognised as a cost, if the decision to leave the company is irreversible and the value of the benefit has been correctly determined.

## 8.5. Financial income and costs

	2016 (K EUR)	2015 (K EUR)
Interest income from investing activities	155	249
Interest income from leasing activities	49	58
Dividend income from non-consolidated entities	0	0
Interest expense: borrowings	-430	-596
Interest expense: finance lease	-275	-208
Interest expense: operating lease	-	-103
Interest expense: other	-31	-157
Other expenses, net (incl. bank charges)	158	233
Net foreign exchange gains/(losses)	-565	21
Net gains/(losses) on disposal of financial assets	-1	592
<b>Total</b>	<b>-940</b>	<b>89</b>

The reported gain on financial fixed assets in 2015 relates to the downward correction of a financial liability, based upon our current estimate of the future obligation. For the accounting treatment as from 2016, we refer to section 6.15.

## 8.6. Income tax

	2016 (K EUR)	2015 (K EUR)
<u>Current income tax</u>		
Current tax on profits for the year	4,219	2,623
Adjustments in respect of prior years and reversal of tax provisions	-33	17
<b>Total current tax</b>	<b>4,186</b>	<b>2,640</b>
<u>Deferred income tax</u>		
Origination and reversal of temporary differences	176	78
Impact of change in tax rates or new taxes	0	-32
Usage of tax losses of previous years	0	
Deferred tax recognised on tax losses for the current year	-64	-151
<b>Total deferred tax</b>	<b>112</b>	<b>-105</b>
<b>Total income tax expense in income statement</b>	<b>4,298</b>	<b>2,535</b>
Profit before tax	15,049	10,335
<b>Effective tax rate</b>	<b>28.56%</b>	<b>24.53%</b>

The effective tax rate of the group differs from the applicable tax rate in Belgium (33.99%) for the following reasons:

<b>Reconciliation between theoretical and effective tax rate</b>	2016 (K EUR)	2015 (K EUR)
Taxes calculated at the applicable tax rate of 33,99%	5,115	3,513
Impact of tax rates of other jurisdictions	-978	-576
Income not subject to tax	-50	-319
Expenses not deductible for tax purposes	486	610
Utilisation of previously unrecognised tax losses	31	30
Impact due to changes in the tax rate	-13	-9
Impact of overestimates and underestimates in prior periods	14	-27
Other increases (decreases)	-38	-300
Notional interest deduction	-269	-387
<b>Tax calculated at the effective tax rate</b>	<b>4,298</b>	<b>2,535</b>



## 9. Notes to the consolidated balance sheet

### 9.1. Property, plant and equipment

2015 (K EUR)	Land and buildings	Installations and machinery	Equipment	Total
<b>a) Cost of acquisition</b>				
As at end of previous financial year	17,245	88,033	32,374	137,652
<u>Movements during the year</u>				
Additions	17	6,530	3,768	10,315
Disposals	-12	-1,260	-2,774	-4,046
Impairment charge				
Transfers	648	-781	111	-22
Exchange differences	34	95	418	547
Other		733	282	1,015
As at end of current financial year	17,932	93,350	34,179	145,461
<b>b) Depreciations and impairment</b>				
As at end of previous financial year	3,327	65,313	20,715	89,355
<u>Movements during the year</u>				
Depreciation charge	460	6,394	3,316	10,170
Acquisition of subsidiary				
Disposals	-1	-784	-2,045	-2,830
Impairment charge				
Transfers			-3	-3
Exchange differences	-1	-15	248	232
Other		265	171	436
As at end of current financial year	3,785	71,173	22,402	97,360
<b>Net book value at end of current financial year</b>	<b>14,147</b>	<b>22,177</b>	<b>11,777</b>	<b>48,101</b>

2016 (K EUR)	Land and buildings	Installations and machinery	Equipment	Total
<b>a) Cost of acquisition</b>				
As at end of previous financial year	17,932	93,350	34,179	145,461
<u>Movements during the year</u>				
Additions	2,270	9,221	6,264	17,755
Disposals		-1,655	-1,507	-3,162
Impairment charge				
Transfers		-354	343	-11
Exchange differences	-194	-657	-1,161	-2,012
Other			297	297
As at end of current financial year	20,008	99,905	38,415	158,328
<b>b) Depreciations and impairment</b>				
As at end of previous financial year	3,785	71,173	22,402	97,360
<u>Movements during the year</u>				
Depreciation charge	469	6,473	3,359	10,301
Acquisition of subsidiary				
Disposals		-1,230	-952	-2,182
Impairment charge				
Transfers		94	-115	-21
Exchange differences	-45	-859	-366	-1,270
Other			208	208
As at end of current financial year	4,209	75,651	24,536	104,396
<b>Net book value at end of current financial year</b>	<b>15,799</b>	<b>24,254</b>	<b>13,879</b>	<b>53,932</b>

The items "land and buildings" and "installations and machinery" comprise, at 31 December 2016, assets in use by the company under finance lease agreements for resp. 4,537 K EUR and 261 K EUR (resp. 4,720 K EUR and 445 K EUR per 31 December 2015).

