Merlot HoldCo ApS

Bragesvej 1, 4600 Køge

CVR no. 38 12 54 94

Annual report 2018

Approved at the Company's annual general meeting on 10/5 - 2019

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Merlot HoldCo ApS for the financial year 1 January - 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Køge,
Executive Board:

Stian Glendrange

Board of Directors:

Wilhelm Mohn Chairman	Gudmund Killi	Henning Skov Andersen

Lars Peter Rasmussen

Independent auditor's report

To the shareholders of Merlot HoldCo ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Merlot HoldCo ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 as to 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 the 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Copenhagen, 10. May 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

R Christensen

Robert Christensen
State Authorised Public Accountant
mne16653

Martin S. Toft

Martin Stenstrup Toft
State Authorised Public Accountant
mne42786

Management's review

Company details

Name	Merlot HoldCo ApS
Address, Postal code, City	Bragesvej 1, 4600 Køge
CVR no.	38 12 54 94
Established	21 October 2016
Registered office	Køge
Financial year	1 January - 31 December
Board of Directors	Wilhelm Mohn, Chairman Gudmund Killi Henning Skov Andersen Lars Peter Rasmussen
Executive Board	Stian Glendrange
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2018 12 months	2016/17 15 months
Key figures		
Revenue	536,997	502,591
Gross margin	55,491	72,849
Ordinary operating profit/loss	-5,792	11,791
Net financials	-3,423	-3,166
Profit/loss for the year	**-8,530**	**5,533**
Total assets	311,631	327,351
Investment in property, plant and equipment	-33,797	-1,010
Equity	**117,205**	**125,131**
Financial ratios		
Operating margin	-1.1%	2.3%
Return on assets	-1.8%	3.6%
Current ratio	98.1%	128.5%
Equity ratio	37.6%	38.2%
Average number of employees	72	73

For terms and definitions, please see the accounting policies.

Management's review

Business review

Merlot HoldCo's main activity is filling of wine in bag-in-boxes and bottles as well as import and sale of wine through the subsidiary Globus Wine A/S.

Financial review

Revenue increased by DKK 34.4 million to DKK 537.0 million against DKK 502.6 million last year. Cash flows from operating activities were DKK 5,1 million.

To ensure continued growth, the Group opened up a better and larger facility in Køge in the fourth quarter of 2018. With this facility, the Group has built a stage-of-the-art filling facility, and ensured capacity to deliver on the growth ambition beyond 2021.

The Group's profit before net financials is affected by the relocation and ramping up of the production facilities amounting to DKK 24.4 million. These costs relate to reestablishment of existing production lines, repair of leaseholds, etc.

Adjusted for relocation and ramping up costs, Management considers the development for the year satisfactory; and expectations for 2018 were essentially met.

Special risks

Due to the Group's activities abroad, profit, cash flows and equity are affected by the development in exchange rates for a number of currencies. The Group hedges currency risks by entering into forward exchange contracts, by making purchases and sales in the same currency or by concluding price adjustment agreements with its customers.

Statutory CSR report

Business model

The Group's main activity is filling of wine in bag-in-boxes and bottles. The wines, are either sourced by Globus Wine, and sold as private label or Globus Wine brands, or filled for Brand owners.

We base our corporate responsibility on our five corporate values, our Code of Conduct and corporate ethical rules. All activities are carried out in compliance with control procedures and requirements of the international IFS as well as the requirements of the Danish food safety authorities.

The Group operates in compliance with European and international legislation and regulations as to labour and human rights, and it is our aim that our suppliers do the same. We intend to have a production site which is safe and a healthy place to work for our employees.

Through the supply chain, the Group works to ensure climatic and environmental sustainability as well as production in accordance with human rights and social and employee conditions. All producers delivering wine to Globus Wine are requested to live up to a number of requirements as well as sound business ethics.

Globus Wine works against all forms of corruption, including extortion and bribery, and our activities must always be in full compliance with anti-corruption legislation irrespective of the place of operation being our Scandinavian home markets or our export markets.

Human rights

The Group complies with existing labour legislation and collective agreements including enforcement of the freedom of association and assembly, the elimination of forced and compulsory labour and the use of child labour as well as the elimination of discrimination in respect of the employee's gender, race, religious beliefs or political affiliation.

