



R. N. HOLDING ApS

Østre Havnepromenade 26, 5.
9000 Aalborg
CVR No. 29779872

Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual
report on 11.01.2024

Lars Nielsen

Chairman of the General Meeting

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Entity details

Entity

R. N. HOLDING ApS

Østre Havnepromenade 26, 5.

9000 Aalborg

Business Registration No.: 29779872

Registered office: Aalborg

Financial year: 01.07.2022 - 30.06.2023

Executive Board

Lars Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of R. N. HOLDING ApS for the financial year 01.07.2022 - 30.06.2023.

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

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023.

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

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

Aalborg, 11.01.2024

Executive Board

Lars Nielsen

Independent auditor's report

To the shareholders of R. N. HOLDING ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of R. N. HOLDING ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aalborg, 11.01.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jakob Olesen

State Authorised Public Accountant

Identification No (MNE) mne34492

Management commentary

Financial highlights

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	833,678	945,162	690,450	434,002	479,440
Gross profit/loss	77,653	111,496	67,510	43,472	44,913
Operating profit/loss	36,754	75,350	38,102	23,697	30,613
Net financials	(5,061)	(5,801)	(5,840)	(2,593)	(3,121)
Profit/loss for the year	23,943	53,025	24,577	16,340	21,080
Balance sheet total	590,278	404,977	218,064	160,759	108,939
Investments in property, plant and equipment	1,411	965	4,332	2,977	950
Equity	123,655	117,628	70,267	57,730	42,696
Ratios					
Gross margin (%)	9.31	11.80	9.78	10.02	9.37
Net margin (%)	2.87	5.61	3.56	3.76	4.40
Equity ratio (%)	20.95	29.05	32.22	35.91	39.19

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

As in previous years, the Group's primary activities consist in the purchase and sale of wine and spirits as well as consultancy on investment in wine and spirits.

The purchase of wine takes place in RareWine ApS, while the sales takes place in RareWine Invest ApS and RareWine Trading ApS as well as the foreign subsidiaries RareWine Netherlands B.V., RareWine Italy S.R.L. and RareWine Switzerland SA. Nordic Freeport ApS' activities consist of warehouse storage primary for investors who trade through RareWine Invest ApS.

Development in activities and finances

2022/23 was a less satisfactory year for the RareWine Group. Profit before tax for the year amounts to tDKK 31.693 and gross profit amounts to tDKK 77,653, which is lower than the management's expectations and impacted by the below mentioned.

In 2023 the Danish Customs & Tax Agency initiated a review regarding various aspects of the RareWine Group's customs and VAT position. For a certain period of time (towards the end of the accounting period), the Management decided to postpone deliveries until clarity from the review was obtained. This led to an increase in inventory as well as an increase in prepayments received from customers 30 June 2023 compared to 30 June 2022. After the end of the fiscal year issues has been sorted out, and the group has been able to continue deliveries.

The Danish Customs & Tax Agency retained VAT payout during the review which led to an increase in other receivables. Most of the VAT have been paid out to RareWine Group after the balance date.

After the balance sheet date, as a result of the review the Group's subsidiaries have been faced with significant claims from the Danish Customs & Tax Agency for an increase of the Group's total VAT liability. Management has requested advisory assistance. The advisors have unanimously assessed that the claims are unfounded. On this basis, Management has contested the claims and will appeal the decisions to the court. Management does not expect the claims to result in significant net payments to the Danish Customs and Tax Agency.

At the request of the Danish Customs & Tax Agency, the Group has provided a bank guarantee for the claims in the event that the claims should go against Management's expectations.

In the financial year, the company has capitalized costs for the development of the company's IT applications of tDKK 2,353.

Profit/loss for the year in relation to expected developments

Profit for the year is lower than expected due to revenue being lower than expected. Management considers profit for the year less satisfactory. For explanations for the development we refer to the section "Development in activities and finances".

Outlook

Expectations for the coming financial year is a 10-15% decrease in gross profit compared to the realized profit in 2022/23 due to difficult market conditions related to interest rate increase ect.