These concern primarily two material lease agreements with the following characteristics:

Asset	Logistics centre Oud-Turnhout	Solar panels Oud-Turnhout
Start date	19 May 2011	30 May 2011
Duration	15 years	7 years
Investment amount	5,050 K EUR	1,304 K EUR
Net book value leased assets	4,537 K EUR	261 K EUR
Residual value/purchase option	152 K EUR	13 K EUR

## 9.2. Intangible assets

2015 (K EUR)	Goodwill	Patents, trademarks and client relationships	Software	Total
<b>a) Cost of acquisition</b>				
As at end of previous financial year	16,976	7,508	1,216	25,700
<u>Movements during the year</u>				
Additions	2,452	523	108	3,083
Disposals				0
Impairment charge				0
Transfers			9	9
Exchange differences	187	225	3	415
Other	116			116
As at end of current financial year	19,731	8,256	1,336	29,323
<b>b) Amortisations and impairment</b>				
As at end of previous financial year	720	5,027	1,135	6,882
<u>Movements during the year</u>				
Amortisation charge		720	107	827
Acquisition of subsidiary				
Disposals				
Impairment charge				
Transfers				
Exchange differences	74	211	3	288
Other				
As at end of current financial year	794	5,958	1,245	7,997
<b>Net book value at end of current financial year</b>	<b>18,937</b>	<b>2,298</b>	<b>91</b>	<b>21,326</b>

2016 (K EUR)	Goodwill	Patents, trademarks and client relationships	Software	Total
<b>a) Cost of acquisition</b>				
As at end of previous financial year	19,731	8,256	1,336	29,323
<u>Movements during the year</u>				
Additions	9,720	971	178	10,869
Disposals			-13	-13
Impairment charge				0
Transfers			12	12
Exchange differences	-461	-545	-10	-1,016
Other	43			43
As at end of current financial year	29,033	8,682	1,503	39,218
<b>b) Amortisations and impairment</b>				
As at end of previous financial year	794	5,958	1,246	7,998
<u>Movements during the year</u>				
Amortisation charge	1	1,109	64	1,174
Acquisition of subsidiary				
Disposals			-13	-13
Impairment charge				
Transfers			21	21
Exchange differences	-184	-519	-9	-712
Other	43			43
As at end of current financial year	654	6,548	1,309	8,511
<b>Net book value at end of current financial year</b>	<b>28,379</b>	<b>2,134</b>	<b>194</b>	<b>30,707</b>

The item patents, trademarks and client relationships comprises client relations acquired from third parties.

Allocation of goodwill	2016 (K EUR)	2015 (K EUR)
Coffee	24,665	15,223
Plastics	3,714	3,714
Total	<b>28,379</b>	<b>18,937</b>

Management tests goodwill for impairment on a yearly basis. The value of goodwill is calculated by means of a discounted free cash flow model based on the group's operating budget for the following financial years. Such a model was applied for each cash generating unit (CGU). Within the Miko group, the segments (coffee and plastics) are considered to be CGU's.

The cash flow projection for these CGU's was made for a period of five years and takes into account a yearly growth rate of 5% for the first 5 years and 2% for the years after. Management concludes that a discount based on a WACC between 6% and 8.6% does not give rise to an impairment for the CGU's.

On 28 June 2016, Miko acquired 100% of the shares of Smiling Faces AB. Smiling Faces AB, established in Stockholm, is an innovative Swedish coffee service operator that focuses on the provision of coffee service solutions for large and medium-sized clients in the office coffee service ("OCS") market segment.

Smiling Faces installs small and medium-sized coffee and vending machines at its clients' premises in a leasing arrangement, and also takes care of the technical support and supply of all ingredients required (coffee, sugar, milk, tea and hot chocolate). In addition to coffee, Smiling Faces' offering also includes the provision of drinking water systems for its clients, as well as healthy snacks in its "Fruit by Smiling Faces" segment. The company and its personnel provide a strong service component known as Pausmanagement®, being the management of the coffee break. The company presently has a workforce of 39 employees and has seen a successful development over recent years, currently achieving a turnover in excess of EUR 9 million.

The total consideration paid, amounted to 11.3 mio EUR. On 30 June 2016, the fair value of the acquired assets and liabilities was measured to determine the amount of goodwill. The goodwill related to this transaction amounts to 9.7 mio EUR and can be explained by different factors:

- Over the past three years, the Miko Group's coffee service division has decided to turn its strategic focus to Scandinavia in view of the strong coffee culture in that region and the economic strength of these countries.
- In Sweden, we already established a strong basis in Gothenburg and Malmö through our subsidiary Kaffekompaniet AB. However, the Stockholm region has remained somewhat virgin territory.
- The acquisition is in line with the group's long-term strategy to continue to roll out an international coffee service organisation through its own subsidiaries in various countries.

The results of Smiling Faces AB have been taken up in the consolidated results as from 30 June 2016.