The Group has developed a Code of Conduct for suppliers, which covers environment, business ethics, health and social conditions and animal welfare. Furthermore, all suppliers are requested to document their quality management, food safety management and environmental management.

Actions and results 2018: The code of conduct was introduced in 2016, and the compliance is monitored. Of the official registered suppliers, fewer than 7% still have to submit to the group code of conduct.

Management's review

The main risks are considered to be in the wine harvesting itself. The Group sources wines from all over the world, but carefully selects producers living up to our high standards.

Climate and environment conditions

The Group operates in a highly competitive market, which necessitates a strong focus on product costs and optimization. This is supported by our policy of acting responsibly towards the climate and the environment through careful control and continuous ongoing optimization of our resource consumption. Transportation itself is done as environmentally friendly as possible, and sea transport is preferred above road transport where possible. Utility usage during production (electricity and water) is where possible optimized.

Policies actions and results in 2018: The new state-of-the-art filling facility in Køge started production in October, and the consolidation of production into one-site leads to new possibilities for optimization. When our new base consumption level is identified in H1 2019, programs to reduce water consumption will be initiated.

The main climatic and environmental concerns are considered to be within the transportation of wine to and from the production site, and core production/filling of products.

Social and employees conditions

Policies: The Group complies with legislation within countries where it operates. Globus Wine will be a safe and healthy place to work for its employees, and focuses on preventive measures to avoid employees being worn out and incurring work-related injuries.

Actions and results in 2018 has mainly been focused on effective onboarding and training in systems, and standard operating procedures.

Our main risks are considered to be within the physical handling of filling of boxes and bottles. The Group operates with night shifts, but will in 2019 limit these due to increased capacity and automation. In other parts of the organization, stress is considered to be the main risk.

Anti-corruption

Globus Wine works to prevent all forms of corruption, including extortion and bribery. Our activities must always comply with existing anti-corruption legislation, irrespective of geographical area. According to the Group's Ethics Policy, our employees are not allowed to offer or accept bribes or any improper payments for personal or corporate gain. Disciplinary actions are taken if an employee is involved in bribery.

Policies and actions are collected in an ethical rules policy, which new employees are asked to sign when receiving onboarding training. These are covering relations to customers employee corporation and relations to other parties.

Main risks are considered to be non-compliance to group policies within exposure through employees', suppliers' and partners' violations. The Group did not experience any violations to ethnical rules in 2018.

Account of the gender composition of Management

Merlot HoldCo ApS believes that diversity among employees, including an equal gender ratio, contributes positively to the working environment and strengthens the Group's performance and competitiveness. Merlot HoldCo ApS is focused on increasing the number of female leaders in the Group and consequently, the Group has set a specific target for the underrepresented gender and prepared policies in this respect effective from this year.

Merlot HoldCo ApS' objective is that 50% of the board members elected by the general meeting should be women, corresponding to two women, before 2021. At present, none of the members of the Board of Directors of Merlot HoldCo ApS are female.

In 2018, one new member was elected to the Board of Directors. No other competent candidates were found in 2018 and the target was therefore not met.

Towards 2021, the Board will actively seek to increase the percentage of women board members. Realization of the 50% target will however depend on the number of changes made in the current Board.

Management's review

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

For 2019, the Group expects increasing revenue and profit. Positive cash flows from operating activities are expected.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2018 12 months	2016/17 15 months	2018 12 months	2016/17 15 months
3	**Revenue**	536,997	502,591	0	0
	Change in inventories of finished goods and work in progress	31,892	-6,173	0	0
	Other operating income	0	10	0	0
	Raw materials and consumables	-454,733	-382,498	0	0
	Other external expenses	-58,665	-41,081	-112	-132
	Gross margin	55,491	72,849	-112	-132
4	Staff costs	-45,859	-40,808	0	0
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-15,424	-20,241	0	0
	Other operating expenses	-5	0	0	0
	Profit/loss before net financials	-5,797	11,800	-112	-132
	Income from investments in group enterprises	0	0	-8,443	5,656
	Financial income	181	601	0	0
	Financial expenses	-3,604	-3,767	0	0
	Profit/loss before tax	-9,220	8,634	-8,555	5,524
6	Tax for the year	690	-3,101	25	9
	Profit/loss for the year	-8,530	5,533	-8,530	5,533

