Merlot HoldCo ApS

Bragesvej 1
4600 Køge
CVR No. 38125494

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Tomi Janne Halttunen
Chairman of the General Meeting

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Entity details

Entity

Merlot HoldCo ApS
Bragesvej 1
4600 Køge

Business Registration No.: 38125494
Date of foundation: 21.10.2016
Registered office: Køge
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Tomi Janne Halttunen, chairman
Sigmund Laszlo Toth
Risto Tapani Gaggl

Executive Board

Jens Christian Voldmester

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Business Registration No.: 33771231

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Merlot HoldCo ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Køge, 28.06.2024

Executive Board

Jens Christian Voldmester

Board of Directors

Tomi Janne Halttunen
chairman

Sigmund Laszlo Toth

Risto Tapani Gaggl

Independent auditor's report

To the shareholders of Merlot HoldCo ApS

Opinion

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 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for opinion

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

Statement on the management commentary

Management is responsible for Management's commentary.

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

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

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

Based on the work we have performed, in our view, Management's commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's commentary.

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

Management is responsible for the preparation of Consolidated Financial Statements and Parent 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 consolidated financial statements and the parent financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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.

- Connclude 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 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.

Copenhagen, 28.06.2024

PricewaterhouseCoopers Statsautoriseret revisionspartnerselskab
CVR No. 33771231

Flemming Eghoff	**Kenneth Østergaard**
State Authorised Public Accountant	State Authorised Public Accountant
Identification No (MNE) mne30221	Identification No (MNE) mne47262

Management commentary

Financial highlights

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000
Key figures					
Revenue	942,679	821,291	730,533	699,382	595,125
Gross profit/loss	71,974	85,411	132,784	80,741	42,437
Operating profit/loss	(31,665)	(15,321)	49,675	4,932	(26,118)
Net financials	(17,051)	(5,682)	(6,325)	(7,049)	(4,567)
Profit/loss for the year	(38,932)	(18,103)	35,532	(6,942)	(24,968)
Balance sheet total	390,915	377,708	331,608	311,980	322,208
Investments in property, plant and equipment	2,072	1,611	12,737	3,569	6,905
Equity	64,240	106,931	125,696	84,547	93,122
Average number of employees	143	132	109	97	85
Ratios					
Gross margin (%)	7.64	10.40	18.18	11.54	7.13
Net margin (%)	(4.13)	(2.20)	4.86	(0.99)	(4.20)
Return on equity (%)	(45.49)	(15.56)	33.80	(7.81)	(23.70)
Equity ratio (%)	16.43	28.31	37.90	27.10	28.90

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

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

The Company's main activity is filling wine into bag-in-boxes and bottles. The wines are either sold as Globus Wine's own brands or filled on behalf of third party brand owners.

Development in activities and finances

Revenue increased by DKK 121,3 million to DKK 942.7 million against DKK 821.3 million last year. Profit before tax decreased by DKK 27.7 million to DKK -48.7 million against DKK -21.0 million last year. Profit after tax decreased by 20.8 million to DKK -38.9 million from DKK -18.1 million last year. Equity of DKK 64.2 million as per 31. December 2023 is DKK 42.7 million lower than last year.

Profit/loss for the year in relation to expected developments

Management considers the top line result of the Company overall satisfactory, however unsatisfactory when considering the bottom-line as the expectations were not met.

The 2023 financial bottom-line result

2023 was a disappointing year financially for the company, as several key events impacted the bottom-line result significantly. The commercial success and growth leading to increased volume the past years, required the company to staff up significantly to continue to deliver at the highest quality level and on time. The constant year over year volume growth furthermore led to a requirement for a significant capital investment in our production facility, to pave the way for further growth together with our clients. These investments impacted our operational efficiency and throughput, leading to the company having to utilize external filling solutions which came at a significant cost. Thirdly, the macro-economic and political turmoil impacted the predictability of the supply chain throughout the world, leading to suppliers stocking up and combining shipments to us. This led to significant demurrage (harbor rental cost) again directly impacting the bottom line. Finally, the uncertain energy situation throughout Europe led to very significant energy surcharges.

So, while the bottom-line result was a disappointment, the company moves forward knowing that it was investments in our customers of tomorrow combined with significant one-off cost, that primarily led to the poor result.