Use of financial instruments

The Company hedges currency risks on expected transactions in foreign currency with forward exchange contracts. Forward exchange contracts relate to purchase of wine.

The RareWine Group's policy is not to conduct active speculation in financial risks. To manage and monitor potential risks, RareWine Group continuously assesses the bank balance and requirements and assesses the liquidity framework and the collection of funds. RareWine Group does not want to incur risk and minimizes it by ongoing monitoring of the currency exposures.

The group follows a financial policy approved by the board of directors, which operates with a low risk profile, so that currency risks only arise based on commercial conditions. The group's use of derivative financial instruments is regulated by internal business processes, which determines currency exposure and hedging hereof.

Risk Management - Financial risks

The RareWine Group's policy is not to conduct active speculation in financial risks. The Group's financial control is thus solely directed towards managing already assumed liabilities.

To manage and monitor potential risks, RareWine Group continuously assesses the bank balance and requirements and assesses the liquidity framework and the collection of funds. RareWine Group does not want to incur risk and minimizes it by ongoing audits.

RareWine Group monitors the ongoing global situation in the wine market, known for stability and conservatism, to ensure continued competitiveness and a strong market position. Climate change, recession, rising interest rates, and accelerating inflation are issues that affect the global economy on a larger scale than the wine market, although price rises are still expected.

Other market risk

RareWine Group monitors the ongoing global situation in the wine market, known for stability and conservatism, to ensure continued competitiveness and a strong market position. Climate change, recession, rising interest rates, and accelerating inflation are issues that affect the global economy on a larger scale than the wine market, although price rises are still expected.

The group has not been material affected by Covid-19 or the conflict in Ukraine.

Environmental performance

As the Group does not have production or wastage of any kind, the Group's impact on the external environment is very limited. For further description see the section "Statutory report on corporate social responsibility"

Foreign branches

The Group has a branch in Sweden and subsidiaries in Netherlands, Italy, Switzerland and United Kingdom.

Statutory report on corporate social responsibility

As mentioned earlier in the 'Primary activities' section, the core business of RareWine Group consists of the purchase and sale of wine and spirits and consultancy on investment in wine and spirits.

Corporate social responsibility is an integral part of RareWine Group's business strategy. We remain committed to and focus on all aspects, including the environment, employee satisfaction, human rights, anti-corruption, anti-money laundering, and our societal role.

The company wants to act responsibly concerning customers, employees, business partners, and the outside world. We know that there may be several opportunities and risks relating to corporate social responsibility

concerning our business.

We elaborate in the following on how we manage our corporate social responsibility and related risks in our business.

Environment and Climate

RareWine Group sells and distributes wine in most parts of the world. The primary risks to be addressed regarding the environmental impact are waste and CO2 emissions. RareWine Group has no production whatsoever.

The company strives to optimize logistics at all times to reduce the CO2 emission caused by the transportation of wine. Also, environmental impact and improvement initiatives are criteria when choosing third-party shipping companies.

Most waste from unwrapping and packing is reused or sorted before transportation to a recycling station. Our entire procedure for sorting waste was recently optimized in 2022/2023 to continue the initiatives started years before.

Most of the company's energy systems, such as ventilation, cooling, and heating systems, were optimized in 2020/21 during the construction of new warehouse buildings. The new standards will be continued during our warehouse facility's daily upgrade and maintenance. In addition, LED lighting is used throughout the company's premises in Denmark and abroad. All forklifts are electrically powered. In the future, we will continue to improve our environmental footprint.

In optimizing workflows and processes, we have reduced long-distance temperature-controlled transport and streamlined our handling processes of wine and spirits. This is accomplished during 2022/23 by collaborating with a third-party storage provider in the United Kingdom.

Management believes that the company has achieved a satisfactory level of managing the environmental impact through these initiatives. All initiatives are continuously evaluated.

Corruption and bribery

We are aware of the risk that corruption and bribery may be more prevalent in some countries, and we are diligent in ensuring we avoid such risks in our business relationships.

