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UrbanWineBox ApS

c/o SPACES, Ny Carlsberg Vej 80, 1799 København V

Company reg. no. 37 26 61 24

Annual report

2023

The annual report was submitted and approved by the general meeting on the 12 March 2024.

Mathias Axel Laugesen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of UrbanWineBox ApS for the financial year 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 12 March 2024

Managing Director

Mathias Axel Laugesen

Board of directors

Søren Hoelgaard Justesen
Chairman

Henrik Sparup

Peter Rodenberg Nielsen

Andrew Barton Christian Dahl

Søren Morbitzer Christoffersen

Independent auditor's report

To the Shareholders of UrbanWineBox ApS

Opinion

We have audited the financial statements of UrbanWineBox ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company 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.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of 1.394.674 DKK during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets by 6.352.720 DKK. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Management's Responsibilities for the Financial Statements

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

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

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent auditor's report

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Glostrup, 12 March 2024

PKF Munkebo Eriksen Funch

State Authorised Public Accountants
Company reg. no. 14 11 92 99

Peter Krogsrud Eriksen
State Authorised Public Accountant
mne34335

Company information

The company	UrbanWineBox ApS c/o SPACES Ny Carlsberg Vej 80 1799 København V
	Company reg. no. 37 26 61 24 Established: 27 November 2015 Domicile: Copenhagen Financial year: 1 January - 31 December 8th financial year
Board of directors	Søren Hoelgaard Justesen, Chairman Henrik Sparup Peter Rodenberg Nielsen Andrew Barton Christian Dahl Søren Morbitzer Christoffersen
Managing Director	Mathias Axel Laugesen
Auditors	PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
Bankers	Jyske Bank, Gl. Kongevej 136, 1850 Frederiksberg C

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	643	83	-526	-2.688	-2.595
Profit from operating activities	-895	-1.763	-2.213	-4.139	-3.462
Net financials	-499	-367	-321	-155	2
Net profit or loss for the year	-1.395	-2.131	-2.534	-4.060	-3.178
Statement of financial position:					
Balance sheet total	650	1.250	1.983	4.360	1.778
Investments in property, plant and equipment	67	0	345	278	178
Equity	-6.353	-4.958	-4.018	-1.484	1.324
Employees:					
Average number of full-time employees	7	7	7	8	5

Management's review

Description of key activities of the company

Like previous years, the activities are to facilitate trade and storage of wine and to carry out activities in connection thereto.

Development in activities and financial matters

The income or loss from ordinary activities after tax totals DKK -1.395.000 against DKK -2.131.000 last year. Management considers the net profit or loss for the year satisfactory.

The company has lost more than half of the share capital and is therefore subject to the Company Act § 119. The company expects to restore the capital through future earnings.

Uncertainties as to going concern

The preparation of the financial statements requires an assessment in the validity of the going concern assumption. The management has reviewed projections for a period of 12 months from the date of approval of the financial statements as well as potential opportunities. Any potential short falls in funding have been identified and the steps to which the management is able to mitigate such scenarios and/or defer or curtail discretionary expenditures have been taken.

The management has a reasonable expectation that the company has sufficient resources to continue operations and existence for the foreseeable future. Accordingly, the management believes it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Treasury shares

The enterprise's holding of treasury shares is 1,613 shares at DKK 1 each, corresponding to 0.09 % of the contributed capital.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for UrbanWineBox ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

As discussed in the management report, the condition for going concern has not been met. Assets and liabilities are therefore, in accordance with current accounting policies, measured at expected realizable values.

All value adjustments of assets and liabilities as well as derived operating items are consequently recognized in the income statement, including expected losses, various disposal costs, fees etc.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales and other external costs.

The enterprise will be applying and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for sales, premises, administration and vehicles.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

Minor assets with a cost under 32,000 DKK pr. unit are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	643.424	83.372
2 Staff costs	-1.360.252	-1.602.404
Depreciation and impairment of property, land, and equipment	-178.377	-244.175
Profit before net financials	-895.205	-1.763.207
Other financial income	586	0
Other financial expenses	-500.055	-367.452
Pre-tax net profit or loss	-1.394.674	-2.130.659
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-1.394.674	-2.130.659
Proposed distribution of net profit:		
Allocated from retained earnings	-1.394.674	-2.130.659
Total allocations and transfers	-1.394.674	-2.130.659

Balance sheet at 31 December

All amounts in DKK.

