

UrbanWineBox ApS

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

Company reg. no. 37 26 61 24

Annual report

2019

The annual report was submitted and approved by the general meeting on the 13 May 2020.

Kenneth Tang Lærke
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 report

Today, the board of directors and the managing director have presented the annual report of UrbanWineBox ApS for the financial year 2019.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 13 May 2020

Managing Director

Kenneth Tang Lærke

Board of directors

Søren Hoelgaard Justesen
Chairman

Peter Rodenberg Nielsen

Andrew Barton Christian Dahl

Steffen Boutrup Møller

Christoffer Aarestrup Hertel

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 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the company's ability to continue as a going concern

We would like to point out that there is significant uncertainty that could raise significant doubts about the company's ability to continue operations. We refer to note 1, which states that there are negotiations with investors about a capital contribution. The continued operation of the company is conditional upon the said capital contribution being obtained. The outcome of these negotiations is not expected to be available until later in 2020. The management has prepared the financial statements with the precondition that the necessary capital will be contributed and has therefore presented the accounts with continued operations in mind.

Our conclusion is not modified as a result of this reservation.

Responsibilities of management and those charged with governance for the financial statements

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

Independent auditor's report

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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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.

Independent auditor's report

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 13 May 2020

PKF Munkebo Vindelev

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 4th financial year |
| Board of directors | Søren Hoelgaard Justesen, Chairman Peter Rodenberg Nielsen Andrew Barton Christian Dahl Steffen Boutrup Møller Christoffer Aarestrup Hertel |
| Managing Director | Kenneth Tang Lærke |
| Auditors | PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup |
| Bankers | Jyske Bank, Gl. Kongevej 136, 1850 Frederiksberg C |

Financial highlights

| DKK in thousands. | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2015/16</u> |
|---|-------------|-------------|-------------|----------------|
| Income statement: | | | | |
| Gross profit | -2.595 | -1.189 | -940 | -355 |
| Profit from ordinary operating activities | -3.462 | -2.104 | -1.745 | -1.012 |
| Net financials | 2 | -2 | 3 | -7 |
| Net profit or loss for the year | -3.178 | -2.469 | -1.360 | -796 |
| Statement of financial position: | | | | |
| Balance sheet total | 1.778 | 916 | 2.000 | 1.128 |
| Equity | 1.324 | 502 | 1.771 | 256 |
| Employees: | | | | |
| Average number of full-time employees | 5 | 4 | 4 | 5 |

The financial highlights for 2015/16 comprise the period 27 November 2015 - 31 December 2016.

Management commentary

The principal activities of the company

The object of the company is to facilitate trade and storage of wine and to carry out activities in connection thereto.

Development in activities and financial matters

Income or loss from ordinary activities after tax totals DKK -3.178.000 against DKK -2.469.000 last year. Management considers the net profit or loss for the year satisfactory.

The company's continued operations depend on the supply of additional cash. In order to ensure the company's continued operation, it is the intention of the investors to provide the company with the necessary cash. Negotiations are underway with investors and a sufficient capital injection is expected later in 2020.

Treasury shares

The enterprise's holding of treasury shares is 1,613 shares at DKK 1 each, corresponding to 0.15 % of the contributed capital.

During the year, the enterprise acquired 1,613 treasury shares at DKK 1 each. The purchase price amounts to DKK 0. The reason for the acquisition is that a former investor wanted to transfer the shares.

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.

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, writedowns 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 loss

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

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises.

Accounting policies

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for comprise depreciation on tangible assets, respectively.

Financial income and expenses

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

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 writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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 |

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 3 years.

Investments

Deposits

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

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 and accrued income

Prepayments and accrued income 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.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively. The dividend of own shares is recognised directly in equity under retained earnings.

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for unpaid contributed capital

Unpaid contributed capital is recognised on a gross basis, according to which the unpaid contributed capital is recognised and treated as a receivable in the statement of financial position called "Claims on contributed capital". An amount corresponding to the unpaid contributed capital is reclassified from "Retained earnings" to "Reserve for unpaid contributed capital".

Accounting policies

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| Gross loss | -2.595.374 | -1.189.416 |
| 2 Staff costs | -733.771 | -781.509 |
| Depreciation and impairment of property, land, and equipment | -132.908 | -132.615 |
| Profit before net financials | -3.462.053 | -2.103.540 |
| Other financial income | 4.002 | 0 |
| Other financial costs | -1.703 | -1.659 |
| Pre-tax net profit or loss | -3.459.754 | -2.105.199 |
| 3 Tax on net profit or loss for the year | 282.245 | -364.148 |
| Net profit or loss for the year | -3.177.509 | -2.469.347 |
| Proposed appropriation of net profit: | | |
| Allocated from retained earnings | -3.177.509 | -2.469.347 |
| Total allocations and transfers | -3.177.509 | -2.469.347 |

Statement of financial position at 31 December

All amounts in DKK.

| Assets | | |
|--|-------------------------|-----------------------|
| <u>Note</u> | <u>2019</u> | <u>2018</u> |
| Non-current assets | | |
| 4 Other fixtures and fittings, tools and equipment | 175.419 | 129.890 |
| Total property, plant, and equipment | <u>175.419</u> | <u>129.890</u> |
| Deposits | 72.611 | 72.611 |
| Total investments | <u>72.611</u> | <u>72.611</u> |
| Total non-current assets | <u>248.030</u> | <u>202.501</u> |
| Current assets | | |
| Trade receivables | 84.572 | 23.687 |
| 5 Income tax receivables | 267.943 | 59.502 |
| Other receivables | 164.859 | 132.927 |
| Contributed capital in arrears | 0 | 200.000 |
| Prepayments and accrued income | 160.748 | 7.376 |
| Total receivables | <u>678.122</u> | <u>423.492</u> |
| Cash on hand and demand deposits | <u>851.590</u> | <u>289.911</u> |
| Total current assets | <u>1.529.712</u> | <u>713.403</u> |
| Total assets | <u>1.777.742</u> | <u>915.904</u> |