The company has a zero-tolerance policy, meaning any suspected violations must be thoroughly investigated.

RareWine Group has an Employee Handbook that embodies the company's core values and our code of ethics, which also applies to anti-corruption and anti-money laundering. The company's executives confirm compliance with the policies once a year. Management is unaware of any breach of the compliance rules during the financial year. We will continue our healthy practices in the future regarding this matter.

Human rights

Regarding human rights and employees, the primary risks RareWine Group addresses are related to discrimination and the risk of work-related accidents in the warehouse area. More on work-related accidents in the Employees section.

Regarding discrimination, the company's Employee Handbook requires the company's employees to act with

integrity and follow acceptable ethical standards for human rights. The Employee Handbook is available to all employees and has clear guidelines on interacting with your colleagues to secure a healthy working environment. The Employee Handbook also outlines the core values of the company and what behavior we expect from all employees.

In addition, we nurture the company culture once a month with scheduled happenings focusing on building relations across the organization. At least once a year, all employees participate in team-building activities to create a better understanding of work-related tasks and personal differences. We also offer individual courses with our HR team to ensure potential conflicts are solved and ethical standards are kept.

This standard is also expected from all business partners and suppliers. If a supplier violates the rules, RareWine Group will establish close cooperation to help the supplier improve business standards and employee well-being.

However, RareWine Group reserves the right to terminate contracts with a supplier immediately if the supplier should continue to violate the rules intentionally and is unwilling to discuss and agree on the implementation of a plan for improvement.

In 2022/23, we have not had any human rights breaches, and we will continue to focus on our human rights efforts in the future.

Employees

The Company's Employee Handbook sets out internal guidelines showing our employees how we want to interact as colleagues. The procedures include a set of clearly defined principles for how we want to work and interact with each other in our open-plan offices and the warehouse. All new employees will undergo an extensive online onboarding before their first day at work and follow a special onboarding schedule during their first weeks of employment to minimize risks.

The Employee Handbook is handed out to all new employees and reviewed as part of the onboarding process.

The Employee Handbook also contains policies for continuing training the company's employees, including relevant first aid and safety courses to create a safe work environment. This is supported by the company's workplace environment organization, which deals with potential health and safety issues within the company. All employees at RareWine Group can be appointed to the workplace environment organization.

The main risk identified is related to using trucks when transporting pallets in the warehouse. Also, the gates in the warehouse can be seen as a risk for the warehouse personnel.

Safety instructions can be found in various places in and around the warehouse, and all employees are aware of these to mitigate work-related accidents. All employees working in the warehouse are obligated to wear appropriate safety equipment.

Our warehouse contains a valuable collection of fine wine and may be seen as a target for intruders. Therefore, the warehouse is equipped with state-of-the-art security and sensors, including assault alarms etc.

Also, RareWine Group has recently (August 2022) established a staff association to ensure participation and influence across the organization. The staff association aims to maintain excellent work ethics and company culture at all facilities within the RareWine Group.

Management believes integrating new employees has proceeded well, and the organization's culture has helped maintain a good work environment in 2022/23. In 2023/2024, we will continue to promote a good work environment and review safety procedures to ensure we are always aligned.

Statutory report on the underrepresented gender

The Management consists of one person, why the company has an equal gender equality. There are no other Management Levels.

Statutory report on data ethics policy

RareWine Group has taken steps to ensure that data is used responsibly and sustainably within our business and supply chain. Even though there is no formal policy in place now, ethical considerations are designed in our data collection processes, and knowledge is shared across the organization according to the practice described below. This statement covers the use of all data types and is thus not limited to the use and protection of personal data.

In Marketing and Sales, volumes of data are generated daily, for example, through online forms on digital platforms. Also, in the warehouse, data is registered through CCTV monitoring systems. Data is inherent in arranging and documenting transport and storage for our clients. Data can be related to our clients, visitors to our platforms or facilities, our employees, and our operations' control and management systems, such as freight management systems that process and respond in real-time to data.