<b>K EUR</b>	<b>Fair value 30 June 2016</b>
Consideration paid	11,316
Property, plant and equipment	88
Intangible assets (client relationships)	972
Inventory	667
Current trade and other receivables	1,094
Cash and cash equivalents	512
Deferred income tax liability	-290
Taxes and social security charges	-790
Current trade and other payables	-657
<b>Total net assets</b>	<b>1,596</b>
<b>Goodwill</b>	<b>9,720</b>



### 9.3. Non-current trade and other receivables

2015 (K EUR)	Net receivables leasing	Non-current trade receivables	Other	Total
1. Opening balance	933	61	293	<b>1,287</b>
2. Movements	-360	-20	-26	<b>-406</b>
3. Exchange differences				
4. Closing balance	573	41	267	<b>881</b>
<b>2016 (K EUR)</b>				
1. Opening balance	573	41	267	<b>881</b>
2. Movements	-275	-36	-154	<b>-465</b>
3. Exchange differences				
4. Closing balance	298	5	113	<b>416</b>

All non-current receivables have a maturity of less than five years. The applied interest rates are at arm's length for 2016 (same for 2015).

No loans have been advanced to directors or related parties.

At the end of 2016, there are no indicators of impairment for non-current receivables (e.g. loss of market share or technological obsolescence).

The carrying amount of non-current trade receivables approximates the fair value at the reporting date.

### 9.4. Inventories

Inventories	2016 (K EUR)	2015 (K EUR)
1. Raw materials and consumables	10,242	9,602
2. Work in progress	396	349
3. Finished goods	10,927	9,969
4. Goods for resale	8,294	8,170
<b>Total</b>	<b>29,859</b>	<b>28,090</b>

Inventories are stated at the lower of cost, according to the weighted average cost method, and the net realisable value.

Raw materials and consumables comprise green (raw) coffee, plastics, and packaging material.

Finished goods and goods for resale comprise, for the coffee segment, mainly coffee products and ancillary products such as milk, sugar, and cookies and for the plastics segment, ice cream boxes, margarine tubs and trays for ready meals.

## 9.5. Current trade and other receivables

<b>Trade and other receivables</b>	<b>2016 (K EUR)</b>	<b>2015 (K EUR)</b>
1. Trade receivables	35,064	28,481
2. Finance lease receivables	462	490
3. Doubtful debtors	-846	-854
<b>Total trade receivables</b>	<b>34,680</b>	<b>28,117</b>
4. Loans to directors or related parties	0	0
5. Other receivables (including tax receivables)	2,110	2,403
6. Deferred charges	1,168	1,326
<b>Total other receivables</b>	<b>3,278</b>	<b>3,729</b>
<b>Total trade and other receivables</b>	<b>37,958</b>	<b>31,846</b>

As the trade receivables are current, the carrying amount approximates the fair value of these assets.

### 9.5.1 Credit risk on receivables

Credit risk refers to the risk a third party will cause a financial loss for the group by failing to meet its contractual obligations. To mitigate this risk, credit analyses are performed for those customers who are about to exceed a certain credit limit. Customers that are allowed to exceed their credit limit are continuously monitored. Management continually evaluates the entire customer portfolio to assess its creditworthiness. The carrying amount of the trade receivables approximates the fair value at the reporting date and the provisions for doubtful debtors adequately cover the group's credit risk.

Trade receivables of the coffee segment are related to numerous customers spread over different geographical areas. The customer with the highest outstanding balance represents only 3.40% of total receivables of this segment at the reporting date.

Trade receivables in the plastics segment are related to a less diverse customer base, which however is also spread over different geographical areas. The customer with the highest outstanding balance represents 24.12% of total receivables of this segment at the reporting date. It should be noted that for this customer a reverse factoring agreement exists, which offers the possibility to demand early payment against a discount, and which mitigates the credit risk significantly.

The average collection period for sold goods is 55 days for the coffee segment (2015: 54 days) and 71 days for the plastics segment (2015: 44 days). Interest is not systematically charged on overdue receivables.

Trade receivables include debtors with a carrying amount of 11,663 K EUR that are past due at the reporting date, but for which no impairment is recognised, because they are considered to be recoverable. The majority of these past due receivables are a result of the group's export policy, under which extended payment terms apply in practice.

### 9.5.2 Aging list of past due, but not considered impaired trade receivables

	<b>2016 (K EUR)</b>	<b>2015 (K EUR)</b>
1-30 days	8,249	4,384
31-60 days	1,460	1,919
61-90 days	961	1,263
>90 days	993	983
<b>Total</b>	<b>11,663</b>	<b>8,549</b>

### 9.5.3 Movements in the provision for doubtful debtors

	2016 (K EUR)	2015 (K EUR)
At the start of the financial year	854	915
(Use of provision)	-181	-274
Additional provisions	188	213
Translation differences	-15	
<b>Balance</b>	<b>846</b>	<b>854</b>

### 9.5.4 Market risk: foreign exchange risk

Even though the largest part of the group's purchases and sales are denominated in euro, the group is still subject to foreign exchange risk. This risk is mainly related to the British Pound.

