

UrbanWineBox ApS

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

Company reg. no. 37 26 61 24

Annual report

2020

The annual report was submitted and approved by the general meeting on the 23 April 2021.

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 report

Today, the board of directors and the managing director have presented the annual report of UrbanWineBox ApS for the financial year 2020.

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 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

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, 23 April 2021

Managing Director

Mathias Axel Laugesen

Board of directors

Søren Hoelgaard Justesen
Chairman

Henrik Sparup

Peter Rodenberg Nielsen

Andrew Barton Christian Dahl

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 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity 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 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 2021. 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.

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.

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 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.
- 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.

Independent auditor's report

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 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, 23 April 2021

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
5th financial year

Board of directors

Søren Hoelgaard Justesen, Chairman
Henrik Sparup
Peter Rodenberg Nielsen
Andrew Barton Christian Dahl
Christoffer Aarestrup Hertel

Managing Director

Mathias Axel Laugesen

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015/16</u>
Income statement:					
Gross profit	-2.688	-2.595	-1.189	-940	-355
Profit from operating activities	-4.139	-3.462	-2.104	-1.745	-1.012
Net financials	-155	2	-2	3	-7
Net profit or loss for the year	-4.060	-3.178	-2.469	-1.360	-796
Statement of financial position:					
Balance sheet total	4.360	1.778	916	2.000	1.128
Equity	-1.484	1.324	502	1.771	256
Employees:					
Average number of full-time employees	8	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

Loss from ordinary activities after tax totals DKK -4.060.000 against DKK -3.178.000 last year. Management considers the net 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 2021.

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.

Treasury shares

The enterprise's holding of treasury shares is 1,613 shares at DKK 1 each, corresponding to 0.08 % 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.

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.

The enterprise will be applying IAS 11 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. 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 and operational leasing costs.

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 impairment comprise depreciation on, amortisation of, and writedown 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 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

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.

Accounting policies

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 5 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 nominal 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

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".

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.

Accounting policies

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.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables 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>2020</u>	<u>2019</u>
Gross loss	-2.687.977	-2.595.374
2 Staff costs	-1.349.316	-733.771
Depreciation and impairment of property, land, and equipment	-101.650	-132.908
Profit before net financials	-4.138.943	-3.462.053
Other financial income	0	4.002
Other financial costs	-154.966	-1.703
Pre-tax net profit or loss	-4.293.909	-3.459.754
3 Tax on net profit or loss for the year	233.714	282.245
Net profit or loss for the year	-4.060.195	-3.177.509
Proposed appropriation of net profit:		
Allocated from retained earnings	-4.060.195	-3.177.509
Total allocations and transfers	-4.060.195	-3.177.509

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
4 Other fixtures and fittings, tools and equipment	352.077	175.419
Total property, plant, and equipment	<u>352.077</u>	<u>175.419</u>
5 Deposits	73.616	72.611
Total investments	<u>73.616</u>	<u>72.611</u>
Total non-current assets	<u>425.693</u>	<u>248.030</u>
Current assets		
Trade receivables	179.443	84.572
6 Income tax receivables	233.714	267.943
Other receivables	138.728	164.859
Contributed capital in arrears	17.365	0
Prepayments and accrued income	87.513	160.748
Total receivables	<u>656.763</u>	<u>678.122</u>
Cash on hand and demand deposits	<u>3.277.088</u>	<u>851.592</u>
Total current assets	<u>3.933.851</u>	<u>1.529.714</u>
Total assets	<u>4.359.544</u>	<u>1.777.744</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity		
Contributed capital	1.613.491	1.052.294
Share premium	0	0
Reserve for contributed capital not paid	0	0
Retained earnings	-3.097.290	272.005
Total equity	-1.483.799	1.324.299
Liabilities other than provisions		
Other payables	5.234.481	0
7 Total long term liabilities other than provisions	5.234.481	0
Trade payables	257.063	209.608
Other payables	351.799	243.837
Total short term liabilities other than provisions	608.862	453.445
Total liabilities other than provisions	5.843.343	453.445
Total equity and liabilities	4.359.544	1.777.744

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

8 **Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for contributed capital not paid	Retained earnings	Total
Equity 1 January 2019	609.324	0	200.000	-307.541	501.783
Transferred from reserve for contributed capital not paid	0	0	0	200.000	200.000
Cash capital increase	442.970	3.557.055	0	0	4.000.025
Profit or loss for the year brought forward	0	0	0	-3.177.509	-3.177.509
Transferred to retained earnings	0	-3.557.055	0	3.557.055	0
Paid contributed capital for the year	0	0	-200.000	0	-200.000
Equity 1 January 2020	1.052.294	0	0	272.005	1.324.299
Cash capital increase	561.197	690.900	0	0	1.252.097
Profit or loss for the year brought forward	0	0	0	-4.060.195	-4.060.195
Transferred to retained earnings	0	-690.900	0	690.900	0
	1.613.491	0	0	-3.097.290	-1.483.799

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 2021.

	2020	2019
2. Staff costs		
Salaries and wages	1.294.941	701.621
Other costs for social security	20.828	17.040
Other staff costs	33.547	15.110
	1.349.316	733.771
Average number of employees	8	5
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-233.714	-267.943
Adjustment of tax for previous years	0	-14.302
	-233.714	-282.245
	31/12 2020	31/12 2019
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	602.921	424.484
Additions during the year	278.308	178.437
Cost 31 December 2020	881.229	602.921
Depreciation 1 January 2020	-427.502	-294.594
Depreciation for the year	-101.650	-132.908
Depreciation 31 December 2020	-529.152	-427.502
Carrying amount, 31 December 2020	352.077	175.419

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>		
5. Deposits				
Cost 1 January 2020	72.611	72.611		
Additions during the year	1.005	0		
Cost 31 December 2020	<u>73.616</u>	<u>72.611</u>		
Carrying amount, 31 December 2020	<u>73.616</u>	<u>72.611</u>		
6. Income tax receivables				
Income tax receivables 1 January 2020	267.943	59.502		
Income tax paid concerning last year	-267.943	-59.502		
Income tax receivables concerning previous years	0	0		
Income tax calculated for the current year	233.714	267.943		
	<u>233.714</u>	<u>267.943</u>		
7. Liabilities other than provision				
	Total payables	Current portion of long term payables	Long term payables	Outstanding payables
	31 Dec 2020	payables	31 Dec 2020	after 5 years
Other payables	<u>5.234.481</u>	<u>0</u>	<u>5.234.481</u>	<u>2.573.335</u>
	<u>5.234.481</u>	<u>0</u>	<u>5.234.481</u>	<u>2.573.335</u>
8. Contingencies				
Contingent assets				
A deferred tax asset of t.DKK 2,011 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 734 as of 31 December 2020.				