Further, we use artificial intelligence systems to analyze data and translate it into solutions that can assist us in optimizing our operations. RareWine Group's data will typically be regarding our employees, customers, business partners, or third parties, including general personal and behavioral data. Data is obtained either directly from the data subject or via a third-party.

To support the above initiatives, during 2022/23, we have established a new public whistleblower scheme that can be found online. Furthermore, we have launched a new process for uploading sensitive data, including identification documents of investment clients. The process is set in place to increase our security level when collecting data and to comply with AML and KYC policies.

RareWine Group strives to always have policies in place ensuring that data is only being used for the purpose for which it was obtained. To ensure accountability for data ethics on a sufficient Group level, decisions related to investments in new technologies and the use of data are anchored within Group Management. Data security is crucial in ensuring data privacy and data protection. RareWine Group has implemented technical safeguards and procedures to ensure proper data management and prevent unauthorized use or disclosure.

Third-party data policy

We perform due diligence on third parties who interact on behalf of RareWine Group, for example, a third-party providing custom handling services or an agent. The latter approach ensures that these third parties have a good reputation and handle data responsibly. When we use data from third parties, for example, processed through a transport management system, we expect third parties are in lawful possession of this data, not misuse data, and can legally give RareWine Group the right to use this data.

To ensure that suppliers ethically handle data, we request suppliers comply with our code of conduct for suppliers.

We do not resell data but provide data by applicable legislation, court, or authority decisions if legally required.

Employees' awareness about data ethics

RareWine Group Employee Handbook states that our employees are our greatest asset. Therefore, we have implemented a Group-wide online cyber awareness training program. The training program focuses on employee behavior to ensure high protection against common data and privacy threats such as phishing and data management.

RareWine Group monitors how many employees have completed the online training and expects employees to avoid data and privacy risks and to report to their managers.

RareWine Group will continue to improve our understanding of how data and artificial intelligence systems will impact the transport and logistics sector and will, in collaboration with its stakeholders, strive to ensure that best practices regarding data ethics are implemented. We will provide online training to our employees to ensure we are all informed on responsibly and sustainably handling data.

To increase transparency and clarify data use accountabilities between third parties, we will continue implementing a due diligence process and collaboration model with third parties handling and retaining data for RareWine Group.

Events after the balance sheet date

A subsidiary in the Group, which have been without activity for four years and is under solvent liquidation, has after the balance sheet date, been met with a claim from the Danish Customs and Tax Agency. The claim is disputed by the company. A process has been initiated to clarify whether the closure of the company must be carried out in accordance with the rules for solvent or insolvent companies. The closure of the company is not expected to have material effect for the group.

Besides the mentioned claims from the Danish Customs & Tax Agency, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Revenue	2	833,678	945,162
Own work capitalised		2,353	3,751
Other operating income		56	36
Cost of sales		(726,680)	(802,569)
Other external expenses	3	(31,754)	(34,884)
Gross profit/loss		77,653	111,496
Staff costs	4	(34,617)	(31,482)
Depreciation, amortisation and impairment losses		(6,282)	(4,664)
Operating profit/loss		36,754	75,350
Other financial income		2,532	372
Other financial expenses		(7,593)	(6,173)
Profit/loss before tax		31,693	69,549
Tax on profit/loss for the year		(7,750)	(16,524)
Profit/loss for the year	5	23,943	53,025

Consolidated balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	7	4,581	4,643
Acquired intangible assets		2,802	4,082
Intangible assets	6	7,383	8,725
Other fixtures and fittings, tools and equipment		4,119	4,080
Leasehold improvements		2,140	2,476
Property, plant and equipment	8	6,259	6,556
Deposits		2,318	1,708
Other receivables		10,116	12,417
Financial assets	9	12,434	14,125
Fixed assets		26,076	29,406
Manufactured goods and goods for resale		431,780	281,905
Prepayments for goods		53,427	83,092
Inventories		485,207	364,997
Trade receivables		14,040	4,393
Deferred tax	10	600	0
Other receivables		58,880	3,572
Tax receivable		421	0
Prepayments	11	1,382	888
Receivables		75,323	8,853
Cash		3,672	1,721
Current assets		564,202	375,571
Assets		590,278	404,977