Based on the average volatility of the British Pound, the group estimated the possible fluctuations in the exchange rate for this currency against the euro:

	EUR/GBP	Potential volatility
<b>Closing rate 31/12/2015</b>	0.7340	7.68%
<b>Closing rate 31/12/2016</b>	0.8562	10.79%

Net book value in kGBP	2016	2015
Trade payables	-539	-757
Trade receivables	1,631	1,445
Cash and cash equivalents	250	207
<b>Net book value</b>	<b>1,342</b>	<b>895</b>

If the British Pound had weakened resp. strengthened against the euro according to the estimates above, the net result of the group for 2016 would have increased resp. decreased by 177 K EUR.

### 9.5.5 Other

At the end of 2016, there are no indicators of impairment for current receivables (e.g. loss of market share or technological obsolescence).

## 9.6. Cash and cash equivalents

Cash and cash equivalents	2016 (K EUR)	2015 (K EUR)
Cash in hand	43	61
Cash at bank	10,600	8,495
Short-term bank deposits (<3 months)	0	2,073
Bank overdrafts	-1,636	-787
<b>Total cash and cash equivalents</b>	<b>9,007</b>	<b>9,842</b>

## 9.7. Capital management

The group determines the amount of capital in proportion to the risk. The group manages its capital structure and adjusts it in case of changing economic conditions and financing needs.

The group's capital management objectives have remained unchanged. The different entities are enabled to operate as going concern, while the necessary attention is given to the balance between risk level on the one hand and allocated resources and prices on the other.

The capital structure of the group comprises non-current borrowings, cash and cash equivalents, reserves, retained earnings and non-controlling interests.

Net debt at the end of the financial year was as follows:

	2016 (K EUR)	2015 (K EUR)
Non-current borrowings	37,834	29,218
Current borrowings	13,305	10,240
Cash and cash equivalents	-10,643	-10,629
Net	40,496	28,829
Equity	82,599	79,063
<b>Net debt ratio</b>	<b>49.03%</b>	<b>36.46%</b>

The group is not subject to external capital requirements.

## 9.8. Borrowings

Borrowings	2016 (K EUR)	2015 (K EUR)
<b>I. Current</b>		
Bank borrowings		
Finance lease liabilities	1,066	1,274
Bank overdrafts	1,636	787
Other	0	0
<u>Amounts becoming due within 12 months</u>		
Bank borrowings	7,678	5,569
Other current liabilities		
Borrowings from third parties	0	0
Borrowings from related parties	2,925	2,610
<b>Total current borrowings</b>	<b>13,305</b>	<b>10,240</b>
<b>II. Non-current</b>		
Bank borrowings		
Finance lease liabilities	3,707	4,549
Bank borrowings	17,068	12,140
<u>Other non-current liabilities</u>		
Other borrowings from third parties	0	0
Other long-term liabilities <sup>1</sup>	9,577	5,215
<b>Total non-current borrowings</b>	<b>30,352</b>	<b>21,904</b>

<sup>1</sup> This item relates to the current value of the future obligation to acquire a minority interest in one of the group companies from third parties. The fair value has been calculated according to levels 3 of the IFRS 13 hierarchy.

All borrowings are denominated in euro, Zloty or Rupia. The borrowings have been concluded to finance the group's investments in buildings, equipment and acquisitions. The borrowings mature at the latest in 2026 and bear interest at an average rate of 2.64%. The group has undrawn credit lines for an amount of 5,489 K EUR. The fair value of the loans is in line with the nominal value as the interest rate is at arm's length.

For more information concerning related-parties transactions, reference is made to section 9.15.

Detailed information regarding maturity of borrowings:

2015 (K EUR)	1 year or less	1-5 years	Over 5 years
Bank borrowings	5,569	10,390	1,750
Other borrowings	0	5,215	0
Finance lease liabilities (total)	1,274	2,395	2,154
<b>Total borrowings</b>	<b>6,843</b>	<b>18,000</b>	<b>3,904</b>
2016 (K EUR)	1 year or less	1-5 years	Over 5 years
Bank borrowings	7,678	16,259	809
Other borrowings	0	5,313	0
Finance lease liabilities (total)	1,066	1,914	1,793
<b>Total borrowings</b>	<b>8,744</b>	<b>23,486</b>	<b>2,602</b>

These amounts are exclusive of future interest expense for an amount of 1,585 K EUR, calculated based on the applicable interest rates at the reporting date (at the end of 2015, this was 1,957 K EUR).

Effective interest rates (%)	2016	2015
Bank borrowings	0.44-10.00	1.01-12.25
Other borrowings	1.99	2.49
Finance lease liabilities	3.21-13.59	3.21-13.59

All borrowings are denominated in euro, Zloty or Rupia. The bank borrowings include both fixed-rate borrowings and floating-rate borrowings. The other borrowings are fixed-rate borrowings.

## 9.9. Trade and other payables

	2016 (K EUR)	2015 (K EUR)
<b>Non-current trade and other payables</b>		
Non-current trade payables		
Other payables	909	827
<b>Total non-current trade and other payables</b>	<b>909</b>	<b>827</b>
<b>Current trade and other payables</b>		
Trade payables	19,990	14,599
Other payables	578	488
Accrued expenses & deferred income	2,323	2,309
<b>Total current trade and other payables</b>	<b>22,891</b>	<b>17,396</b>
<b>Taxes and social security charges</b>		
Tax payables	3,857	2,290
Social security charges payable	4,026	3,428
<b>Total current taxes and social security charges</b>	<b>7,883</b>	<b>5,718</b>

The carrying amount of trade and other payables approximates the fair value at the reporting date.