Statement of financial position at 31 December

All amounts in DKK.

| Equity and liabilities | | |
|--|-------------------------|-----------------------|
| <u>Note</u> | <u>2019</u> | <u>2018</u> |
| Equity | | |
| 6 Contributed capital | 1.052.294 | 609.324 |
| 7 Share premium | 0 | 0 |
| 8 Reserve for contributed capital not paid | 0 | 200.000 |
| 9 Retained earnings | 272.005 | -307.541 |
| Total equity | <u>1.324.299</u> | <u>501.783</u> |
| Liabilities other than provisions | | |
| Trade payables | 209.608 | 189.558 |
| Other payables | 243.835 | 224.563 |
| Total short term liabilities other than provisions | <u>453.443</u> | <u>414.121</u> |
| Total liabilities other than provisions | <u>453.443</u> | <u>414.121</u> |
| Total equity and liabilities | <u>1.777.742</u> | <u>915.904</u> |

- 1 **Uncertainties concerning the enterprise's ability to continue as a going concern**
 10 **Contingencies**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company's management has prepared the annual report, subject to continued operations. This assumption is based on the management's assessment of the possibility of obtaining the necessary cashflow to finance the company's operations. In order to ensure the company's continued operation, it is the intention of the investors to provide the company with the necessary cash. Negotiations are underway with investors and a sufficient capital injection is expected later in 2020.

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|-----------------------|-----------------------|
| 2. Staff costs | | |
| Salaries and wages | 701.621 | 759.162 |
| Other costs for social security | 17.040 | 14.011 |
| Other staff costs | 15.110 | 8.336 |
| | <u>733.771</u> | <u>781.509</u> |
| Average number of employees | <u>5</u> | <u>4</u> |

3. Tax on net profit or loss for the year

| | | |
|---|------------------------|-----------------------|
| Tax of the results for the year, parent company | -267.943 | -59.502 |
| Adjustment for the year of deferred tax | 0 | 423.650 |
| Adjustment of tax for previous years | -14.302 | 0 |
| | <u>-282.245</u> | <u>364.148</u> |

| | <u>31/12 2019</u> | <u>31/12 2018</u> |
|--|---------------------------|---------------------------|
| 4. Other fixtures and fittings, tools and equipment | | |
| Cost 1 January 2019 | 424.484 | 394.041 |
| Additions during the year | 178.437 | 30.443 |
| Cost 31 December 2019 | <u>602.921</u> | <u>424.484</u> |
| Depreciation and writedown 1 January 2019 | -294.594 | -161.979 |
| Depreciation for the year | -132.908 | -132.615 |
| Depreciation and writedown 31 December 2019 | <u>-427.502</u> | <u>-294.594</u> |
| Carrying amount, 31 December 2019 | <u>175.419</u> | <u>129.890</u> |

Notes

All amounts in DKK.

| | <u>31/12 2019</u> | <u>31/12 2018</u> |
|---|-------------------------|-----------------------|
| 5. Income tax receivables | | |
| Income tax receivables 1 January 2019 | 59.502 | 52.514 |
| Income tax paid concerning last year | <u>-59.502</u> | <u>-52.514</u> |
| Income tax receivables concerning previous years | 0 | 0 |
| Income tax calculated for the current year | <u>267.943</u> | <u>59.502</u> |
| | <u>267.943</u> | <u>59.502</u> |
| 6. Contributed capital | | |
| Contributed capital 1 January 2019 | 609.324 | 179.214 |
| Cash capital increase | <u>442.970</u> | <u>430.110</u> |
| | <u>1.052.294</u> | <u>609.324</u> |
| 7. Share premium | | |
| Share premium account for the year | 3.557.055 | 769.890 |
| Transferred to retained earnings | <u>-3.557.055</u> | <u>-769.890</u> |
| | <u>0</u> | <u>0</u> |
| 8. Reserve for contributed capital not paid | | |
| Reserve for contributed capital not paid 1 January 2019 | 200.000 | 0 |
| Unpaid contributed capital for the year | 0 | 200.000 |
| Paid contributed capital for the year | <u>-200.000</u> | <u>0</u> |
| | <u>0</u> | <u>200.000</u> |

Notes

All amounts in DKK.

| | <u>31/12 2019</u> | <u>31/12 2018</u> |
|---|-----------------------|------------------------|
| 9. Retained earnings | | |
| Retained earnings 1 January 2019 | -307.541 | 1.591.916 |
| Transferred from share premium | 3.557.055 | 769.890 |
| Transferred to reserve for contributed capital not paid | 0 | -200.000 |
| Transferred from reserve for contributed capital not paid | 200.000 | 0 |
| Profit or loss for the year brought forward | <u>-3.177.509</u> | <u>-2.469.347</u> |
| | <u>272.005</u> | <u>-307.541</u> |

10. Contingencies

Contingent assets

A deferred tax asset of t.DKK 1,301 has not been recognized due to uncertainty regarding future usage.

Contingent liabilities

Rental liabilities

The company has entered into two tenancy agreements with two and six months notice. One lease can be terminated at the earliest December 1, 2023. The company has a rental commitment of t.DKK 906 as of 31 December 2019.