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		125	125
Reserve for fair value adjustments of hedging instruments		10	1,214
Retained earnings		103,093	88,816
Equity belonging to Parent's shareholders		103,228	90,155
Equity belonging to minority interests		20,427	27,473
Equity		123,655	117,628
Deferred tax	10	0	56
Provisions		0	56
Debt to other credit institutions		0	4,783
Tax payable		7,533	18,668
Other payables		2,282	1,771
Non-current liabilities other than provisions	12	9,815	25,222
Current portion of non-current liabilities other than provisions	12	0	1,123
Bank loans		118,366	89,756
Prepayments received from customers		302,498	145,476
Trade payables		15,570	12,367
Payables to owners and management		104	549
Tax payable		17,409	7,301
Joint taxation contribution payable		925	0
Other payables		1,936	5,369
Deferred income	13	0	130
Current liabilities other than provisions		456,808	262,071
Liabilities other than provisions		466,623	287,293
Equity and liabilities		590,278	404,977
Events after the balance sheet date	1		
Financial instruments	15		
Fair value information	16		
Unrecognised rental and lease commitments	17		
Assets charged and collateral	18		
Transactions with related parties	19		

Subsidiaries

20

Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Equity belonging to Parent's shareholders DKK'000
Equity beginning of year	125	1,214	88,816	0	90,155
Ordinary dividend paid	0	0	0	0	0
Extraordinary dividend paid	0	0	0	(10,000)	(10,000)
Exchange rate adjustments	0	0	195	0	195
Other entries on equity	0	(1,543)	0	0	(1,543)
Tax of entries on equity	0	339	0	0	339
Profit/loss for the year	0	0	14,082	10,000	24,082
Equity end of year	125	10	103,093	0	103,228

	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	27,473	117,628
Ordinary dividend paid	(6,628)	(6,628)
Extraordinary dividend paid	0	(10,000)
Exchange rate adjustments	0	195
Other entries on equity	(358)	(1,901)
Tax of entries on equity	79	418
Profit/loss for the year	(139)	23,943
Equity end of year	20,427	123,655

Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Operating profit/loss		36,754	75,350
Amortisation, depreciation and impairment losses		6,282	4,664
Working capital changes	14	(30,284)	(107,888)
Cash flow from ordinary operating activities		12,752	(27,874)
Financial income received		2,532	372
Financial expenses paid		(7,676)	(6,027)
Taxes refunded/(paid)		(8,781)	(2,113)
Cash flows from operating activities		(1,173)	(35,642)
Acquisition etc. of intangible assets		(3,232)	(6,330)
Acquisition etc. of property, plant and equipment		(1,411)	(965)
Acquisition of fixed asset investments		(914)	(578)
Sale of fixed asset investments		2,605	760
Acquisition of enterprises		0	(4,997)
Cash flows from investing activities		(2,952)	(12,110)
Free cash flows generated from operations and investments before financing		(4,125)	(47,752)
Loans raised		28,610	84,940
Repayments of loans etc.		(5,906)	(43,464)
Dividend paid		(16,628)	(11,057)
Cash flows from financing activities		6,076	30,419
Increase/decrease in cash and cash equivalents		1,951	(17,333)
Cash and cash equivalents beginning of year		1,721	19,054
Cash and cash equivalents end of year		3,672	1,721
Cash and cash equivalents at year-end are composed of:			
Cash		3,672	1,721
Cash and cash equivalents end of year		3,672	1,721

Notes to consolidated financial statements

1 Events after the balance sheet date

After the balance sheet date, the Group's subsidiaries have been faced with significant claims from the Danish Customs & Tax Agency for an increase of the Group's total VAT liability. Management has requested advisory assistance. The advisors have unanimously assessed that the claims are unfounded. On this basis, Management has contested the claims and will appeal the decisions to the court. Management does not expect the claims to result in significant net payments to the Danish Customs and Tax Agency.