Assets		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Non-current assets			
3	Other fixtures, fittings, tools and equipment	<u>151.705</u>	<u>263.574</u>
	Total property, plant, and equipment	<u>151.705</u>	<u>263.574</u>
4	Deposits	<u>107.508</u>	<u>94.359</u>
	Total investments	<u>107.508</u>	<u>94.359</u>
	Total non-current assets	<u>259.213</u>	<u>357.933</u>
Current assets			
	Raw materials and consumables	<u>60.714</u>	<u>67.037</u>
	Total inventories	<u>60.714</u>	<u>67.037</u>
	Trade receivables	54.928	225.623
	Prepayments	<u>191.655</u>	<u>0</u>
	Total receivables	<u>246.583</u>	<u>225.623</u>
	Cash and cash equivalents	<u>83.551</u>	<u>599.013</u>
	Total current assets	<u>390.848</u>	<u>891.673</u>
	Total assets	<u>650.061</u>	<u>1.249.606</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities	<u>2023</u>	<u>2022</u>
<u>Note</u>		
Equity		
Contributed capital	1.779.235	1.779.235
Retained earnings	-8.131.955	-6.737.281
Total equity	-6.352.720	-4.958.046
Liabilities other than provisions		
5 Other payables	4.474.213	5.431.609
Total long term liabilities other than provisions	4.474.213	5.431.609
5 Current portion of long term liabilities	1.911.180	457.131
Trade payables	303.484	16.313
Other payables	298.064	297.199
Deferred income	15.840	5.400
Total short term liabilities other than provisions	2.528.568	776.043
Total liabilities other than provisions	7.002.781	6.207.652
Total equity and liabilities	650.061	1.249.606
1 Uncertainties relating to going concern		
6 Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2022	1.613.491	0	-5.631.215	-4.017.724
Cash capital increase	165.744	1.024.593	0	1.190.337
Profit or loss for the year brought forward	0	0	-2.130.659	-2.130.659
Transferred to retained earnings	0	-1.024.593	1.024.593	0
Equity 1 January 2022	1.779.235	0	-6.737.281	-4.958.046
Profit or loss for the year brought forward	0	0	-1.394.674	-1.394.674
	1.779.235	0	-8.131.955	-6.352.720

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The management has a reasonable expectation that the company has sufficient resources to continue operations and existence for the foreseeable future. Accordingly, the management believes it is appropriate to adopt the going concern basis in the preparation of the financial statements. Please see the management's review for further information.

	<u>2023</u>	<u>2022</u>
2. Staff costs		
Salaries and wages	1.303.465	1.548.385
Other costs for social security	22.341	22.720
Other staff costs	34.446	31.299
	<u>1.360.252</u>	<u>1.602.404</u>
Average number of employees	<u>7</u>	<u>7</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
3. Other fixtures, fittings, tools and equipment		
Cost 1 January 2023	1.226.600	1.226.600
Additions during the year	66.508	0
Cost 31 December 2023	<u>1.293.108</u>	<u>1.226.600</u>
Depreciation and write-down 1 January 2023	-963.026	-718.851
Depreciation for the year	-178.377	-244.175
Depreciation and write-down 31 December 2023	<u>-1.141.403</u>	<u>-963.026</u>
Carrying amount, 31 December 2023	<u>151.705</u>	<u>263.574</u>
4. Deposits		
Cost 1 January 2023	94.359	94.359
Additions during the year	13.149	0
Cost 31 December 2023	<u>107.508</u>	<u>94.359</u>
Carrying amount, 31 December 2023	<u>107.508</u>	<u>94.359</u>

Notes

All amounts in DKK.

5. Long term liabilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Other payables	6.385.393	1.911.180	4.474.213	0
	6.385.393	1.911.180	4.474.213	0

6. Contingencies

Contingent assets

The company has a deferred tax asset of t.DKK 3.326 which has not been recognized due to uncertainty regarding future usage.

Contingent liabilities

Rental liabilities

The company has entered into three tenancy agreements with three- and six-months notice. The company has a rental commitment of t.DKK 80 as of December 2023.