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2018	Group 2016/17	Parent company 2018	Parent company 2016/17
	ASSETS				
	Fixed assets				
7	**Intangible assets**				
	Acquired intangible assets	40,029	45,405	0	0
	Goodwill	75,884	80,119	0	0
	Development projects in progress and prepayments for intangible assets	0	212	0	0
		115,913	125,736	0	0
8	**Property, plant and equipment**				
	Plant and machinery	54,147	26,106	0	0
	Fixtures and fittings, other plant and equipment	568	1,012	0	0
	Leasehold improvements	1,035	178	0	0
	Property, plant and equipment under construction	0	420	0	0
		55,750	27,716	0	0
9	**Investments**				
	Investments in group entities	0	0	112,414	120,754
		0	0	112,414	120,754
	Total fixed assets	171,663	153,452	112,414	120,754
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	19,790	30,773	0	0
	Finished goods and goods for resale	90,904	59,347	0	0
		110,694	90,120	0	0
	Receivables				
	Trade receivables	5,266	33,359	0	0
	Receivables from group entities	0	0	4,500	4,500
12	Deferred tax assets	0	0	25	0
	Corporation tax receivable	1,165	649	9	9
	Other receivables	1,997	1,507	0	0
	Prepayments	453	526	0	0
		8,881	36,041	4,534	4,509
10	**Cash**	20,393	47,738	2,169	0
	Total non-fixed assets	139,968	173,899	6,703	4,509
	TOTAL ASSETS	311,631	327,351	119,117	125,263

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2018	Group 2016/17	Parent company 2018	Parent company 2016/17
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	119,759	119,259	119,759	119,259
	Net revaluation reserve according to the equity method	0	0	0	5,995
	Retained earnings	-2,554	5,872	-2,554	-123
	Total equity	117,205	125,131	117,205	125,131
	Provisions				
12	Deferred tax	13,015	14,063	0	0
	Total provisions	13,015	14,063	0	0
	Liabilities other than provisions				
13	**Non-current liabilities other than provisions**				
	Lease liabilities	2,767	4,846	0	0
	Other credit institutions	36,000	48,000	0	0
		38,767	52,846	0	0
	Current liabilities other than provisions				
13	Short-term part of long-term liabilities other than provisions	13,802	15,153	0	0
	Other credit institutions	34,562	19,115	0	0
	Trade payables	71,794	60,999	11	110
	Payables to group entities	0	0	1,901	22
	Corporation tax payable	2,898	7,603	0	0
	Payables to shareholders and Management	0	15,814	0	0
	Other payables	19,588	16,627	0	0
		142,644	135,311	1,912	132
	Total liabilities other than provisions	181,411	188,157	1,912	132
	TOTAL EQUITY AND LIABILITIES	311,631	327,351	119,117	125,263

1 Accounting policies
2 Special items
14 Contractual obligations and contingencies, etc.
15 Collateral
16 Currency risks
17 Related parties
18 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group: Share capital	Group: Retained earnings	Group: Total
	Equity at 1 January 2018	119,259	5,872	125,131
	Capital increase	500	0	500
	Transfer through appropriation of loss	0	-8,530	-8,530
	Adjustment of investments through forreign exchange adjustments	0	17	17
	Adjustment of hedging instruments at fair value	0	111	111
	Tax on items recognised directly in equity	0	-24	-24
	Purchase of treasury shares	0	-1,669	-1,669
	Sale of treasury shares	0	1,669	1,669
	Equity at 31 December 2018	119,759	-2,554	117,205

Note	DKK'000	Parent company: Share capital	Parent company: Net revaluation reserve according to the equity method	Parent company: Retained earnings	Parent company: Total
	Equity at 1 January 2018	119,259	5,995	-123	125,131
	Capital increase	500	0	0	500
19	Transfer, see "Appropriation of profit/loss"	0	-6,099	-2,431	-8,530
	Other value adjustments of equity	0	104	0	104
	Purchase of treasury shares	0	0	-1,669	-1,669
	Sale of treasury shares	0	0	1,669	1,669
	Equity at 31 December 2018	119,759	0	-2,554	117,205

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2018 12 months	Group 2016/17 15 months
	Profit/loss for the year	-8,530	5,533
20	Adjustments	18,265	25,823
	Cash generated from operations (operating activities)	9,735	31,356
21	Changes in working capital	5,046	35,551
	Cash generated from operations (operating activities)	14,781	66,907
	Interest received, etc.	181	601
	Interest paid, etc.	-3,604	-3,454
	Income taxes paid	-5,579	-858
	Cash flows from operating activities	5,779	63,196
	Additions of intangible assets	-123	-553
	Additions of property, plant and equipment	-33,797	-1,010
	Disposals of property, plant and equipment	279	237
22	Acquisition of companies and activities	0	-163,752
	Cash flows to investing activities	-33,641	-165,078
	Proceeds of long-term liabilities	0	26,417
	Proceeds of debt to credit institutions	15,447	3,944
	Repayments, long-term liabilities	-15,430	0
	Acquisition of treasury shares	-1,669	0
	Sale of treasury shares	1,669	0
	Cash capital increase	500	119,259
	Other cash flows from financing activities	-11,866	0
	Cash flows from financing activities	-11,349	149,620
	Net cash flow	-39,211	47,738
	Cash and cash equivalents at 1 January	47,738	0
23	**Cash and cash equivalents at 31 December**	8,527	47,738

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Merlot HoldCo ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration including excise taxes excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	1-10 years
Goodwill	20 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	10-40 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

The Group's investment in Globus Wine A/S in 2016 is considered to be strategically important to the Group. Due regard being had to the Group's expected plans to increase the level of activity and earnings, the economic life of goodwill has been set at 20 years.

Acquired customer related assets are measured at cost price with deductions of accumulated depreciation. Customer-related assets are amortised over their estimated economic lives, which are determined based on Management's experience within the individual business areas. Customer-related assets are depreciated or amortised on a straight-line basis over the depreciation or amortisation period of 10 years.

Acquired order backlogs are measured at cost price with deductions of accumulated depreciation. Order backlogs are amortised over their estimated economic lives on a straight-line basis over the depreciation or amortisation period of less than 1 year.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

As regards self-produced assets, the cost includes the cost of materials and labour, etc. directly relating to the production.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

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Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

As disclosed in the Management's review, the profit for the year is affected by the preparation for the relocation of the production facilities amounting to DKK 24,423 thousand (2017: DKK 1,226 thousand) which in the opinion of the Board of Directors does not form part of the operating activities.

	Group		Parent company	
DKK'000	2018 12 months	2016/17 15 months	2018 12 months	2016/17 15 months
Expenses				
Relocation	-24,423	-1,226	-24,423	-1,226
	-24,423	-1,226	-24,423	-1,226
Special items are recognised in the below items of the financial statements				
Raw materials and consumables	-5,676	0	0	0
Other external expenses	-14,796	-1,226	0	0
Staff costs	-1,722	0	0	0
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,229	0	0	0
Income from investments in group entities	0	0	-24,423	-1,226
Net loss on special items	-24,423	-1,226	-24,423	-1,226

3 Segment information

The Group has not disclosed the breakdown of revenue by geographical and business segmentat, see section 96(1) of the Danish Financial Statements Act, as Management is of the opinion that such disclosure could be highly detrimental to the Group.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK'000	2018 12 months	2016/17 15 months	2018 12 months	2016/17 15 months
4 Staff costs				
Wages/salaries	40,488	36,708	0	0
Pensions	2,461	1,811	0	0
Other social security costs	783	695	0	0
Other staff costs	2,127	1,594	0	0
	45,859	40,808	0	0
Average number of full-time employees	72	73	0	0

Group

The Group did not pay any remuneration to Management during the financial year.

Parent company

The Parent Company has no employees.

The Parent Company did not pay any remuneration to Management during the financial year.

	Group		Parent company	
DKK'000	2018 12 months	2016/17 15 months	2018 12 months	2016/17 15 months
5 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	9,734	16,474	0	0
Impairment of intangible assets	212	0	0	0
Depreciation of property, plant and equipment	3,461	3,767	0	0
Impairment of property, plant and equipment	2,017	0	0	0
	15,424	20,241	0	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK'000	2018 12 months	2016/17 15 months	2018 12 months	2016/17 15 months
6 Tax for the year				
Estimated tax charge for the year	383	4,653	0	-9
Deferred tax adjustments in the year	-1,073	-1,552	-25	0
	-690	3,101	-25	-9

7 Intangible assets

	Group			
DKK'000	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2018	58,131	84,707	212	143,050
Additions	123	0	0	123
Disposals	-188	0	0	-188
Cost at 31 December 2018	58,066	84,707	212	142,985
Impairment losses and amortisation at 1 January 2018	12,726	4,588	0	17,314
Impairment losses for the year	0	0	212	212
Amortisation for the year	5,499	4,235	0	9,734
Reversal of accumulated amortisation and impairment of assets disposed	-188	0	0	-188
Impairment losses and amortisation at 31 December 2018	18,037	8,823	212	27,072
Carrying amount at 31 December 2018	40,029	75,884	0	115,913

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

	Group				
DKK'000	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2018	45,742	2,696	1,701	420	50,559
Additions	32,638	114	1,045	0	33,797
Disposals	-5,316	-877	-559	0	-6,752
Transferred	420	0	0	-420	0
Cost at 31 December 2018	73,484	1,933	2,187	0	77,604
Impairment losses and depreciation at 1 January 2018	19,636	1,684	1,523	0	22,843
Impairment losses	1,877	0	140	0	2,017
Depreciation	3,140	273	48	0	3,461
Reversal of accumulated depreciation and impairment of assets disposed	-5,316	-592	-559	0	-6,467
Impairment losses and depreciation at 31 December 2018	19,337	1,365	1,152	0	21,854
Carrying amount at 31 December 2018	54,147	568	1,035	0	55,750
Property, plant and equipment include finance leases with a carrying amount totalling	12,222	285	0	0	12,507

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Investments

DKK'000	Parent company Investments in group entities
Cost at 1 January 2018	114,759
Cost at 31 December 2018	114,759
Value adjustments at 1 January 2018	5,995
Foreign exchange adjustments	16
Profit for the year	-8,443
Changes in equity	87
Value adjustments at 31 December 2018	-2,345
Carrying amount at 31 December 2018	112,414

Parent company

Name	Legal form	Domicile	Interest	Profit/loss DKK'000
Subsidiaries				
Merlot BidCo	ApS	Køge, Denmark	100.00%	0
Globus Wine	A/S	Køge, Denmark	100.00%	0
Globus Wine	GmbH	Harrislee, Germany	100.00%	0
Globus Wine Germany	GmbH	Harrislee, Germany	100.00%	0
Globus Wine Poland	Sp. Z.o.o.	Krakow, Poland	100.00%	0

10 Cash

An amount of DKK 11,866 thousand is placed on escrow accounts as security on factoring agreements.

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Notes to the financial statements

DKK'000	Parent company 2018	Parent company 2016/17
11 Share capital		
Analysis of the share capital:		
84,568,428 A shares of DKK 1.00 nominal value each	84,568	84,568
35,190,692 B shares of DKK 1.00 nominal value each	35,191	34,691
	119,759	119,259

Each A-share shall carry 1 vote and B-shares shall carry no vote.

Analysis of changes in the share capital over the past 2 years:

DKK'000	2018	2016/17
Opening balance	119,259	50
Capital increase	500	119,209
	119,759	119,259

DKK'000	Group 2018	Group 2016/17	Parent company 2018	Parent company 2016/17
12 Deferred tax				
Deferred tax at 1 January	14,063	0	0	0
Additions through business combinations	0	15,615	0	0
Deferred tax adjustment during the year	-1,073	-1,552	-25	0
Tax on items recognised directly in equity	24	0	0	0
Deferred tax at 31 December	13,014	14,063	-25	0
Deferred tax relates to:				
Intangible assets	8,657	9,840	0	0
Property, plant and equipment	3,538	4,945	0	0
Inventories	1,115	1,136	0	0
Liabilities	-271	-1,858	0	0
Tax loss	-25	0	-25	0
	13,014	14,063	-25	0

13 Non-current liabilities other than provisions

DKK'000	Group: Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	4,569	1,802	2,767	0
Other credit institutions	48,000	12,000	36,000	0
	52,569	13,802	38,767	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The Group is party to a pending legal action. In Management's opinion, the outcome of this legal action will not affect the Group's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2018.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2018	2016/17	2018	2016/17
Rent and lease liabilities	97,861	102,470	0	0

Group

Rent and lease liabilities include a rent obligation totalling DKK 97,861 in interminable rent agreements with remaining contract terms of 1-13 years.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes from the income year 2017.

15 Collateral

Group

As security for debt to credit institutions, DKK 82,562 thousand at 31 December 2018, a company charge of DKK 43,500 thousand has been provided, secured on receivables, inventories, items of property, plant and equipment and intangible assets at a total carrying amount of DKK 168,962 thousand at 31 December 2018.

Bank guarantees totalling DKK 5,480 thousand have been put up as security for debt to third parties.

Parent company

As security for the Group's debt to credit institutions, the Parent Company has provided security or other collateral in its investments in group entities. The total carrying amount of these assets is DKK 112,418 thousand.

The Parent Company has provided surety for subsidiaries' debt to credit institutions. The debt has a carrying amount of DKK 16,000 thousand at 31 December 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Currency risks

Group

Currency risks

Analysis of the Group's balances in foreign currency as well as related hedging transactions at 31 December 2018:

Currency (DKK'000)	Payment/maturity	Payables	Hedging transactions	Net position
AUD	< 1 year	-1,501	1,501	0
SEK	< 1 year	-1,398	1,398	0
USD	< 1 year	-4,193	4,193	0
ZAR	< 1 year	-1,826	1,826	0
		-8,918	8,918	0

Forecast transactions

The Group uses forward exchange contracts to hedge expected currency risks relating to purchase of goods in the coming year.

		Contractual value		Gains and losses recognised in equity	
DKK'000	Period	2018	2016/17	2018	2016/17
Forward exchange contracts	0-3 months	20,746	6,102	111	13

17 Related parties

Group

Merlot HoldCo ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Credo Invest Nr 11 AS	Stortingsgaten 22, 0124 Oslo, Norway	Participating interest

Related party transactions

DKK'000	2018	2016/17
Group		
Purchase of management and consultant assistance	1,840	2,357

With reference to Section 98(3) of the Danish Financial Statements Act, information on transactions between Merlot HoldCo ApS and its wholly-owned subsidary is not disclosed.

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

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Notes to the financial statements

DKK'000	Group 2018	Group 2016/17	Parent company 2018	Parent company 2016/17
18 Fee to the auditors appointed by the Company in general meeting				
Total fees to EY	317	407	53	43
Statutory audit	148	145	10	10
Tax assistance	24	77	6	6
Other assistance	145	185	37	27
	317	407	53	43

DKK'000	Parent company 2018 12 months	Parent company 2016/17 15 months
19 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Net revaluation reserve according to the equity method	-6,099	5,656
Retained earnings/accumulated loss	-2,431	-123
	-8,530	5,533

DKK'000	Group 2018 12 months	Group 2016/17 15 months
20 Adjustments		
Amortisation/depreciation and impairment losses	15,424	20,241
Gain/loss on the sale of non-current assets	5	-10
Financial income	-181	-601
Financial expenses	3,604	3,454
Tax for the year	-690	3,101
Other adjustments	103	-362
	18,265	25,823
21 Changes in working capital		
Change in inventories	-20,574	468
Change in receivables	27,676	10,726
Change in trade and other payables	-2,056	24,357
	5,046	35,551

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Notes to the financial statements

DKK'000	Group 2018 12 months	Group 2016/17 15 months
22 Acquisition of enterprises and activities		
Intangible assets	0	56,994
Property, plant and equipment	0	30,656
Inventories	0	90,588
Receivables	0	46,112
Cash	0	2,008
Lease liabilities	0	-11,582
Other credit institutions	0	-45,171
Corporation tax payable	0	-3,159
Deferred tax	0	-15,615
Trade payables	0	-49,519
Other payables	0	-20,259
	0	81,053
Goodwill	0	84,707
Cost of acquisition	0	165,760
Cash	0	-2,008
Cost of acquisition paid in cash	0	163,752
23 Cash and cash equivalents at year-end		
Cash according to the balance sheet	20,393	47,738
Escrow accounts as security on factoring agreements	-11,866	0
	8,527	47,738