At the request of the Danish Customs & Tax Agency, the Group has provided a bank guarantee for the claims in the event that the claims should go against Management's expectations.

A subsidiary in the Group, which have been without activity for four years and is under solvent liquidation, has after the balance sheet date, been met with a claim from the Danish Customs and Tax Agency. The claim is disputed by the company. A process has been initiated to clarify whether the closure of the company must be carried out in accordance with the rules for solvent or insolvent companies. The closure of the company is not expected to have material effect for the group.

2 Revenue

	2022/23 DKK'000	2021/22 DKK'000
Great Britain	115,288	171,799
Denmark	114,949	144,222
Hong Kong	83,957	82,635
France	90,909	98,010
Rest of Europe	226,088	282,661
Rest of Asia	165,799	119,061
Others	36,688	46,774
Total revenue by geographical market	833,678	945,162
Wine	685,726	810,523
Spirits	142,948	132,949
Others	5,004	1,690
Total revenue by activity	833,678	945,162

3 Fees to the auditor appointed by the Annual General Meeting

	2022/23	2021/22
	DKK'000	DKK'000
Statutory audit services	433	488
Other assurance engagements	75	30
Other services	135	185
	643	703

4 Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	31,920	30,002
Pension costs	1,650	685
Other social security costs	960	790
Other staff costs	87	5
	34,617	31,482
Average number of full-time employees	58	57

	Remuneration of management 2021/22 DKK'000
Total amount for management categories	568
	568

According to section 98B(3) nr. 2 of the Danish Financial Statement Act, remuneration to management has been not been disclosed this year, because it will lead to an individual's remuneration disclosed.

5 Proposed distribution of profit/loss

	2022/23	2021/22
	DKK'000	DKK'000
Retained earnings	24,082	44,472
Minority interests' share of profit/loss	(139)	8,553
	23,943	53,025

6 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000
Cost beginning of year	7,337	7,368
Additions	2,353	879
Cost end of year	9,690	8,247
Amortisation and impairment losses beginning of year	(2,694)	(3,286)
Amortisation for the year	(2,415)	(2,159)
Amortisation and impairment losses end of year	(5,109)	(5,445)
Carrying amount end of year	4,581	2,802

7 Development projects

Completed development projects comprises development of IT applications in the Group. As of 30 June 2023 the carrying amount of completed development projects amounts to tDKK 4,581. The amortisation period for completed development projects is set to 3 years.

Management has not identified any indication of impairment regarding the carrying amount of completed development projects.

Acquired intangible assets comprises cost from development of new ERP-system. A significant part of cost from development of new ERP-system is internal cost in the form of direct wages in the development department. The amortisation period for acquired intangible assets is set to 3 years.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	4,763	3,425
Additions	876	535
Cost end of year	5,639	3,960
Depreciation and impairment losses beginning of year	(683)	(949)
Depreciation for the year	(837)	(871)
Depreciation and impairment losses end of year	(1,520)	(1,820)
Carrying amount end of year	4,119	2,140

9 Financial assets

	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	1,708	12,417
Additions	610	304
Disposals	0	(2,605)
Cost end of year	2,318	10,116
Carrying amount end of year	2,318	10,116

10 Deferred tax

	2022/23 DKK'000	2021/22 DKK'000
Intangible assets	(754)	(1,059)
Property, plant and equipment	(373)	(427)
Inventories	1,730	1,430
Tax losses carried forward	(3)	0
Deferred tax	600	(56)

	2022/23 DKK'000	2021/22 DKK'000
Changes during the year		
Beginning of year	(56)	(986)
Recognised in the income statement	656	930
End of year	600	(56)

	2022/23 DKK'000	2021/22 DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	600	0
Deferred tax liabilities	0	(56)
	600	(56)

Deferred tax assets

Deferred tax assets related to property, plant and equipment.