## 9.10. Provisions

(K EUR)	Post-employment benefits	Environmental provisions	Other provisions	Total
<b>At 1 January</b>	<b>629</b>		<b>1,430</b>	<b>2,059</b>
Additional provisions	73		276	349
Unused amounts reversed	-52		-90	-142
Used during year	-33		-587	-620
Exchange differences	0			0
Other changes			-92	-92
<b>At 31 December</b>	<b>617</b>		<b>937</b>	<b>1,554</b>

The provision for post-employment benefits amounts to 617 K EUR (2015: 629 K EUR). This provision was recognised with a view to the statutory regulations relating to early retirement.

The increase of other provisions mainly relates to the valuation of the share-based-payment plan according to the Black and Scholes model. The fair value of the share options on balance sheet date amounted to 702 K EUR.

## 9.11. Deferred tax assets

Deferred tax assets are recognised in the balance sheet for temporary differences. The movement of the deferred tax assets during the reporting period is as follows:

	2016 (K EUR)	2015 (K EUR)
<b>Opening balance</b>	<b>763</b>	<b>505</b>
Withdrawal from deferred income tax assets	-1	-22
Addition to deferred income tax assets	236	-16
Exchange differences		
Transfer to deferred income tax liabilities		296
<b>Closing balance</b>	<b>998</b>	<b>763</b>

The deferred tax assets in the balance sheet relate to:

	2016 (K EUR)	2015 (K EUR)
1. Depreciations	649	582
2. Intangible assets	1,604	983
3. Provisions	0	0
4. Exchange differences	0	0
5. Post-employment benefits	43	40
6. Tax losses	972	687
7. Inventories	196	160
8. Other	30	19
<b>Total</b>	<b>3,494</b>	<b>2,471</b>

Management assesses recoverability of tax losses based on the group's operating budget for the following financial years.

## 9.12. Deferred tax liability

Deferred tax assets are recognised in the balance sheet for temporary differences. The movement of the deferred tax assets during the reporting period is as follows:

	2016 (K EUR)	2015 (K EUR)
<b>Opening balance</b>	<b>4,427</b>	<b>4,137</b>
Withdrawal from deferred income tax liabilities	-189	-351
Addition to deferred income tax liabilities	781	60
Exchange differences		
Transfer to deferred income tax assets		581
<b>Closing balance</b>	<b>5,019</b>	<b>4,427</b>

The deferred tax liabilities in the balance sheet relate to:

	2016 (K EUR)	2015 (K EUR)
1. Depreciations	-14,684	-13,351
2. Intangible assets	-1,540	-853
3. Provisions	197	-119
4. Exchange differences		
5. Post-employment benefits	-322	224
6. Tax losses		
7. Inventories	-514	-220
8. Other	217	126
<b>Total</b>	<b>-16,646</b>	<b>-14,193</b>

The difference between the deferred tax liability on the balance sheet and the calculation based on the Belgian tax rate of 33.99% is -449 K EUR in 2016 (in 2015: -320 K EUR) and is due to the differing income tax rates in our home countries.

## 9.13. Contingencies

There are no commitments to acquire property, plant and equipment or intangible assets.

Future commitments resulting from operating leases are as follows:

<b>Operating lease commitments</b>	2016 (K EUR)	2015 (K EUR)
Operating lease payments recognised in the income statement	1,663	1,557
Future aggregate minimum lease payments under non-cancellable operating leases for the following periods:	3,789	3,619
1. No later than 1 year	1,406	1,406
2. Later than 1 year and no later than 5 years	2,371	2,172
3. Later than 5 years	12	41

Operating lease commitments are related to investments in the vehicle fleet.

The group has given joint and several guarantees to financial institutions for an amount of 21,118 K EUR (in 2015: 10,370 K EUR).

If the Miko Group sells equipment to a customer, and the customer chooses to enter into a lease agreement with a leasing company for the equipment, the leasing company in some instances requires a buy-back clause. For these buy-back obligations, the group recognizes a provision in case a loss is expected. For the buy-back obligations existing on 31 December 2016, it is not expected that a loss will be realised.

## 9.14. Share capital

	2016	2015
<b>I. Number of shares</b>		
Number of shares at 1 January	1,242,000	1,242,000
Shares issued		
Number of shares at 31 December	1,242,000	1,242,000
Shares bought back (net)		
<b>II. Other information</b>		
1. Nominal value of the shares	N,v,t,	N,v,t
2. Number of shares held by the group or by related parties	687,000	687,000
<b>III. Earnings per share</b>		
1.1. Number of shares	1,242,000	1,242,000
1.2. Weighted average number of shares held by the group		
1.3. Number of shares used to calculate basic earnings per share	1,242,000	1,242,000
1.4. Weighted average number of share options outstanding at the end of the reporting period	28,775	32,650
1.5. Number of shares used to calculate diluted earnings per share	1,249,261	1,251,915
2. Profit/(loss) attributable to the owners of Miko	8,860	7,771

The total number of shares of 1,242,000 (with no nominal value) consists of 745,405 nominative shares and 496,595 dematerialised shares (situation at 31 December 2016).