Our top line strategy continues to impress & profitability is increasing

We continue to see growth in all key segments, and a strengthening of our customer relations. In terms of sourcing, we continue to add new markets, producers, and knowledge, to further strengthen our leading service platform and value proposition to customers. In marketing, our continued strengthening of market insight and local market understanding provide a strong position to help our customers build value with new concepts and products in the wine category. We have invested significant effort and costs to deliver on our customer promises.

Outlook

For 2024, the company expects a revenue in the range DKK 900-940 million pre-excise wine duties and profit before tax of DKK 40-50 million. Positive cash flows from operating activities are expected.

In 2024 we will continue and intensify the strategic focus on building brands and realize organic growth in the Northern European markets for both own and partner brands. We will continue the focus on operational excellence and efficiency, which was significantly improved during 2023. We furthermore expect to reap the FY benefits of the initiatives implemented in 2023, with respect to profit margins, as we continue to serve and grow with our customers, with a joint ambition of further adding value and innovation to the wine category. The further benefit of being under the Anora umbrella will continue to materialize and lead to increased volume going through our operation. Ultimately, we believe the investments and initiatives made will lead to a positive bottom line for 2024.

Use of financial instruments

Due to the Group's activities abroad, profit, cash flows and equity are affected by the development in exchange rates for several currencies, primarily USD, SEK, AUD, and ZAR. To a certain extent, the Group hedges currency risks by entering forward exchange contracts and by making purchases and sales in the same currency.

Statutory report on corporate social responsibility

The Group works actively with social responsibility with focus om human rights, social and employee conditions, anti-corruption as well as climate- and environmental conditions. In regard to the statutory requirement of the corporate social responsibility reporting we refer to the CSR-report on https://downloads.ctfassets.net/197jjpt91b9r/6AhhDJUCh4sJM79dqrYIrQ/58165736c57f2c0b54d391824e842c28/Anora_Annual_Report_2023.pdf

Statutory report on the underrepresented gender

	2023
Supreme management body	
Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	33.00
Year of expected achievement of target figures	2025

	2023
Other management levels	
Total number of members	5
Underrepresented gender (%)	40.00

The company is currently not in compliance with the policy as 100% members of the board are male (3 persons). Due to internal matters in 2023, it has not been possible to find available qualified female candidates. The Company aim to meet the target of 50% female members on the Board of Directors in 2025 at the latest.

The Company´s policy regarding management diversity aims on having 40% female members on other managerial positions (directors and department leaders). The company is currently in compliance and meets requirement of equal gender composition.

Statutory report on data ethics policy

The board has not adopted a specific policy for data ethics but has taken appropriate measure to ensure ethical data processing and has implemented protective measures to ensure the storage of data. It is management's assessment that the organization's maturity in relation to the handling of personal data in accordance with the GDPR and the work with IT at a more general level is at an appropriate level. All employees are informed about the importance of adhering to the GDPR and other related laws, and are receiving training in these topics.

Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Revenue	2	942,679	821,291
Changes in inventories of finished goods and work in progress		18,658	22,143
Other operating income		1,796	0
Cost of sales		(799,043)	(692,270)
Other external expenses	3	(92,116)	(65,753)
Gross profit/loss		**71,974**	**85,411**
Staff costs	4	(85,573)	(82,559)
Depreciation, amortisation and impairment losses	5	(17,568)	(18,173)
Other operating expenses		(498)	0
Operating profit/loss		**(31,665)**	**(15,321)**
Other financial income	6	320	715
Other financial expenses	7	(17,371)	(6,397)
Profit/loss before tax		**(48,716)**	**(21,003)**
Tax on profit/loss for the year	8	9,784	2,900
Profit/loss for the year	9	**(38,932)**	**(18,103)**

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired intangible assets		18,170	23,852
Goodwill		54,707	58,942
Development projects in progress	11	148	482
Intangible assets	10	**73,025**	**83,276**
Plant and machinery		38,426	43,954
Other fixtures and fittings, tools and equipment		4,361	1,287
Leasehold improvements		4,676	7,845
Property, plant and equipment in progress		0	71
Property, plant and equipment	12	**47,463**	**53,157**
Fixed assets		**120,488**	**136,433**
Raw materials and consumables		45,592	28,207
Manufactured goods and goods for resale		165,501	146,854
Inventories		**211,093**	**175,061**
Trade receivables		39,888	36,465
Receivables from group enterprises		194	608
Other receivables		291	5,109
Tax receivable		495	188
Prepayments	13	312	1,968
Receivables		**41,180**	**44,338**
Cash		**18,154**	**21,876**
Current assets		**270,427**	**241,275**
Assets		**390,915**	**377,708**

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	14	120,709	120,709
Reserve for fair value adjustments of hedging instruments		(569)	3,238
Retained earnings		(55,900)	(17,016)
Equity		**64,240**	**106,931**
Deferred tax	15	1,006	10,502
Provisions		**1,006**	**10,502**
Payables to group enterprises		160,000	0
Holiday pay obligation		4,170	4,075
Non-current liabilities other than provisions	16	**164,170**	**4,075**
Bank loans		0	1
Trade payables		123,341	105,791
Payables to group enterprises		0	110,000
Tax payable		1,164	0
Joint taxation contribution payable		0	5,047
Other payables		36,758	35,361
Deferred income	17	236	0
Current liabilities other than provisions		**161,499**	**256,200**
Liabilities other than provisions		**325,669**	**260,275**
Equity and liabilities		**390,915**	**377,708**
Events after the balance sheet date	1		
Financial instruments	19		
Unrecognised rental and lease commitments	20		
Contingent liabilities	21		
Assets charged and collateral	22		
Non-arm's length related party transactions	23		
Group relations	24		
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Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	120,709	3,238	(17,016)	106,931
Exchange rate adjustments	0	0	46	46
Value adjustments	0	(4,881)	2	(4,879)
Tax of entries on equity	0	1,074	0	1,074
Profit/loss for the year	0	0	(38,932)	(38,932)
Equity end of year	**120,709**	**(569)**	**(55,900)**	**64,240**

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		(31,665)	(15,321)
Amortisation, depreciation and impairment losses		17,568	18,173
Working capital changes	18	(10,078)	(4,591)
Cash flow from ordinary operating activities		**(24,175)**	**(1,739)**
Financial income received		1,415	715
Financial expenses paid		(22,202)	(6,397)
Taxes refunded/(paid)		(7,132)	(1,745)
Cash flows from operating activities		**(52,094)**	**(9,166)**
Acquisition etc. of intangible assets		(148)	(1,266)
Sale of intangible assets		78	0
Acquisition etc. of property, plant and equipment		(2,072)	(1,611)
Sale of property, plant and equipment		515	0
Cash flows from investing activities		**(1,627)**	**(2,877)**
Free cash flows generated from operations and investments before financing		**(53,721)**	**(12,043)**
Repayments of loans etc.		0	(79,700)
Proceeds of debt, group entities		50,000	110,000
Cash flows from financing activities		**50,000**	**30,300**
Increase/decrease in cash and cash equivalents		**(3,721)**	**18,257**
Cash and cash equivalents beginning of year		21,875	3,618
Cash and cash equivalents end of year		**18,154**	**21,875**
Cash and cash equivalents at year-end are composed of:			
Cash		18,154	21,876
Cash and cash equivalents regarding discontinued operations		0	(1)
Cash and cash equivalents end of year		**18,154**	**21,875**

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation ofthis annual report.

2 Revenue

All revenue relates to the wine bottling activity. The Group has not disclosed the breakdown of revenue by geographical and business segments, 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.

3 Fees to the auditor appointed by the Annual General Meeting

With reference to section 96(3) of the Danish Financial Statements Act, audit fees are not disclosed as audit fees are disclosed for the Group as such in the consolidated financial statements of Anora Group Plc

4 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	73,992	72,698
Pension costs	6,636	5,816
Other social security costs	1,398	1,044
Other staff costs	3,547	3,001
	85,573	**82,559**
Average number of full-time employees	**143**	**132**

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

5 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Amortisation of intangible assets	10,318	10,353
Depreciation on property, plant and equipment	7,250	7,820
	17,568	**18,173**

6 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	0	106
Other interest income	320	38
Exchange rate adjustments	0	571
	320	**715**

7 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	5,907	911
Other interest expenses	9,756	4,833
Exchange rate adjustments	1,145	0
Other financial expenses	563	653
	17,371	**6,397**

8 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	711	985
Change in deferred tax	(10,471)	(3,885)
Adjustment concerning previous years	(24)	0
	(9,784)	**(2,900)**