11 Prepayments

Prepayments comprises prepaid expenses such as software licenses, lease payments, insurance and other prepaid expenses.

12 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2021/22	2022/23	2022/23
	DKK'000	DKK'000	DKK'000
Debt to other credit institutions	1,123	0	0
Tax payable	0	7,533	0
Other payables	0	2,282	2,282
	1,123	9,815	2,282

13 Deferred income

Deferred income comprises income relating to subsequent financial years. Deferred income is measured at cost.

14 Changes in working capital

	2022/23	2021/22
	DKK'000	DKK'000
Increase/decrease in inventories	(120,210)	(196,807)
Increase/decrease in receivables	(66,932)	4,429
Increase/decrease in trade payables etc.	156,858	84,490
	(30,284)	(107,888)

15 Derivative financial instruments

The Company hedges currency risks on expected transactions in EUR, USD, GBP and CHF with forward exchange contracts. Forward exchange contracts relates to purchase of wine. Value adjustments are recognized in the equity and are expected to be carried out and recognized in the income statement after the balance sheet day. The duration on the forward exchange contracts is 1-2 months.

The fair value has not been calculated on the basis of observations in an active market. For the valuation of the fair value as of the balance sheet date, the statement of the bank has been used due to the company's credit rating and collte.

16 Fair value information

	Financial instruments
	DKK'000
Fair value end of year	13
Unrealised fair value adjustments recognised in the income statement	1,918

17 Unrecognised rental and lease commitments

	2022/23	2021/22
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	36,979	24,797

18 Assets charged and collateral

As security for bank debt, the Group has provided a floating charge of tDKK 136,000 including, but nonexhaustive, trade receivables, operating funds and inventories.

Bank debt is secured by way of mortgage on properties. Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of tDKK 5,000. nominal.

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Subsidiaries

	Registered in	Corporate form	Ownership %
RareWine ApS*	Aalborg	ApS	81.20
RareWine Invest ApS*	Aalborg	ApS	81.20
RareWine Trading ApS*	Aalborg	ApS	81.20
Nordic Freeport ApS*	Aalborg	ApS	81.20
Rare Wine A/S (under frivillig likvidation)*	Aalborg	ApS	81.20
RareWine Management ApS (under frivillig likvidation)*	Aalborg	ApS	81.20
RWM1 ApS	Aalborg	ApS	51.00
RWM2 ApS	Aalborg	ApS	55.00
RWH ApS**	Aalborg	ApS	81.20
RareWine Netherlands B.V.*	Netherlands	B.V.	81.20
RareWine Italy S.R.L.*	Italy	S.R.L.	81.20
RareWine Switzerland SA*	Switzerland	SA	81.20
HJW Invest ApS (under frivillig likvidation) ***	Aalborg	ApS	42.70
RareWine UK Ltd.*	London	Ttd.	81.20

*Owned indirect through RWM1 ApS, RWM2 ApS and RWH ApS.

** Owned direct and indirect through RWM1 ApS and RWM2 ApS

*** Owned indirect through RWH ApS

Parent income statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Other external expenses		(30)	(301)
Gross profit/loss		(30)	(301)
Income from investments in group enterprises		23,141	45,669
Other financial income	2	758	1,067
Other financial expenses	3	(622)	(1,028)
Profit/loss before tax		23,247	45,407
Tax on profit/loss for the year	4	(17)	(81)
Profit/loss for the year	5	23,230	45,326

Parent balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Investments in group enterprises		83,696	83,134
Other receivables		10,116	12,417
Financial assets	6	93,812	95,551
Fixed assets		93,812	95,551
Manufactured goods and goods for resale		5,647	5,647
Inventories		5,647	5,647
Receivables from group enterprises		17,468	22,842
Other receivables		0	50
Joint taxation contribution receivable		23,812	25,306
Receivables		41,280	48,198
Current assets		46,927	53,845
Assets		140,739	149,396