There are no different categories of shares.

At the end of 2016, the group did not hold any treasury shares.

Options to purchase shares at a predetermined price have been granted in previous years, as follows:

	2007	2008	2012	2013	2014	2015	2016
At 1 January	250	500	1.000	11.150	8.250	9.700	0
Exercise price	€56.00	€56.00	€46.00	€50.51	€66.30	€69.00	€100.30
Granted/(exercised) during the year	-250		-500	-10,650			7,250
Exercisable at end of period	0	500	500	500	8,250	9,700	7,250
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period	5 years <sup>1</sup>	5 years <sup>1</sup>	10 years.	10 years.	7 years. <sup>2</sup>	7 years. <sup>3</sup>	7 years. <sup>4</sup>

<sup>1</sup> The exercise period of the options granted from 2005 until 2008 was initially 5 years and has been extended to 10 years.

<sup>2</sup> Of the options granted in 2014, 8,000 have an exercise period of 7 years and 250 have an exercise period of 5 years.

<sup>3</sup> Of the options granted in 2015, 7,950 have an exercise period of 7 years and 1,750 have an exercise period of 5 years.

<sup>4</sup> Of the options granted in 2016, 6,750 have an exercise period of 7 years and 500 have an exercise period of 5 years.

For equity-settled, share-based payments, the fair value is calculated using the Black Scholes method. The result of this calculation is charged to the income statement over the vesting period.

The following criteria were used for this calculation:

	2014 <sup>1</sup>	2015 <sup>2</sup>	2016 <sup>3</sup>
Exercise price	66.30	69.00	100.30
Current share price	110.00	110.00	110.00
Expected option life	2.00-4.00	3.00-5.00	4.00-6.00
Share price volatility	21.88%	21.88%	21.88%
Risk-free interest rate	1.06%	1.06%	1.06%
Dividend as a % of share price	1.80%	1.38%	1.38%

<sup>1</sup> Of the options granted in 2014, 8,000 have an exercise period of 7 years and 250 have an exercise period of 5 years.

<sup>2</sup> Of the options granted in 2015, 7,950 have an exercise period of 7 years and 1,750 have an exercise period of 5 years.

<sup>3</sup> Of the options granted in 2016, 6,750 have an exercise period of 7 years and 500 have an exercise period of 5 years.

The fair value of the share options amounted to 702 K EUR on the reporting date.

## 9.15. Related parties

	2016 (K EUR)	2015 (K EUR)
<b>I. RECEIVABLES FROM RELATED PARTIES</b>		
<b>II. PAYABLES TO RELATED PARTIES</b>		
1. Borrowings	2,925	2,610
2. Financial liabilities		
3. Other liabilities		
<b>III. TRANSACTIONS WITH RELATED PARTIES</b>		
1. Sale of goods and services		
2. Purchase of goods		
3. Other transactions		
4. Purchase of services		
5. Transfers relating to funding requirements		
6. Remuneration of management and directors <sup>1</sup>		
7. Loans granted to management and directors		

<sup>1</sup> Each director received in 2016 a fixed fee amounting to EUR 13,000.

The Chairman of the Board of Directors received an additional fee amounting to EUR 2,000.

The fixed salary of the CEO in 2016 amounted to EUR 239,217.40 EUR. The variable remuneration paid in 2016 based upon the goals set for 2015, amounted to EUR 37,728.60 EUR. The pension plan contribution and invalidity insurance amounted to EUR 68,490.65 EUR and the benefits in kind (car etc.) amounted to EUR 15,680.92 EUR.

For 2016 the remuneration (excluding the CEO's remuneration) for the EXCO members was the following. A fixed salary over 2016 amounting to EUR 787,847.32. The variable component amounted to EUR 142,939.99. The amounts for pension contributions and invalidity insurance amount to EUR 299,909.27. The benefits in kind over 2016 combined amounted to EUR 58,004.41.

For more information on remuneration of management and directors, reference is made to the remuneration report (section 4. of the annual report).

The borrowing concerns a loan agreements with Imko Holding NV. The agreements was entered into for a period of maximum one year, with an interest rate equal to 1.99%. See also section 5.2. of the annual report.

## 9.16. Scope of consolidation

Company name	Country	Holding 2016	Holding 2015	Registration number	Registered office	Number of employees
Miko Koffie NV	Belgium	100.00%	100.00%	0869.777.422	Steenweg op Mol 177, 2300 Turnhout	53
Miko Coffee Service NV	Belgium	100.00%	100.00%	0429.197.383	Steenweg op Mol 177, 2300 Turnhout	90
Miko Pac NV	Belgium	100.00%	100.00%	0433.522.197	Steenweg op Turnhout 160, 2360 Oud-Turnhout	163
Miko Technics NV	Belgium	100.00%	100.00%	0418.703.864	Steenweg op Mol 177, 2300 Turnhout	3
Miko Kaffee GmbH	Germany	75.00%	75.00%			
Miko Koffie Service BV	The Netherlands	100.00%	100.00%			
Miko Café Service SAS	France	100.00%	100.00%			
Miko Kava s.r.o.	Czech Republic	100.00%	100.00%			
Miko Kava s.r.o.	Slovakia	75.00%	75.00%			
Miko Coffee Ltd	Great Britain	100.00%	100.00%			
Cornish Coffee Company Ltd	Great Britain	100.00%	100.00%			
Miko Coffee South West Ltd	Great Britain	100.00%	100.00%			
Miko Scotland Ltd	Great Britain	100.00%	100.00%			
Kaffekompaniet AB	Sweden	100.00%	100.00%			
AT Vending AB	Sweden	100.00%	100.00%			
ABC Mokka ApS	Denmark	70.00%	70.00%			
Miko Pac Sp. z o.o.	Poland	100.00 %	100.00 %			
Miko-Hordijk Verpackungen GmbH.	Germany	70.00%	70.00%			
Beverage Marketing Australia Pty Ltd	Australia	75.00%	75.00%			
Miko Coffee USA Inc.	USA	100.00%	100.00%			
PT. Innoware	Indonesia	50.00%	50.00%			
Kaffeautomater AS	Norway	66.00%	66.00%			
Miko Pac France SAS	France	55.00%	55.00%			
Smiling Faces AB	Sweden	100.00%				

All the entities above are fully consolidated.

The joint-venture with Innoware Indonesia PT. was also fully consolidated because the contractual possibility exists to acquire the majority of the shares in the future.



## 9.17. Shareholders structure

Situation at 31 December 2016, as known to the company:

Shareholder	Number of shares	Percentage
Stichting Administratiekantoor OKIM	403,710	32.50%
Imko Holding N.V.	283,290	22.81%
De Wilg Comm.V.	53,361	4.30%
FMR LLC <sup>(1)</sup>	49,996	4.03%
Publiek	451,643	36.36%
<b>TOTAL</b>	<b>1,242,000</b>	<b>100.00%</b>

<sup>1</sup> FMR Co. Inc's participation is known to the Company as a result of the transparency notification received by MIKO N.V.

For more information, see section 5 (capital and share ownership) of the annual report.

## 9.18. Events after the reporting period

No important events occurred after the end of the 2016 financial year.

## 10. Responsibility statement

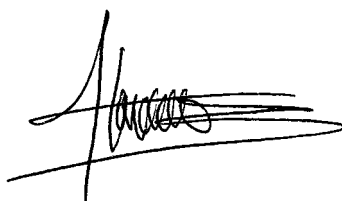
We hereby certify that, to the best of our knowledge, the consolidated financial statements as of December 31, 2016, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium,

- give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole, and
- that the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

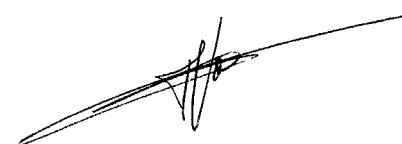
On behalf of the board of directors



Kristof Michielsens  
Director



Karl Hermans  
Director



Frans Van Tilborg  
Managing director  
CEO

## 11. Statutory auditor's report to the general shareholders' meeting on the consolidated accounts for the year ended 31 December 2016

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated accounts, as well as the required additional statement. The consolidated accounts comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Report on the consolidated accounts – Unqualified opinion

We have audited the consolidated accounts of Miko NV (“the Company”) and its subsidiaries (jointly “the group”), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The total of the consolidated statement of financial position amounts to EUR'000' 164.512 and the consolidated statement of comprehensive income shows a profit for the year of EUR'000' 9.746.

#### *Board of directors' responsibility for the preparation of the consolidated accounts*

The board of directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

#### *Statutory auditor's responsibility*

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as endorsed in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated accounts 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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated accounts.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated accounts.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

#### *Unqualified Opinion*

In our opinion, the consolidated accounts give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

### **Report on other legal and regulatory requirements**

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The directors' report on the consolidated accounts includes the information required by law, is consistent with the consolidated accounts and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussel, 31 March 2017

The Statutory Auditor  
PwC Bedrijfsrevisoren BCVBA  
Represented by

Koen Hens  
Bedrijfsrevisor

## Statutory financial statements Miko NV

### 1. Balance sheet

Condensed balance sheet after result distribution as per 31 December 2016 and 2015 <sup>1</sup>:

		2016 (K EUR)	2015 (K EUR)
	<b>ASSETS</b>		
II.	Intangible assets	160	42
III.	Property, plant and equipment	395	505
IV.	Financial fixed assets	60,441	61,121
	<b>Fixed assets</b>	<b>60,996</b>	<b>61,668</b>
V.	Other long-term receivables		0
VII.	Short-term receivables	14,265	13,189
VIII.	Deposits		0
IX.	Cash and cash equivalents	1,250	456
X.	Prepaid expenses and accrued income	125	150
	<b>Current assets</b>	<b>15,640</b>	<b>13,795</b>
	<b>TOTAL ASSETS</b>	<b>76,636</b>	<b>75,463</b>
	<b>EQUITY &amp; LIABILITIES</b>		
I.	Share capital	5,065	5,065
IV.	Reserves	62,371	62,859
V.	Retained earnings	0	0
	<b>EQUITY</b>	<b>67,436</b>	<b>67,924</b>
VII.	Provisions	702	892
	<b>PROVISIONS AND DEFERRED TAX LIABILITIES</b>	<b>702</b>	<b>892</b>
VIII.	Long-term liabilities		
IX.	Short-term liabilities	8,469	6,638
X.	Accrued charges and deferred income	29	9
	<b>LIABILITIES</b>	<b>8,498</b>	<b>6,647</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>76,636</b>	<b>75,463</b>

<sup>1</sup> The complete individual financial statements of Miko NV are available free of charge at the company's registered office and can also be requested via [info@miko.be](mailto:info@miko.be).

## 2. Income statement

Condensed income statement after result distribution as per 31 December 2016 and 2015.

		2016 (K EUR)		2015 (K EUR)	
<b>I.</b>	<b>Operating income</b>		<b>3,688</b>		<b>3,665</b>
	Turnover				
	Other operating income	3,674		3,665	
	Non-recurring income	14			
<b>II.</b>	<b>Operating expenses</b>		<b>3,498</b>		<b>4,019</b>
	Raw materials & consumables			0	
	Services & other goods	1,390		1,387	
	Employee benefit expense	2,055		1,935	
	Depreciations and amortisations	236		254	
	Impairment of inventories and trade receivables				
	Provisions	-190		441	
	Other operating expenses	2		2	
	Non-recurring expenses	5			
<b>III.</b>	<b>Operating profit/(loss)</b>		<b>190</b>		<b>-354</b>
IV.	Financial income	2,096		1,862	
V.	Financial costs	-714		-439	
<b>IX.</b>	<b>Profit before tax</b>		<b>1,572</b>		<b>1,070</b>
X.	Income tax	147		385	
<b>XI.</b>	<b>Profit of the year</b>		<b>1,425</b>		<b>685</b>
<b>XIII.</b>	<b>Profit of the year to be appropriated</b>		<b>1,425</b>		<b>685</b>

<b>Proposal for profit appropriation</b>	<b>2016 (K EUR)</b>		<b>2015 (K EUR)</b>	
<b>Profit to be appropriated</b>		<b>1,425</b>		<b>685</b>
Profit of the year to be appropriated	1,425		685	
Profit brought forward	0		0	
<b>Transfer from equity</b>		<b>488</b>		<b>1,054</b>
From reserves	488		1,054	
<b>Transfer to equity</b>				
To share capital and share premium				
To statutory reserves				
To other reserves				
<b>Profit to be carried forward</b>				
Profit to be carried forward				
<b>Profit for distribution</b>		<b>-1,913</b>		<b>-1,739</b>
To the shareholders	-1,913		-1,739	

## **Report of the board of directors on the statutory financial statements for the financial year ending 31 December 2016**

Reference is made to the annual report on the consolidated financial statements of the Miko group over the financial year 2016.

## **Report of the statutory auditor to the general meeting of shareholders of Miko NV on the statutory financial statements for the financial year ending 31 December 2016**

Type of opinion:

Unqualified opinion











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Steenweg op Turnhout 160  
B-2360 Oud-Turnhout
- Miko Coffee Service NV  
Steenweg op Mol 177  
B-2300 Turnhout
- Miko Technics NV  
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- D** Miko-Hordijk Verpackungen GmbH  
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D-47589 Uedem
- Miko Kaffee GmbH  
Molkereistrasse 46A  
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- UK** Miko Coffee Ltd  
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- Miko Coffee South West Ltd  
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Exeter EX5 2UL
- The Cornish Coffee Company Ltd  
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- Miko Coffee (Scotland) Ltd  
14 Flakefield  
College Milton  
East Kilbride G74 1FP  
Lanarkshire, Scotland
- SK** Miko Kava s.r.o.  
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SK-97213 Nitranske Pravno
- AUS** Beverage Marketing Australia (Pty) Ltd  
7 Page Street, Kunda Park,  
Queensland 4556
- SE** Kaffekompaniet Din Pauspartner AB  
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436 32 Askim
- AT Vending AB  
Datavägen 20  
436 32 Askim
- Smiling Faces AB  
Kungsbron 19  
111 22 Stockholm
- DK** ABC Mokka ApS  
Guldalderen 13  
DK-2640 Hedehusene
- NO** Kaffeautomater AS  
Prof. Birkelandsvei 25  
N-1081 Oslo
- ID** Innaware Indonesia  
Jl. Kramat Sentiong No. 57  
Kramat Senen Jakarta Pusat DKI Jakarta

## FINANCIAL CALENDAR 2017/2018

- General meeting 23 May 2017
- Dividend payable 12 June 2017
- Announcement of half-year results September 2017
- End of financial year 31 December 2017
- Announcement of annual results March 2018
- General meeting 22 May 2018

# miko pac

thinking outside the box