9 Proposed distribution of profit/loss

	2023 DKK'000	2022 DKK'000
Retained earnings	(38,932)	(18,103)
	(38,932)	**(18,103)**

10 Intangible assets

	Acquired intangible assets DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	63,801	84,707	482
Transfers	404	0	(404)
Additions	0	0	148
Disposals	0	0	(78)
Cost end of year	**64,205**	**84,707**	**148**
Amortisation and impairment losses beginning of year	(39,949)	(25,765)	0
Transfers	(3)	0	0
Amortisation for the year	(6,083)	(4,235)	0
Amortisation and impairment losses end of year	**(46,035)**	**(30,000)**	**0**
Carrying amount end of year	**18,170**	**54,707**	**148**

11 Development projects

Completed development projects and development projects in progress include the development of tecnology which automate various processes within the production of wine. The development projects are expected to be completed within one year and comprise only of external costs.

12 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	86,364	2,699	9,301	71
Transfers	54	3,775	(4,243)	(54)
Additions	1,013	47	1,012	0
Disposals	(11,076)	0	0	(17)
Cost end of year	**76,355**	**6,521**	**6,070**	**0**
Depreciation and impairment losses beginning of year	(42,412)	(1,412)	(1,456)	0
Transfers	0	(400)	869	0
Depreciation for the year	(6,095)	(348)	(807)	0
Reversal regarding disposals	10,578	0	0	0
Depreciation and impairment losses end of year	**(37,929)**	**(2,160)**	**(1,394)**	**0**
Carrying amount end of year	**38,426**	**4,361**	**4,676**	**0**

13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14 Contributed capital

	Number	Nominal value DKK'000	Recorded par value DKK'000
A shares	84,568,428	1	84,568
B-shares	36,140,692	1	36,141
	120,709,120	**2**	**120,709**

Each A-share shall carry 1 vote and B-shares shall carry no vote. The share capital has in the last 5 years been raised with DKK 1,450 thousand.

15 Deferred tax

	2023 DKK'000	2022 DKK'000
Intangible assets	3,993	5,222
Property, plant and equipment	5,433	5,805
Inventories	2,338	2,040
Tax losses carried forward	(10,758)	(2,565)
Deferred tax	**1,006**	**10,502**

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	10,502	14,386
Recognised in the income statement	(10,471)	(3,885)
Recognised directly in equity	1,074	0
Others	(99)	1
End of year	**1,006**	**10,502**

16 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Payables to group enterprises	160,000	0
Holiday pay obligation	4,170	4,170
	164,170	**4,170**

17 Deferred income

Deferred income is related to the deferred marketing income.

18 Changes in working capital

	2023 DKK'000	2022 DKK'000
Increase/decrease in inventories	(36,033)	(39,181)
Increase/decrease in receivables	3,447	(3,775)
Increase/decrease in trade payables etc.	22,508	38,365
	(10,078)	**(4,591)**

19 Derivative financial instruments

Other recevables and payabels include positive and negative fair value of derivative financial instruments of a net negative DKK (730) thousand. Derivative financial instruments have been entered into to hedge exchange rate exposure of future purchases for ZAR and USD. Forward exchange contracts expire between January 2023 and December 2024.

20 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Total liabilities under rental or lease agreements until maturity	**171,001**	**104,313**

Rent and lease liabilities include rent obligations totalling DKK 171,001 thousand in rent agreements with a contract period of 1-14 years.

21 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Arcus Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's fi nancial statements.

22 Assets charged and collateral

Bank guarantee of DKK 40 thousand has been proided as bank guarantee and security for the Danish Authorities. This guarantee is mandatory for companies with activities including production of alcohol.

Bank guarantees totalling DKK 5,571 thousand have been put up as security for debt to third parties.

23 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the fi nancial year.

24 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Anora Group Plc, P. O. Box 350, 00101 Helsinki, Finland

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Anora Group Plc, P. O. Box 350, 00101 Helsinki, Finland

The consolidated financial statements of Anora Group Plc may be ordered at this address:

P. O. Box 350, 00101 Helsinki, Finland

25 Subsidiaries

	Registered in	Corporate form	Ownership %
Globus Wine A/S	A/S	Køge, Denmark	100.00
Globus Wine GmbH	GmbH	Harrislee, Germany	100.00
Globus Wine Germany GmbH	GmbH	Harrislee, Germany	100.00

Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Revenue		0	825
Other external expenses		(234)	(2,246)
Gross profit/loss		**(234)**	**(1,421)**
Staff costs	2	0	(1,051)
Operating profit/loss		**(234)**	**(2,472)**
Income from investments in group enterprises		(37,957)	(15,110)
Other financial income	3	0	101
Other financial expenses	4	(946)	(909)
Profit/loss before tax		**(39,137)**	**(18,390)**
Tax on profit/loss for the year	5	205	287
Profit/loss for the year	6	**(38,932)**	**(18,103)**

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		81,894	123,612
Financial assets	7	**81,894**	**123,612**
Fixed assets		**81,894**	**123,612**
Deferred tax	8	323	303
Other receivables		25	21
Tax receivable		495	188
Joint taxation contribution receivable		0	6,036
Receivables		**843**	**6,548**
Cash		**315**	**188**
Current assets		**1,158**	**6,736**
Assets		**83,052**	**130,348**

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		120,709	120,709
Translation reserve		46	0
Retained earnings		(56,515)	(13,778)
Equity		**64,240**	**106,931**
Payables to group enterprises		18,649	18,904
Tax payable		0	4,409
Other payables		163	104
Current liabilities other than provisions		**18,812**	**23,417**
Liabilities other than provisions		**18,812**	**23,417**
Equity and liabilities		**83,052**	**130,348**
Events after the balance sheet date	1		
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Non-arm’s length related party transactions	12		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	120,709	0	(13,778)	106,931
Exchange rate adjustments	0	46	0	46
Value adjustments	0	0	2	2
Other entries on equity	0	0	(3,807)	(3,807)
Profit/loss for the year	0	0	(38,932)	(38,932)
Equity end of year	**120,709**	**46**	**(56,515)**	**64,240**

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation ofthis annual report.

2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	0	1,047
Other social security costs	0	4
	0	**1,051**

Average number of full-time employees	**0**	**1**

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

3 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	0	101
	0	**101**

4 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	853	554
Other interest expenses	95	225
Other financial expenses	(2)	130
	946	**909**

5 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Change in deferred tax	(181)	(287)
Adjustment concerning previous years	(24)	0
	(205)	**(287)**

6 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	(38,932)	(18,103)
	(38,932)	**(18,103)**

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	165,759
Cost end of year	**165,759**
Impairment losses beginning of year	(42,147)
Exchange rate adjustments	46
Adjustments on equity	(3,807)
Amortisation of goodwill	(9,235)
Share of profit/loss for the year	(29,817)
Other adjustments	1,095
Impairment losses end of year	**(83,865)**
Carrying amount end of year	**81,894**

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

Investments in group enterprises has included a value of goodwill at DKK 66,091 thousand.

8 Deferred tax

	2023 DKK'000	2022 DKK'000
Tax losses carried forward	323	303
Deferred tax	**323**	**303**

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	141	16
Recognised in the income statement	181	287
Others	1	0
End of year	**323**	**303**

Deferred tax assets

As it is expected to generate taxable income within the next couple of years we have recognized a deferred tax asset.

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Arcus Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's fi nancial statements.

10 Assets charged and collateral

The parent Company has not provided any security or other collateral in assets at 31 December 2023.

11 Related parties with controlling interest

Anora Group Oyj, Kaapeliaukio 1 00180, Helsinki.

12 Non-arm’s length related party transactions

Only related party transactions not conducted on an arm’s length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class

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

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

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Business combinations

The modified uniting-of-interests method is applied to vertical mergers, reverse vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. The comparative figures are restated back to the date when the entities first formed part of the Group.

Foreign currency translation

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

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

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

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

Derivative financial instruments

On initial recognition, 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 presented as separate items in the balance sheet.

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.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the 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 forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

Changes in inventories of finished goods and work in progress
Changes in inventories of fi nished goods and work in progress comprise decreases or increases for the financial year in inventories of fi nished goods. This item includes normal writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

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

Other external expenses
Other external expenses include 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.

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

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

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises
The item includes the entity's proportionate share of the profi t/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

The proportionate share of the individual subsidiaries' profi t/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Other financial income
Financial income are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income, realised and unrealised exchange gains on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Other financial expenses
Financial expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest expenses, fi nancial expenses related to fi nance leases, realised and unrealised exchange losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

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

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

Balance sheet

Goodwill
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.

Intellectual property rights etc.
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.

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

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.

	Useful life
Plant and machinery	10-40 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-20 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised

Estimated useful lives and residual values are reassessed annually.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Investments in group enterprises
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.

Receivables
The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

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.

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

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

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

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

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

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

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

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.