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		125	125
Reserve for net revaluation according to equity method		55,041	54,479
Retained earnings		48,062	36,387
Equity		103,228	90,991
Tax payable		5,873	17,409
Joint taxation contribution payable		264	385
Non-current liabilities other than provisions	7	6,137	17,794
Bank loans		12,930	4,778
Trade payables		23	61
Payables to group enterprises		556	25,868
Payables to owners and management		71	441
Tax payable		17,409	7,301
Joint taxation contribution payable		385	250
Deferred income	8	0	1,912
Current liabilities other than provisions		31,374	40,611
Liabilities other than provisions		37,511	58,405
Equity and liabilities		140,739	149,396
Events after the balance sheet date	1		
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Transactions with related parties	12		

Parent statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	125	54,479	36,387	0	90,991
Extraordinary dividend paid	0	0	0	(10,000)	(10,000)
Other entries on equity	0	(993)	0	0	(993)
Dividends from group enterprises	0	(19,656)	19,656	0	0
Profit/loss for the year	0	21,211	(7,981)	10,000	23,230
Equity end of year	125	55,041	48,062	0	103,228

Notes to parent financial statements

1 Events after the balance sheet date

After the balance sheet date, the subsidiaries have been faced with significant claims from the Danish Customs & Tax Agency for an increase of the Group's total VAT liability. Management has requested advisory assistance. The advisors have unanimously assessed that the claims are unfounded. On this basis, Management has contested the claims and will appeal the decisions to the court. Management does not expect the claims to result in significant net payments to the Danish Customs and Tax Agency.

At the request of the Danish Customs & Tax Agency, the Group has provided a bank guarantee for the claims in the event that the claims should go against Management's expectations.

A subsidiary in the Group, which have been without activity for four years and is under solvent liquidation, has after the balance sheet date, been met with a claim from the Danish Customs and Tax Agency. The claim is disputed by the company. A process has been initiated to clarify whether the closure of the company must be carried out in accordance with the rules for solvent or insolvent companies. The closure of the company is not expected to have material effect for the group

2 Other financial income

	2022/23 DKK'000	2021/22 DKK'000
Financial income from group enterprises	476	3
Other interest income	282	1,064
	758	1,067

3 Other financial expenses

	2022/23 DKK'000	2021/22 DKK'000
Financial expenses from group enterprises	0	770
Other interest expenses	622	258
	622	1,028

4 Tax on profit/loss for the year

	2022/23 DKK'000	2021/22 DKK'000
Current tax	80	38
Adjustment concerning previous years	(63)	43
	17	81

5 Proposed distribution of profit and loss

	2022/23	2021/22
	DKK'000	DKK'000
Retained earnings	23,230	45,326
	23,230	45,326

6 Financial assets

	Investments in group enterprises DKK'000	Other receivables DKK'000
Cost beginning of year	28,655	12,417
Additions	0	304
Disposals	0	(2,605)
Cost end of year	28,655	10,116
Revaluations beginning of year	54,479	0
Adjustments on equity	(993)	0
Share of profit/loss for the year	21,211	0
Dividend	(19,656)	0
Revaluations end of year	55,041	0
Carrying amount end of year	83,696	10,116

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

7 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK'000
Tax payable	5,873
Joint taxation contribution payable	264
	6,137

8 Deferred income

Deferred income consists of profit on sale of shares in RWH ApS to RWM1 ApS and RWM2 ApS.

9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

10 Assets charged and collateral

Bank debt is secured by way of mortgage on properties. Bank loans are secured by way of a deposited mortgage

deed registered to the mortgagor on properties of tDKK 5,000. nominal.

Bank debt in group enterprises are secured by way of mortgage on shares in RWH ApS.

11 Related parties with controlling interest

Rasmus Nielsen owns the majority of the shares in R. N. Holding ApS, thus exercising control.

12 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The book-value method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the book-value method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

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

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Income from the storage of investor wines is measured at the fair value of the remuneration received or receivable. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group

enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights acquired are amortised on a straight-line to 1-3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value minus unrealised intra-group profits.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Deferred tax

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

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

Tax payable or receivable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale of property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash.