



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 888 193
Organisasjonsform: Aksjeselskap
Foretaksnavn: SOLERA BEVERAGE GROUP HOLDING AS
Forretningsadresse: Karenslyst allé 10
0278 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Torum
Dato for fastsettelse av årsregnskapet: 13.07.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 27.06.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	9,11	10 711 000	9 976 000
Sum inntekter		10 711 000	9 976 000
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	1	19 000	21 000
Annen driftskostnad	10	19 283 000	18 051 000
Sum kostnader		19 302 000	18 072 000
Driftsresultat		-8 591 000	-8 096 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		28 344 000	30 321 000
Renteinntekt fra foretak i samme konsern		9 188 000	9 327 000
Annen renteinntekt		242 000	121 000
Annen finansinntekt		4 500 000	5 153 000
Sum finansinntekter		42 274 000	44 922 000
Rentekostnad til foretak i samme konsern		2 688 000	1 439 000
Annen rentekostnad		23 074 000	26 165 000
Annen finanskostnad		7 901 000	6 759 000
Sum finanskostnader		33 663 000	34 363 000
Netto finans		8 611 000	10 559 000
Ordinært resultat før skattekostnad		20 000	2 463 000
Skattekostnad på ordinært resultat	8	9 000	575 000
Ordinært resultat etter skattekostnad		11 000	1 888 000
Årsresultat	6	11 000	1 888 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		11 000	1 888 000
Sum overføringer og disponeringer		11 000	1 888 000



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	42 000	51 000
Sum immaterielle eiendeler		42 000	51 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	1	82 000	7 000
Sum varige driftsmidler		82 000	7 000
Finansielle anleggsmidler			
Investering i datterselskap	2	681 602 000	681 602 000
Lån til foretak i samme konsern	3,4	111 060 000	107 559 000
Sum finansielle anleggsmidler		792 662 000	789 161 000
Sum anleggsmidler		792 786 000	789 219 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	3,4	2 617 000	1 245 000
Andre fordringer		201 000	546 000
Konsernfordringer	4	28 344 000	30 321 000
Sum fordringer		31 162 000	32 112 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	0	0
Sum bankinnskudd, kontanter og lignende		0	0
Sum omløpsmidler		31 162 000	32 112 000
SUM EIENDELER		823 948 000	821 331 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Aksjekapital	6,7	2 571 000	2 331 000
Beholdning av egne aksjer	6,7	-19 000	-12 000
Overkurs	6	293 556 000	230 796 000
Sum innskutt egenkapital		296 108 000	233 115 000
Opptjent egenkapital			
Annen egenkapital	6	24 874 000	24 856 000
Sum opptjent egenkapital		24 874 000	24 856 000
Sum egenkapital		320 982 000	257 971 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3	273 333 000	297 205 000
Sum annen langsiktig gjeld		273 333 000	297 205 000
Sum langsiktig gjeld		273 333 000	297 205 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	5	24 811 000	105 681 000
Leverandørgjeld	4	1 750 000	2 057 000
Betalbar skatt	8	0	0
Kortsiktig konserngjeld	4,5	203 072 000	158 145 000
Annen kortsiktig gjeld		0	272 000
Sum kortsiktig gjeld		229 633 000	266 155 000
Sum gjeld		502 966 000	563 360 000
SUM EGENKAPITAL OG GJELD		823 948 000	821 331 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 549 108 000	1 530 136 000
Annen driftsinntekt		6 517 000	4 628 000
Sum inntekter	5	1 555 625 000	1 534 764 000
Kostnader			
Varekostnad		1 244 731 000	1 202 440 000
Lønnskostnad	7	150 348 000	148 633 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,10,1 3	14 274 000	4 332 000
Annen driftskostnad	6	112 870 000	118 329 000
Andre gevinster og tap	8	-3 763 000	20 885 000
Nedskrivninger	9	130 275 000	0
Sum kostnader		1 648 735 000	1 494 619 000
Driftsresultat		-93 110 000	40 145 000
Finansinntekter og finanskostnader			
Annen finansinntekt		5 094 000	5 610 000
Sum finansinntekter		5 094 000	5 610 000
Annen finanskostnad		41 618 000	36 510 000
Sum finanskostnader		41 618 000	36 510 000
Netto finans	11	-36 524 000	-30 900 000
Ordinært resultat før skattekostnad		-129 634 000	9 245 000
Skattekostnad på ordinært resultat	12	2 198 000	4 127 000
Resultatandel fra tilknyttede selskap		0	1 018 000
Ordinært resultat etter skattekostnad		-131 832 000	4 100 000
Årsresultat		-131 832 000	4 100 000
Resultatandel knyttet til OCI fra tilknyttede selskap		43 000	-35 000
Valutajusteringer		-2 707 000	-3 339 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2019	2018
Sum resultatkomponenter for IFRS-foretak		-2 664 000	-3 374 000
Totalresultat		-134 496 000	726 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	5,9	1 413 000	3 238 000
Utsatt skattefordel	16	8 105 000	7 022 000
Goodwill	5,9	658 905 000	789 553 000
Andre langsiktige finansielle eiendeler		5 000 000	0
Bruksrett eiendeler	5,13	54 763 000	0
Sum immaterielle eiendeler		728 186 000	799 813 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5,10	2 229 000	2 672 000
Sum varige driftsmidler		2 229 000	2 672 000
Sum anleggsmidler	19	730 415 000	802 485 000
Omløpsmidler			
Varer			
Varer	17	197 951 000	163 107 000
Sum varer		197 951 000	163 107 000
Fordringer			
Kundefordringer	18	360 248 000	343 036 000
Andre fordringer	19	3 555 000	9 852 000
Forskuddsbetalinger	20	25 026 000	25 395 000
Fordring skatt		3 367 000	6 354 000
Sum fordringer	19	392 196 000	384 637 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	21	35 087 000	5 454 000
Sum bankinnskudd, kontanter og lignende		35 087 000	5 454 000
Sum omløpsmidler		625 234 000	553 198 000
SUM EIENDELER		1 355 649 000	1 355 683 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	22	2 571 000	2 331 000
Beholdning av egne aksjer	22	-19 000	-12 000
Overkurs	22	293 556 000	230 796 000
Sum innskutt egenkapital		296 108 000	233 115 000
Opptjent egenkapital			
Annen egenkapital		63 052 000	197 541 000
Sum opptjent egenkapital		63 052 000	197 541 000
Sum egenkapital		359 160 000	430 656 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	24	973 000	1 080 000
Utsatt skatt	16	3 816 000	8 299 000
Andre avsetninger for forpliktelser		3 314 000	3 214 000
Leasing forpliktelser	13	45 028 000	0
Sum avsetninger for forpliktelser		53 131 000	12 593 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	19,23	273 333 000	297 205 000
Sum annen langsiktig gjeld		273 333 000	297 205 000
Sum langsiktig gjeld		326 464 000	309 798 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	23	24 729 000	75 091 000
Leasing forpliktelser	13	11 423 000	0
Kassekreditt		30 393 000	30 175 000
Leverandørgjeld		307 348 000	242 409 000
Betalbar skatt		6 555 000	3 553 000
Annen kortsiktig gjeld	25	227 175 000	203 543 000
Andre påløpte kostnader	26	62 402 000	60 458 000



Konsernets balanse

Beløp i: NOK	Note	2019	2018
Sum kortsiktig gjeld	19	670 025 000	615 229 000
Sum gjeld		996 489 000	925 027 000
SUM EGENKAPITAL OG GJELD		1 355 649 000	1 355 683 000
POSTER UTENOM BALANSEN			
Garantistillelser	29	1 322 000	1 358 000
Pantstillelser	29	572 794 000	572 212 000



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 22.10.2013	Vår dato 04.11.2013
Telefon 977 59 464	Deres referanse Curt Erik Göran Olsson	Vår referanse 2013/830306

SOLERA BEVERAGE GROUP HOLDING AS
Postboks 246 Skøyen
0213 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Solera Beverage Group Holding AS, org.nr. 996 888 193

- Vi viser til deres brev av 30. august 2011 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Solera Beverage Group Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Solera Beverage Group Holding AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

Solera Beverage Group Holding AS eies 77,14% av Capman Buyout IX Fund A LP. Resterende aksjer eies av ulike norske og utenlandske aksjeselskaper som igjen eies av ledende ansatte i Solera konsernet. Selskapet sitt styre består av norske og svenske statsborgere. Samtlige styremedlemmer har imidlertid svært gode engelskkunnskaper. Konsernet har etablert virksomhet i Norge, Sverige og Finland, og med bakgrunn i dette er konsernets arbeidsspråk engelsk. Dette reflekteres blant annet gjennom månedlig finansiell rapportering samt kommunikasjon på tvers av selskapene i konsern. Brukerne av årsregnskapet til selskapet er i all hovedsak selskapets eiere samt konsernets leverandører. Konsernets leverandører er i all hovedsak internasjonale vinprodusenter og kommunikasjonsspråket med leverandørene foregår engelsk. Den norske versjonen utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan

Postadresse
Postboks 9200 Grønland
0134 Oslo
skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "*informative regnskaper for ulike grupper av regnskapsbrukere*". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har utenlandsk morselskap og at eierkretsen er begrenset. Videre er det vektlagt at arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



To the General Meeting of Solera Beverage Group Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Solera Beverage Group Holding AS, which comprise:

- The financial statements of the parent company Solera Beverage Group Holding AS (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Solera Beverage Group Holding AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2019, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - Solera Beverage Group Holding AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

(2)



Independent Auditor's Report - Solera Beverage Group Holding AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 6 July 2020
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning SBGH

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Nymark, Gorm Frode	BANKID	2020-07-06 10:23

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.



ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS

FOR

THE FINANCIAL YEAR 2019

SOLERA BEVERAGE GROUP HOLDING AS

Corporate Identity Number 996 888 193

SOLERA

BEVERAGE GROUP

Drinks for every moment



Sparkles for every moment



Wine for every moment



Cocktails for every moment



Beer for every moment



Contents

GROUP

Board of Directors' Report	3
CONSOLIDATED INCOME STATEMENT.....	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED CASH FLOW STATEMENT	11
NOTES	
Note 1 General information	12
Note 2 Summary of important accounting principles	12
Note 3 Financial risk management.....	19
Note 4 Critical estimates and assessments in applying the Group's accounting principles	20
Note 5 Geographical distribution of net revenue and fixed assets	21
Note 6 Auditor's fees	21
Note 7 Remuneration to employees and disclosure regarding personnel.....	22
Note 8 Other gains and losses.....	23
Note 9 Intangible assets	24
Note 10 Tangible fixed assets	27
Note 11 Financial income and financial expenses	28
Note 12 Income tax.....	28
Note 13 Leases.....	29
Note 14 Transition to IFRS 16 Leases.....	30
Note 15 Shares in subsidiaries	31
Note 16 Deferred income tax.....	33
Note 17 Inventory	34
Note 18 Accounts receivable	35
Note 19 Financial instruments by category.....	36
Note 20 Prepaid expenses and accrued income	37
Note 21 Cash and cash equivalents.....	37
Note 22 Share capital and other contributed capital	38
Note 23 Borrowings.....	39
Note 24 Pension obligations	40
Note 25 Other liabilities.....	40
Note 26 Accrued expenses.....	40
Note 27 Transactions with related parties.....	41
Note 28 Commitments – Non-cancellable operating leases.....	41
Note 29 Pledged assets and contingent liabilities	41
Note 30 Events after reporting period.....	41

SOLERA BEVERAGE GROUP HOLDING AS

Income statement Solera Beverage Group Holding AS	43
Balance sheet Solera Beverage Group Holding AS	44
Cash flow statement Solera Beverage Group Holding AS.....	46
Accounting principles	47
Note 1 Fixed assets	49
Note 2 Subsidiaries	49
Note 3 Debtor and liabilities	50
Note 4 Balance with group companies	50
Note 5 Bank	50
Note 6 Shareholders' equity.....	51
Note 7 Share capital and shareholder information	51
Note 8 Taxes	53
Note 9 Operating income	54
Note 10 Payroll expenses, number of employees, remunerations, loans to employees, etc.....	54
Note 11 Transactions with related parties.....	54
Note 12 Pledged assets and contingent liabilities	55



Board of Directors' Report

Solera Beverage Group in brief

Solera is one of the leading beverage importers and distributors in the Nordic region. The company acts as an importer and distributor of primarily wine to the three Nordic alcoholic retail monopolies as well as Duty Free trade, hotels, restaurants and catering (HORECA). In addition, Solera sells and distributes beer, cider, mineral water and soft drinks, primarily to the retail market in Norway and Sweden. In Norway, Solera also provides logistics services.

Since 2002, Solera has enjoyed rapid and planned growth, successfully representing a growing number of major international brands. Today, Solera is a leading player in the Nordic wine distribution market and has a turnover of 1 556 mkr. Solera is a Norwegian company with subsidiaries in Norway, Sweden and Finland, and employs a total of 148 (154) people across Norway, Sweden and Finland.

The Nordic beverage market is expected to develop favourably during the following years and Solera is well positioned to capitalize on this growth.

Important events in 2019

Solera has during the year successfully marketed the product portfolio, won new listings at the monopolies and focused on closer follow-up of all business units. Solera have attracted several new and big producers in 2019 and will also sign new agreements in 2020. Net revenue inclined 1% from 2018 to 2019.

In 2019 substantial currency fluctuations have impacted our business. During the year the Norwegian krona weakened against the most important currencies, Euro and US Dollar, but strengthened towards SEK. The Swedish krona weakened against both EUR and US Dollar.

A share capital increase of 63 mkr was performed in June 2019 in order to improve the capital structure of Solera Beverage Group Holding AS.

Financial statements

The board of directors believes that the annual financial statements provide a true and fair view of the net assets, financial position and result for the year of Solera Beverage Group Holding AS and the Solera Group. The Group's consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS) as adopted by EU.

Profit and loss

Operating revenue for 2019 amounted to 1 556 mkr, compared to 1 535 mkr for 2018, which represents an increase of 1 percent. Both Solera Norway and Solera Finland experienced increase in sales due to new listings and new portfolio, while Solera Sweden had a decline in sales due to loss of producers in 2019.

For 2019, other external expenses has decreased with 12 mkr, depreciation has increased with 11 mkr and financial expenses has increased with 3 mkr due to implementation of IFRS 16 Leases.

Summary covering five years

KEY FIGURES	2019	2018	2017	2016	2015
Amount in million NOK (mkr)					
Revenue	1 556	1 535	1 681	1 646	1 561
Operating profit/loss excluding depreciation, amortisation and impairment	51	44	74	59	70
Operating margin, %	3,3%	2,9%	4,4%	3,6%	4,5%
Balance sheet total	1 356	1 356	1 476	1 447	1 501
Equity	359	431	424	392	396
Equity/assets ratio, %	26,5%	31,8%	28,7%	27,1%	26,4%
Average number of employees	148	154	151	139	134



The operating margin for 2019 was 3,3% percent, compared to 2,9 percent in 2018. The reasons for the increase was focus on product-pricing, focus on the portfolio-mix and by reducing OPEX by having cost control.

The average number of employees decreased from 154 in 2018 to 148 in 2019.

The Group's net financial costs increased from 31 mkr in 2018 to 37 mkr in 2019.

The Group's pre-tax profit decreased from 8 mkr in 2018 to -130 mkr in 2019. The reason for the increase mainly refers to impairment of goodwill of 130 mkr, see Note 9 for more information.

The Group's net profit for the year decreased from 4 mkr in 2018 to -132 mkr in 2019. The reason for the increase mainly refers to impairment of goodwill of 130 mkr, see Note 9 for more information.

Cash flow

Cash flow from operating activities was 59,0 mkr in 2019 (18,0 mkr).

The net cash flow from investing activities in 2019 amounted to -7,6 mkr (-9,8 mkr).

The net cash flow from financing activities amounted to -21,5 mkr (-16,5 mkr).

Total cash flow was 30,0 mkr (-8,3).

The group expects to generate sufficient cash to finance the operation in the foreseeable future.

Balance sheet and liquidity

Total assets at 31 December 2019 amounted to 1 356 mkr (1 356 mkr). At the same time equity amounted to 359 mkr (431 mkr) and the equity ratio was 26,5 percent (31,8 percent).

Goodwill decreased by 131 mkr in 2019 due to impairment charge and amounted to 659 mkr at the end of the year (790).

Fixed assets have increased at the end of the year by 55 mkr from Right-of-use assets in accordance with the implementation of IFRS 16.

Inventories increased by 35 mkr during 2019 and amounted to 198 mkr at the end of the year (163 mkr). Accounts receivable amounted to 360 mkr at the end of 2019 (343 mkr). Overdue receivables are low and credit losses have been small during 2019.

A share capital increase was performed in 2019 of 63 mkr (0 mkr).

At 31 December 2019, the Group's interest-bearing debt was 386 mkr (408 mkr) The debt is mainly related to borrowings from credit institutions, and from 2019, lease liabilities are included in interest-bearing debt according to IFRS 16, amounting to 56 mkr (0 mkr).

Net cash, cash equivalents and bank overdraft facilities amounted to 5 mkr at the balance sheet date (-25 mkr). At this time, board of directors and management find the group's liquidity situation satisfactory and expect it to improve further.

Net profit (loss) of the parent company

The parent company recorded a profit of 11 kkr for 2019 (1 888 kkr).

The board of directors proposes the following allocation for Solera Beverage Group Holding AS:

Transferred to other equity: 11 kkr

Going concern

There have been no events to date in 2020 that significantly affect the result for 2019 or valuation of the Group's assets and liabilities at the balance sheet date. The board confirms that the conditions for the going concern



assumption have been satisfied and that the financial statements for 2019 have been prepared on the basis of this assumption.

Financial market risk

Solera's business exposes the Group to financial risks. The Group's procedures for risk management are designed to minimise possible negative effects caused by the Group's financial arrangements. The Group is affected by exchange rate fluctuations as a significant share of the goods are bought in foreign currency, while the units' sales and operating costs are incurred in the units' local currency. To reduce currency risk for the Swedish and Norwegian operations, the group buys forward contracts to a certain extent.

Credit risk arises from accounts receivables. The bulk of the Group's account receivable are towards the three Nordic alcohol retail monopolies which gives the Group a low credit risk. Solera has not experienced significant bad debt costs.

Liquidity consists of cash, cash equivalents and the group has an overdraft facility that cover expected liquidity fluctuations during the year. The board considers the group's liquidity to be sufficient.

ESG – Environmental, Social and Governance factors within Solera Beverage Group

ENVIRONMENTAL FACTORS

Solera Beverage Group's sustainability work is set out to minimize potential negative impacts of the operations and to benefit from the possibilities afforded by sustainable business operations. We also place great emphasis on creating a healthy, safe and equal workplace at all time. We promote a variety of initiatives across the Nordics to achieve good working conditions, improved social and environmental performance. Most initiatives fall under the umbrella of our Corporate Social Responsibility program.

We define CSR/ESG i.e. Corporate Social Responsibility as Sustainable Development. Our CSR/ESG Actions are defined within three different areas; 1 Business growth, 2 Social Accountability and 3 Environmental focus.

Business growth

At the very core is our business, without a successful, predictable and sustainable business we cannot invest in and become a more sustainable organization. We shall continue to grow with social and environmental consciousness.

Social accountability

Solera Beverage Group supports BSCI in all aspects, in order to ensure responsible work conditions with our partners and suppliers around the globe.

We are also aware that we as a major actor in the beverage industry have an obligation to promote responsible alcohol consumption. Solera encourage and support activities originating from the three Nordic alcohol retail monopolies.

Environmental focus

Raw material production as well as manufacturing and transporting our products have an impact on our environment. Solera works with various certifications and labels in order to decrease environmental impact and improve sustainability. We are committed to increase the volumes of Organic wines as well as environmentally sound logistics solutions and light weight bottles.

Our internal work across the Nordics, raising CSR awareness within our organization through workshops lectures and conferences will continue in 2020.

SOCIAL FACTORS

The sick leave level 2019 was 2,0 percent compared to 0,8 percent in 2018. There were no serious work-related accidents in 2019.



Solera strives to be an attractive employer for people with different backgrounds, irrespective of ethnic origin, gender, religion or age. We would like diversity to be a positive part of our culture which is defined in Solera's Equality Policy. By December 31, 2019 we had a staff ratio of 54 percent men and 46 percent women. Salary and other terms and conditions are based on the concept of equal pay for equal work. The company supports all employees to have a balance between work and family life.

GOVERNANCE FACTORS

Norway, Sweden and Finland

Since January 2011, Solera Beverage Group is in full compliance with The Nordic Alcohol Monopolies' Code of Conduct – which stipulates the CSR requirements on the Nordic monopolies' supply chain.

Solera Beverage Group has a transparent business- and management model. All financial data is reported in accordance with existing local legislation.

Outlook

Solera operates in Norway, Sweden and Finland, mainly through the established alcohol retail monopolies. There is strong political and popular support for the monopoly structure which assures stable sales development over time. The wine market in Norway, Sweden and Finland, of approximately 325 million liters, has flattened out to an annual growth of 0-2 percent. Meanwhile Solera is expanding both in product lines (beer, spirits, non-alcoholic beverages) and in Sales channels (travel retail, hotel, restaurants, catering and FMCG).

Solera continues several operational improvement programs from previous year, and launches additional programs to yield a positive contribution to the profitability going forward. The improvement programs are mainly focusing on driving long term growth, profitability and efficiency.

In 2020 Solera have been affected by Covid-19. Restrictions due to Covid-19 resulted in a shutdown of the On-trade market, cross.border trade and Travel retail sales. However, all the Nordic wine monopolies have increased the sales and this has more than compensated for the Company's loss in the other sales channels.

The board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

Oslo, 6 July 2020

Johan Pålsson
Chairman of the board

Johan Bjarke
Member of the board

Göran Hesseborn
Member of the board

Johan Kullander
Member of the board

Ole Petter Wie
General Manager

**CONSOLIDATED INCOME STATEMENT**

Amounts in thousands NOK (kkkr)	Note	2019	2018
Sales		1 549 108	1 530 136
Other operating income		6 517	4 628
Net revenue	5	1 555 625	1 534 764
Operating expenses			
Cost of goods sold		-1 244 731	-1 202 440
Other operating expenses	6	-112 870	-118 329
Personnel expenses	7	-150 348	-148 633
Other gains and losses	8	3 763	-20 885
Depreciation and amortization	9,10,13	-14 274	-4 332
Impairment charge	9	-130 275	-
Total operating expenses		-1 648 735	-1 494 619
Operating profit/loss		-93 110	40 145
Financial income		5 094	5 610
Financial expenses		-41 618	-36 510
Result from financial items	11	-36 524	-30 900
Share of net profit of associates and joint ventures accounted for using the equity method		-	-1 018
Result before taxes		-129 634	8 227
Income tax expenses	12	-2 198	-4 127
Profit/loss for the year		-131 832	4 100
Profit attributable to:			
- Owners of the parent		-131 832	4 100
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2019	2018
Net profit/loss for the year		-131 832	4 100
Other comprehensive income for the year			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		43	-35
Exchange differences on translation of foreign operations		-2 707	3 339
Other comprehensive income for the year, net after tax		-2 664	-3 374
Total comprehensive income for the year		-134 496	726
Attributable to:			
- Owners of the parent		-134 496	726



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands NOK (kkkr)	Note	Dec 31, 2019	Dec 31, 2018
ASSETS			
Fixed assets			
Goodwill	5,9	658 905	789 553
Other intangible assets	5,9	1 413	3 238
Tangible fixed assets	5,10	2 229	2 672
Right-of-use assets	5,13	54 763	-
Deferred income tax assets	16	8 105	7 022
Other long-term financial assets		5 000	-
Total fixed assets	19	730 415	802 485
Current assets			
Inventories	17	197 951	163 107
Accounts receivable	18	360 248	343 036
Income tax receivables		3 367	6 354
Other receivables	19	3 555	9 854
Prepaid expenses and accrued income	20	25 026	25 395
Cash and cash equivalents	21	35 087	5 454
Total current assets	19	625 234	553 198
TOTAL ASSETS		1 355 649	1 355 683



CONSOLIDATED STATEMENT OF FINANCIAL POSITION, cont.

Amounts in thousands NOK (kkkr)	Note	Dec 31, 2019	Dec 31, 2018
EQUITY			
Capital and reserves attributable the Parent Company's shareholders			
Share capital	22	2 571	2 331
Own shares	22	-19	-12
Share premium reserve	22	293 556	230 796
Retained earnings incl. net profit for the year		63 052	197 541
Total equity		359 160	430 656
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	19, 23	273 333	297 205
Lease liabilities	13	45 028	-
Deferred tax liability	16	3 816	8 299
Pension obligations	24	973	1 080
Other non-current liabilities		3 314	3 214
Total non-current liabilities		326 464	309 798
Current liabilities			
Borrowings from credit institutions	23	24 729	75 091
Lease liabilities	13	11 423	-
Bank overdraft facilities		30 393	30 175
Accounts payable		307 348	242 409
Current income tax liabilities		6 555	3 553
Other liabilities	25	227 175	203 543
Accrued expenses	26	62 402	60 458
Total current liabilities	19	670 025	615 229
TOTAL EQUITY AND LIABILITIES		1 355 649	1 355 683

Oslo, 6 July 2020

Johan Pålsson
Chairman of the board

Johan Bjarke
Member of the board

Göran Hesseborn
Member of the board

Johan Kullander
Member of the board

Ole Petter Wie
General Manager

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Amounts in thousands NOK (kk)	Share capital	Share premium reserve	Own shares	Profit/loss brought forward	Total equity
Equity, 1 January 2018	2 329	230 598	-58	191 061	423 930
Profit/loss for the year	-	-	-	4 100	4 100
Issue expenses	-	-	-	-	-
Other comprehensive income	-	-	-	-3 374	-3 374
Share capital increase	2	198	-	-	200
Own shares sold during the year*	-	-	46	5 754	5 800
Equity, 31 December 2018	2 331	230 796	-12	197 541	430 656

Amounts in thousands NOK (kk)	Share capital	Share premium reserve	Own shares	Profit/loss brought forward	Total equity
Equity, 1 January 2019	2 331	230 796	-12	197 541	430 656
Profit/loss for the year	-	-	-	-131 832	-131 832
Issue expenses	-	-	-	-	-
Other comprehensive income	-	-	-	-2 664	-2 664
Share capital increase	240	62 760	-	-	63 000
Purchase own shares*	-	-	-7	7	-
Equity, 31 December 2019	2 571	293 556	-19	63 052	359 160

* The sales price for shares 2018 was 5 800 kkr, sales were made in connection with the acquisition of Sommelier AS and Vinkilden AS.
The purchase price for redeemed shares 2019 from former employees was 0 kkr.

The shares have a quotient value of NOK 1 per share. Each share entitles the holder to one vote. All registered shares as per the reporting date are fully paid.

**CONSOLIDATED CASH FLOW STATEMENT**

Amounts in thousands NOK (kkkr)	Note	2019	2018
Cash flow from operating activities			
Result before taxes		-129 634	8 227
Adjustment for items not included in cash flow			
- Reversal of depreciation and amortisation	9,10,13	14 274	4 332
- Reversal of impairment charge	9	130 275	-
- Write-down of loan to associates and joint ventures	11	6 570	-
- Shares of profits of associates and joint ventures		-	1 018
- Other items, not affecting cash		3 063	199
Tax paid		-4 040	-9 315
Changes in working capital			
Increase/decrease in inventories		-38 039	33 013
Increase/decrease in accounts receivable		-22 933	108 356
Increase/decrease in other current receivables		6 751	-10 187
Increase/decrease in accounts payable		67 139	-30 070
Increase/decrease in other current liabilities		25 594	-87 620
Cash flow from operating activities		59 020	17 953
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		-	-6 414
Loans to related parties		-1 650	-
Acquisition of joint ventures		-	-33
Investments in intangible fixed assets	9	-94	-1 284
Investments in tangible fixed assets	10	-832	-2 035
Other loans		-5 000	-
Cash flow from investing activities		-7 576	-9 766
Cash flow from financing activities			
Borrowings		-	29 000
Repayments of borrowings		-75 000	-45 000
Payment of lease liabilities		-9 464	-
Own shares		-	-500
Share capital increase		63 000	-
Cash flow from financing activities	23	-21 464	-16 500
Cash flow for the period		29 980	-8 313
Cash, cash equivalents and bank overdraft at beginning of the period		-24 721	-14 533
Translation differences in cash and cash equivalents		-565	-1 875
Cash, cash equivalents and bank overdraft at end of period	21	4 694	-24 721



NOTES

Note 1 General information

The Parent Company, Solera Beverage Group Holding AS, has registered office in Oslo, Norway. The address of the office is Karenslyst Allé 10, 0278 Oslo, Norway. The subsidiaries are specified in Note 15.

Solera is one of the leading beverage importers and distributors in the Nordic region. The company acts as an importer and distributor of primarily wine to the three Nordic alcohol retail monopolies as well as Duty Free trade, hotels, restaurants and catering (HORECA). In addition, Solera sells and distributes beer, cider and spirits to the monopolies. Beer, cider, mineral water and soft drinks are distributed to the retail market primarily in Norway where Solera also has a logistics operation.

All amounts are reported in thousands of Norwegian kroner (kkkr), unless stated otherwise.

Note 2 Summary of important accounting principles

2.1 Basis of the preparation of the reports

The consolidated financial statements of Solera Beverage Group Holding AS have been prepared in accordance with International Financial Reporting standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as approved by the European Union (EU).

The consolidated financial statements have been prepared in accordance with historical costs.

The preparation of financial statements in conjunction with IFRS requires the application of certain important estimates for accounting purposes. Furthermore, it is required that management undertakes assessments as regards the application of the Group's accounting policies. Areas involving a high degree of assessment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are referred to in Note 4.

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

IFRS 16 Leases

As from 1 January 2019, the existing lease standard (IAS 17) is replaced by a new, updated standard for accounting treatment of leases (IFRS 16). The new standard concerning leases will entail a significant change in the accounting policy related to leasing costs. As from financial years commencing in 2019, all significant leasing agreements must be capitalised. This will give an intangible right on the asset side and an equivalent liability on the liability side.

On the implementation of IFRS 16, the Group had two implementation options: the full retrospective method or the modified retrospective method. The Group has adopted IFRS 16 from 1 January 2019 using the modified retrospective method, which means that the effects calculated on the implementation date will be based on the remaining period of the lease as from the implementation date, and there will be no adjustment to equity on the implementation date. Comparative information has not been restated. The Group's lease agreements are described in note 13 and the impact of the change in note 14.

IFRIC 23 Uncertainty over income tax treatments

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The adoption did not have any impact on the current period or any prior period and is not likely to affect future periods.



New standards and interpretations not yet adopted

New accounting standards and interpretations that have come into effect for accounting periods starting after January 1st, 2019 have not been early adopted by the group and are not expected to influence or have any significant effect on the consolidated financial statements.

Consolidated accounts

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is used for the reporting of the Group's business combinations. The purchase price for the acquisition of a subsidiary consists of the fair value of the transferred assets, liabilities and the shares issued by the Group. The purchase price also includes the fair value of any assets or liabilities, arising as a result of an agreement on a conditional purchase price. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at acquisition date. For each acquisition, the Group determines whether any non-controlling influence in the acquired company is reported at fair value or whether the acquisition is reported as the proportionate share of the holding in the acquired company's net assets.

The amount by which the purchase price, any non-controlling influence and the fair value at acquisition date of the previous shareholding exceeds the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the amount is less than the fair value of the acquired assets, in the event of so-called "bargain purchase", the difference is reported directly in the statement of comprehensive income.

Intra-group transactions, balances and unrealised gains are eliminated. Unrealised losses are eliminated but are assessed as an indicator of impairment loss on the transferred asset.

Associated companies

The wholly owned subsidiary Five Eyes AB has entered into a Joint Venture since 2 July 2018 with JoseVin Holding ApS regarding the Danish company Collection Spirits ApS. Collection Spirits imports and sells premium spirits across the Nordics, with the main market being in Denmark.

Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.2 Translation of foreign currency

Functional currency and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the Parent Company's functional and reporting currency.

Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are reported in the income statement. Foreign exchange gains and losses referring to loans and borrowings are reported in net financial income/expenses, while other foreign exchange gains and losses are reported as other gains and losses included in the operating expenses.

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) having a functional currency different from the reporting currency are translated into the reporting currency as follows:



- (a) Assets and liabilities for each balance sheet presented are translated at the closing rate as at the date of the balance sheet in question.
- (b) Income and expenses for respective income statement are translated at the average exchange rate for the year.
- (c) Translation differences are recognised as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of that foreign entity and translated at the closing rate. Translation differences are recognised as other comprehensive income. Legacy goodwill from business combinations prior to the implementation of IFRS is, however, expressed in the functional currency of the parent.

2.3 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the acquired subsidiary's identifiable net assets at date of acquisition. Goodwill on acquisitions of subsidiaries are included in intangible assets.

Individually reported goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the remaining book value of goodwill relating to the sold entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Computer software and R&D

Computer software is amortised on a straight-line basis to their residual value over their expected useful life, which is 3-5 years.

R&D is amortised on a straight-line basis to their residual value over their expected useful life, which is 5 years.

2.4 Property, plant and equipment

Tangible fixed assets primarily embrace computers and other equipment. These are reported at book value, historical cost less accumulated depreciation and impairments. Acquisition value includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's book value or are reported as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group, and when the cost of the item can be measured reliably. The book values of any portion of the assets which have been replaced are de-recognised. All other forms of repair and maintenance are reported as expenses in the income statement during the period in which they incur.

Depreciation on other assets is calculated using the straight-line method to allocate their acquisition value to their residual values over their estimated useful lifetimes, as follows:

Computers	3 years
Other equipment	5 years

The assets' residual values and useful lifetimes are reviewed, and adjusted, if appropriate, at each balance sheet date. An asset's book value is immediately written down to its recoverable amount if that asset's book value is greater than its estimated recoverable amount.

Gains and losses on disposals are recognised in the income statement as the difference between the sales price and the carrying amount.

2.5 Leases

As explained in note 2.1, the group has changed its accounting policy for leases where the group is the lessee. The impact of the change is described in note 14.



All significant lease agreements are now capitalised. This has given significant rights of use on the asset side and an equivalent obligation on the liabilities side. In the consolidated income statement, a cost is recognised for depreciation of the leased asset along with interest expense for the financial liability.

Assets and liabilities arising from leasing agreements are initially reported at the present value of the future lease payments when the leased asset is available for use by the Group. The future lease payments are discounted using the lease's implicit rate. For most of the leasing agreements, the underlying internal interest rate for the Group as lessee is unknown. For the leasing agreements for which the Group does not know the underlying internal interest rate, the discount rate is set to be equivalent to the Group's calculated average interest rate related to other financing. In cases where the Group knows the underlying interest rate which is the basis for the annual lease charge related to the leasing agreement, the present value is calculated on the basis of the actual interest rate.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Payments for short-term leases and leases of low value are expensed to the income statement on a straight-line basis over the period of the lease.

The Group's leasing activities and how these are accounted for

The leases within the Group primarily refer to the fleet of company cars and rent of premises and parking. Rental contracts are typically made for fixed periods of three to eight years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects that the Group will exercise that option
- Lease payments to be made under reasonably certain extension options

Any service elements in the lease charge will be separated from the annual lease charge in the calculation basis.

The lease payments are discounted using the implicit rate of the lease. If this interest rate cannot be determined, the discount rate is set to be equivalent to the Group's calculated average interest rate related to other financing.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated on a straight-line basis over the lease term. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT and office equipment.

Variable lease payments

The Group's variable lease payments are related to the fleet of company cars and number of miles driven and are not material.

Extension and termination options



Options to extend and terminate leases are included in a number of the Group's leases. The period of the lease is set as the period specified in the leasing agreement. If the leasing agreement includes options for renewal, the probability of the Group using the option is assessed. In cases where the probability is estimated to be higher than 50 per cent, the fixed period of the lease also includes the renewal period based on the option.

2.6 Impairment of non-financial assets

Assets having an indefinite useful life are not subject to amortisation and are tested annually for impairment. At present, this refers solely to goodwill for the Group.

Property, plant and equipment and intangible assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is reported in the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Tangible and intangible assets which have been impaired are reviewed at each reporting date for possible reversal of the impairment.

2.7 Financial instruments

Financial assets

The Group's financial assets are accounts receivable, other receivables at amortized cost and cash and cash equivalents. At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group measures financial assets at amortised cost if both of the following conditions are met: - the asset is held within a business model whose objective is to collect the contractual cash flows, and - the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group assesses, at the end of each reporting period, whether there is objective evidence that there is a need for impairment of a financial asset or group of financial assets. A need for impairment of financial asset or group of financial assets exists as a consequence of one or more events occurring after the initial reporting of the asset and of this event having an impact on the estimated future cash flows of the financial asset that can be estimated reliably.

Financial liabilities

Financial liabilities are classified, at initial recognition, as liabilities at amortised cost and include accounts payable and other payables and loans.

2.8 Inventories

Inventories are stated at the lower of acquisition value and net realisable value. Acquisition value is determined using the weighted average method. The cost of goods for resale comprises the cost of acquisition of the goods. This cost excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The required provision for obsolescence has been made on the basis of individual assessment.

2.9 Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-90 days and therefore are all classified as current. The group holds the accounts receivable with the objective to



collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash and deposits in bank accounts. Bank overdrafts are reported as borrowings among current liabilities.

2.11 Share capital

The share capital comprises the number of shares multiplied by their quotient value and are classified as equity. Transaction costs directly attributable to the issue of new shares are reported in equity as a deduction, net of tax, from the proceeds.

2.12 Accounts payable

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Account payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowing

Borrowings (borrowings from credit institutions and other long-term payables) are initially reported at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is reported in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All borrowing costs (interest expenses and transaction costs) are reported in the income statement in the period to which they refer.

2.14 Current tax and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted, or substantively enacted, at balance sheet date in the countries in which the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to circumstances in which the applicable tax regulation is subject to interpretation. Management establishes provisions, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax is reported, on temporary differences arising between the tax bases of assets and liabilities and their book values in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from the initial reporting of an asset or liability in a transaction other than a business combination which, at the time of the transaction, impacts neither reported or fiscal results. The deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, at balance sheet date and



which are expected to apply when the related deferred income tax asset is realised, or when the deferred income tax liability is settled.

Deferred income tax assets are reported to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.15 Remuneration to employees

Pension commitments

The Group companies have various pension schemes. These schemes are generally funded through payments to insurance companies, mainly defined contribution plans. A defined contribution plan is one under which the group pays fixed contribution to a separate legal entity. The Group has no further payment obligations once the contributions have been paid. The contributions are reported as employee benefit expenses when they fall due. Prepaid contributions are reported as an asset to the extent that a cash refund or a reduction in future contribution can accrue to the Group.

The liability reported in the balance sheet in respect of defined benefit pension plans is based on actual yearly payment and expected lifetime. The defined benefit obligation is calculated annually by the Group.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group reports termination benefits when the Group is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

Profit sharing and bonus plans

The Group reports a liability and an expense for bonuses. The Group reports a provision where statutorily obliged, or where there is a past practice that has created a constructive obligation.

2.16 Provisions

Provisions are reported when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when the amount can be reliably estimated. Provisions are not reported for future operating losses.

Obligations falling due more than 12 months after the balance sheet date are discounted to present value.

2.17 Revenue recognition

Sales of goods

The Group operates as distributor of primarily wine to the three Nordic alcohol retail monopolies. Sales of goods are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Gross sales are including alcohol taxes, while net revenue excludes the alcohol taxes.

Sales of services

The Group sells services to other importers and distributors of beverages. For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.



2.18 Leasing

As from 2019, the Group's booking of lease contracts has changed significantly as a consequence of the implementation of IFRS 16. As from 2019, all significant lease agreements are capitalised as Right-of-use and depreciated over the lifetime of the lease agreement.

For further details of the accounting principles related to lease agreements, see the accounting principles concerning Leases (note 2.5) and note 13 to the consolidated financial statements concerning lease agreements.

2.19 Dividend payments

Possible dividend payments to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.20 Definitions of key ratios applied in the "Summary covering several years" in the Directors' report

Definition <i>Equity/assets ratio</i> :	Equity as a percentage of total assets.
Definition <i>Operating margin, %</i> :	Operating profit/loss less depreciation, amortisation and impairment of tangible and intangible fixed assets as a percentage of net revenue.
EBITDA	Operating profit before depreciation and amortisation.

Note 3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risks (currency risk and interest rate risk), credit risk and liquidity risk/financing risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance due to financial risks.

Market risk

(i) Foreign exchange risk

The Group is exposed to changes in foreign exchange rates since a significant share of the Group's goods are bought in foreign currency, mainly EUR and USD, while the units' sales and operating costs are in the units' local currency.

For 2019 if the currency had weakened/strengthened by 1 percentage point against the EURO with all variables held constant, post-tax profit for the year would have been 7,0 mkr (2018: 5,9 mkr) higher/lower. For 2019 if the currency had weakened/strengthened by 1 percent against the US dollar with all variables held constant, post-tax profit for the year would have been 0,6 mkr (2018: 0,1 mkr) higher/lower.

(ii) Interest rate risks

The Group's interest risk arises mainly from borrowings. Interest on the Group's interest-bearing debt is charged at the relevant market rate - NIBOR plus agreed interest margin of 4,5%. At December 31, if the interest rate on the borrowings had been 1 percentage point higher/lower with all other variables held constant, post-tax profit for the year would have been 3,3 mkr (2018: 4,0 mkr) lower/higher

For further information, refer to Note 23 Borrowing.

Credit risk

Credit risk arises from accounts receivables. The majority of the Group's accounts receivable are towards the three Nordic alcohol retail monopolies which gives a low credit risk.

Liquidity risk/Financing risk

Per 31 December 2019, the Group had accessible liquidity of 111 mkr. Liquidity consists of cash and cash equivalents of 0 mkr, and unutilised revolving facilities of 111 mkr. The aim of the capital structure is to secure



the Group's ability to continue its operations, in order to continue generating returns to its shareholders and to provide benefit for other stakeholders.

Periods to maturity of financial liabilities including interest shown in kkr:

	Less than one year	Between one and two years	Between two and five years	Between six and eight years	Total
Dec 31, 2019					
Borrowings from credit institutions	43 144	289 959	–	–	333 102
Bank overdraft facilities	30 393	–	–	–	30 393
Trade and other payables	596 925	–	3 338	–	600 263
Lease liabilities	11 423	10 257	23 705	22 085	67 470
Total financial liabilities	681 885	300 216	27 043	22 085	1 031 228

	Less than one year	Between one and two years	Between two and five years	Between two and five years	Total
Dec 31, 2018					
Borrowings from credit institutions	94 818	314 527	–	–	409 345
Bank overdraft facilities	30 175	–	–	–	30 175
Trade and other payables	506 424	–	3 189	–	509 613
Total financial liabilities	631 417	314 527	3 189	0	949 133

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Bank covenants are followed up by management monthly.

Note 4 Critical estimates and assessments in applying the Group's accounting principles

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events deemed to be reasonable under the circumstances.

Critical accounting estimates and judgements

The Group undertakes estimates and assumptions concerning future developments. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions entailing a significant risk of a material adjustment to the book values of assets and liabilities within the next financial year are outlined below.

Estimated impairment of goodwill

In accordance with the accounting policy described in Note 2.6, Impairment of non-financial assets, the Group conducts annual tests to determine whether the value of reported goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the application of estimates. The book value of goodwill as per balance sheet date, specified according to cash-generating unit, is presented in Note 9.

In conjunction with impairment testing of goodwill, impairment charge of 130 mkr has been identified. See Note 9 for more information.



Note 5 Geographical distribution of net revenue and fixed assets

The net revenue is distributed on the following geographical markets:

2019	Norway	Sweden	Finland	Other	Total
Gross revenue, products	1 381 661	647 908	569 095	13 249	2 611 913
Gross revenue, services	64 589	86	266	–	64 941
Taxes and charges	-641 868	-201 653	-277 708	–	-1 121 229
Net revenue	804 382	446 341	291 653	13 249	1 555 625

2018	Norway	Sweden	Finland	Other	Total
Gross revenue, products	1 255 998	790 383	531 706	28 773	2 606 860
Gross revenue, services	62 960	340	–	-1 060	62 240
Taxes and charges	-592 075	-285 025	-257 236	–	-1 134 336
Net revenue	726 883	505 698	274 470	27 713	1 534 764

Gross revenue to major customers	2019	2018
Vinmonopolet	857 465	826 916
Systembolaget	495 886	635 891
Alko	527 287	499 137
Total gross revenue to major customers	1 880 638	1 961 944

Fixed assets are distributed on the following geographical markets:

	2019	2018
Norway	392 042	356 997
Sweden	246 914	361 448
Finland	78 354	77 018
Total	717 310	795 463

Included in assets under geographical markets are all tangible and intangible fixed assets. Deferred income tax assets are not included.

Note 6 Auditor's fees

	2019	2018
Statutory audit	-1 922	-1 629
Other audit related services	-65	-65
Tax consultancy	-272	-257
Other services	-395	-20
Total	-2 654	-1 971



Note 7 Remuneration to employees and disclosure regarding personnel

Salaries and other benefits	2019	2018
CEO		
Fixed salary	-3 664	-3 670
Other benefits	-6	-19
Key management *		
Fixed salary	-15 207	-13 915
Variable remuneration	0	0
Other benefits	-47	-71
Other employees	-95 465	-91 825
Total salaries and other benefits	-114 389	-109 500

Social security costs	2019	2018
CEO	-518	-520
Key management *	-2 411	-2 305
Other employees	-18 240	-20 077
Total security costs	-21 169	-22 902

Pension costs	2019	2018
CEO	-43	-43
Key management *	-730	-966
Other employees	-9 421	-9 622
Total pension costs	-10 194	-10 631

Other personnel costs	-4 596	-5 600
Total personnel costs	-150 348	-148 633

* Nordic management team

The CEO may under certain circumstances have the right to receive twelve months post-employment compensation. There is no other post-employment remuneration or employment protection beyond a normal notice period.

During 2019 the total fees to the Board amounted to 0,2 mkr (0,2) mkr.

There are no loans or other guarantees given to management.



Note 7 Remuneration to employees and disclosure regarding personnel, cont.

Average number of employees

	2019		2018	
	Average number of employees	Of whom men	Average number of employees	Of whom men
Norway	82	57%	83	55%
Sweden	39	51%	49	57%
Finland	27	48%	22	50%
Total	148	54%	154	55%

Average number of employees is calculated using Full-time employees.

Gender distribution of Board members and other senior executives

	2019		2018	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Members of the Board	4	100%	5	100%
CEO and other senior management	8	88%	8	88%
Total	12	92%	13	92%

Note 8 Other gains and losses

Other gains	2019	2018
Exchange rate differences	25 231	18 738
Total other gains	25 231	18 738

Other losses	2019	2018
Exchange rate differences	-21 468	-39 623
Total other losses	-21 468	-39 623

Total other gains and losses 3 763 -20 885



Note 9 Intangible assets

Dec 31, 2019	Trademarks	Goodwill	R&D*	Software**	Total
Opening acquisition value	–	789 553	7 683	18 260	815 496
Acquisitions	–	–	–	94	94
Impairment charge***	–	-130 275	–	–	-130 275
Sales/disposals	–	–	–	–	–
Exchange rate differences	–	-373	-168	-201	-742
Closing accumulated acquisition value	–	658 905	7 515	18 153	684 573
Opening depreciation	–	–	-5 878	-16 827	-22 705
Sales/disposals	–	–	–	–	–
Depreciation for the year	–	–	-1 491	-376	-1 867
Exchange rate differences	–	–	116	201	317
Closing accumulated depreciation	–	–	-7 253	-17 002	-24 255
Closing book value	–	658 905	262	1 151	660 318

Dec 31, 2018	Trademarks	Goodwill	R&D*	Software**	Total
Opening acquisition value	–	776 439	8 596	17 204	802 239
Acquisitions	–	–	–	1 291	1 291
Sales/disposals	–	–	-721	-6	-727
Acquired in business combinations	–	12 834	–	–	12 834
Exchange rate differences	–	280	-192	-229	-141
Closing accumulated acquisition value	–	789 553	7 683	18 260	815 496
Opening depreciation	–	–	-5 172	-15 739	-20 911
Sales/disposals	–	–	721	-6	715
Depreciation for the year	–	–	-1 498	-1 247	-2 745
Exchange rate differences	–	–	71	165	236
Closing accumulated depreciation	–	–	-5 878	-16 827	-22 705
Closing book value	–	789 553	1 805	1 433	792 791

* R&D refers to the website for the group.

** Software refers to the accounting system (IFS) and the group accounting system (Aaro).

***The carrying amount of Five Eyes AB has been written down with 241 kkr against goodwill, and the CGU Sweden has been written down with 130 034 kkr. The loss is reported under Impairment charge in the statement of profit and loss.

Expected useful life is 5 years for R&D and 3-5 years for Software.



Note 9 Intangible assets, cont.

The Group's cash-generating units are identified by business area and by country.

Allocation of carrying amount of goodwill by business area and by country:

	Dec 31, 2019	Dec 31, 2018
Norway	352 994	352 994
Sweden	228 109	358 143
Finland	76 292	76 584
Other	1 510	1 832
Total	658 905	789 553

The group's cash-generating units are identified by country. Financial budgets are established using countries as the lowest budget level.

Testing for impairment requirement for goodwill:

	Dec 31, 2019	Dec 31, 2018
Goodwill, opening balance	789 553	776 439
Business combinations	–	12 834
Impairment of goodwill	-130 275	–
Exchange rate effects	-373	280
Goodwill, closing balance	658 905	789 553

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2019 and 2018 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections after tax, based on financial budgets for 2020 approved by board and forecasts by the management covering the years 2021-2024. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	2019	2018
Growth rate in the forecast period	2,0 % - 13,0 %	5,0 % - 14,0 %
Growth rate beyond the forecast period	1,0 % - 2,0 %	1,0 % - 2,0 %
Forecasted gross margin	14,6 % - 25,6 %	16,0 % - 26,2 %
Growth in other expenses in the forecast period	1,0 % - 3,0 %	3,0 % - 10,0 %
Discount rate	6,3 % - 7,1 %	5,5 % - 7,3 %



Note 9 Intangible assets, cont.

Assumption	Approach used to determining values
Growth rate in the forecast period	Expected growth rate over the four-year forecast period including long-term inflation forecasts for each territory.
Growth rate beyond the forecast period	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The growth rate does not exceed the long-term growth rates of the market in which the CGU in question operates.
Forecasted gross margin	Based on past performance and management's expectations for the future
Growth in other expenses in the forecast period	Includes payroll and other operating expenses and is based on past performance and management's expectations for the future
Discount rate	Discount rates after tax applied when calculating present value of estimated future cash flows. The discount rates reflect specific risks relating to the relevant segments and the countries in which they operate.

Impairment charge

The impairment charge of 130 mkr arose in the Sweden CGU due to a decrease in market position. The reason for this is decline in volume and weaker margins due to the currency situation in the past years and the expectations for the next years. In 2020 we have signed contracts with new partners estimated to additional 100 mkr in revenue on an annual basis.

Impact of possible changes in key assumptions

CGU Sweden

The table below shows how the value of goodwill will be affected by changes in key assumptions:

Assumption	Sensitivity	Changes in recoverable amount
Growth rate in the forecast period	+ / - 1%	+ MNOK 44 / - MNOK 43
Growth rate beyond the forecast period	+ / - 1%	+ MNOK 44 / - MNOK 31
Forecasted gross margin	+ / - 1% point	+ MNOK 85 / - MNOK 80
Growth in other expenses in the forecast period	+ / - 1%	- MNOK 37 / + MNOK 36
Discount rate	+ / - 1% point	- MNOK 50 / + MNOK 72

CGU Norway

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

Assumption	2019		2018	
	From	To	From	To
Discount rate	7,1 %	18,9 %	7,3 %	16,0 %

CGU Finland

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

Assumption	2019		2018	
	From	To	From	To
Discount rate	6,3 %	12,6 %	5,6 %	14,0 %

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the Norwegian and Finnish CGUs to exceed its recoverable amount.



Note 10 Tangible fixed assets

Dec 31, 2019	Equipment & Tools	Other tangible assets	Total
Opening acquisition cost	8 894	2 586	11 480
Acquisitions	590	242	832
Sales/disposals	–	–	–
Exchange rate differences	-122	-7	-129
Closing accumulated acquisition cost	9 362	2 821	12 183
Opening depreciation	-7 222	-1 586	-8 808
Sales/disposals	–	–	–
Depreciation for the year	-836	-427	-1 263
Exchange rate differences	109	8	117
Closing accumulated depreciation	-7 949	-2 005	-9 954
Closing book value	1 413	816	2 229

Dec 31, 2018	Equipment & Tools	Other tangible assets	Total
Opening acquisition cost	7 909	1 905	9 814
Acquisitions	1 428	607	2 035
Sales/disposals	-331	–	-331
Acquired in business combinations	–	64	64
Exchange rate differences	-112	10	-102
Closing accumulated acquisition cost	8 894	2 586	11 480
Opening depreciation	-6 316	-1 225	-7 541
Sales/disposals	331	–	331
Acquired in business combinations	–	-64	-64
Depreciation for the year	-1 301	-286	-1 587
Exchange rate differences	64	-11	53
Closing accumulated depreciation	-7 222	-1 586	-8 808
Closing book value	1 672	1 000	2 672

Expected useful life is 3-5 years for all tangible assets.



Note 11 Financial income and financial expenses

	2019	2018
Financial income		
Exchange rate gains	4 461	5 286
Interest income	478	324
Other financial income	155	–
Total financial income	5 094	5 610
Financial expenses		
Exchange rate losses	-5 087	-4 619
Write-down of loans to associates and joint ventures	-6 570	–
Interest expenses		
- borrowing	-19 482	-21 982
- other interest expenses and finance charges paid/payable for lease liabilities	-7 711	-7 309
Other financial expense	-2 768	-2 600
Total financial expenses	-41 618	-36 510
Net result from financial items	-36 524	-30 900

Note 12 Income tax

	2019	2018
Current tax	-7 502	-4 476
Deferred tax (Note 16)	5 304	556
Change in tax rate	–	-197
Adjustment to current tax attributable to previous years	–	-10
Income tax expense	-2 198	-4 127

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the domestic tax rate applicable to profits of the consolidated entities as follows:



Note 12 Income tax, cont.

	2019	2018
Profit before tax	-129 634	8 227
Tax according to tax rate Norway	28 519	-1 892
Tax effect of tax rate outside Norway	51	-99
Non-deductible expenses*	-31 342	-1 085
Tax exempt income	–	32
Increase in tax losses without corresponding capitalization of deferred tax	–	-48
Utilization of previously unrecognized tax losses	620	-557
Write of previously unrecognized tax losses	-92	–
Tax effect from result from joint venture	216	-234
Change in tax rate	-131	-197
Interest tax allocation reserve	-39	-40
Adjustment from prior year	–	-10
Other	–	3
Total income tax expenses	-2 198	-4 127

*Non-deductible expenses include write down of goodwill with -28 661.

The income tax expense is calculated using the domestic tax rate. The tax rate is 22 percent in Norway, 21,4 percent in Sweden and 20 percent in Finland.

Management deems that the Group will use all tax losses carryforward before they expire.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	2019			2018		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Currency translation differences	-2 664	–	-2 664	-3 374	–	-3 374
Other comprehensive income	-2 664	–	-2 664	-3 374	–	-3 374

Note 13 Leases

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Dec 31, 2019	Jan 1, 2019
Right-of-use assets		
Property	42 237	49 263
Cars	7 502	7 157
Warehouse	317	635
Parking	4 707	5 774
	54 763	62 829
Lease liabilities		
Current	11 423	9 768
Non-current	45 028	53 061
	56 451	62 829

For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to Note 14.



Note 13 Leases, cont.

Additions to the right-of-use assets during 2019 were 4 124 kkr.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2019
Depreciation charge of right-of-use assets	
Property	-6 564
Cars	-3 272
Warehouse	-317
Parking	-991
	-11 144
Interest expense (included in finance cost)	-2 841
Expense relating to short-term leases and leases of low-value assets (included in other operating expenses)	-6 214

The total cash outflow for leases in 2019 was 18.519 kkr.

Note 14 Transition to IFRS 16 Leases

This note explains the impact of the adoption of IFRS 16 Leases on the group's financial statements.

As indicated in note 2.1 above, the group has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 13.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.1%.

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Accounting for operating leases where the underlying asset has a value of less than TUSD 5
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease



Note 14 Transition to IFRS 16, cont.

Measurement of lease liabilities

	2019
Operating lease commitments disclosed as at 31 December 2018	57 991
Discounted using the lessee's incremental borrowing rate of at the date of initial application	53 164
(Less): short-term leases not recognised as a liability	-1 475
(Less): low-value leases not recognised as a liability	-15
(Less): other adjustments	-8 694
(Add): adjustments as a result of a different treatment of extension and termination options	18 247
(Add): adjustments relating to changes in the index or rate affecting variable payments	1 601
Lease liability recognised as at 1 January 2019	62 829
Of which are:	
Current lease liabilities	9 768
Non-current lease liabilities	53 061
	62 829

Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by 62 829 kkr
- Lease liabilities – increase by 62 829 kkr

The Group's equity was not affected by the transition to IFRS 16.

Effect on Consolidated financials in 2019 from implementation of IFRS 16

	Old principles 2019	Effects from IFRS 16	New principles 2019
CONSOLIDATED INCOME STATEMENT			
Other operating expenses	-125 175	12 305	-112 870
Depreciation and amortization	-3 130	-11 144	-14 274
Financial expenses	-38 777	-2 841	-41 618
Income tax expenses	-2 564	366	-2 198

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Assets</i>			
Right-of-use assets	-	54 763	54 763
Deferred income tax assets	7 737	368	8 105
<i>Equity</i>			
Retained earnings incl. net profit for the year	64 372	-1 320	63 052
<i>Liabilities</i>			
Lease liabilities (non-current)	-	45 028	45 028
Lease liabilities (current)	-	11 423	11 423



Note 15 Shares in subsidiaries

The parent company has shares in the following companies, directly and indirectly:

Name	Corporate identity		Number of shares	% of Shares	Voting right
	number	Registered office			
Bacchus Wines AS	917 631 204	Oslo	1 000	100%	100%
Best Cellars AS	983 155 480	Oslo	10 000	100%	100%
Bottleneck Holding AS	987 422 696	Oslo	100 000	100%	100%
Craft Drinks AS	917 631 220	Oslo	1 000	100%	100%
Cuveco AS	983 795 455	Oslo	100	100%	100%
Einar A Engelstad AS	984 601 603	Oslo	100 000	100%	100%
Engelstad Spirits AS	813 439 212	Oslo	1 000	100%	100%
Eurowine AS	981 079 329	Oslo	1 000	100%	100%
Multibev AS	992 193 425	Oslo	100	100%	100%
Orbis Wines AS	916 803 842	Oslo	1 000	100%	100%
Solera Beverage Group AS	912 759 024	Oslo	60 000	100%	100%
Solera Norge AS	984 595 212	Oslo	4 000 000	100%	100%
Solera Uteliv AS	991 507 043	Oslo	100 000	100%	100%
Sommelier AS	989 431 013	Oslo	700	100%	100%
Stenberg & Blom AS	984 601 565	Oslo	100 000	100%	100%
Top Cellars Wine Import AS	917 631 212	Oslo	1 000	100%	100%
Urban Beverages AS	989 859 625	Oslo	1 000	100%	100%
Vinkilden AS	984 658 273	Oslo	100	100%	100%
Winehouse Norway AS	917 631 247	Oslo	1 000	100%	100%
Cuveco AB	556847-0586	Stockholm	1 000	100%	100%
Five Eyes AB	556792-1829	Stockholm	1 000	100%	100%
Mondo Wine Sweden AB	556677-0516	Stockholm	1 000	100%	100%
Multibev AB	556643-2034	Stockholm	100	100%	100%
Prime Wine Sweden AB	556610-8741	Stockholm	1 177	100%	100%
Solera Sweden AB	556730-4596	Stockholm	1 500	100%	100%
Urban Beverages AB	556744-8476	Stockholm	100 000	100%	100%
Vinnet AB	556813-6427	Stockholm	1 000	100%	100%
Multibev Oy	1597647-9	Helsinki	1 000	100%	100%
Quantum Beverages Oy	2298171-9	Helsinki	1 000	100%	100%
Solera Cabernet Wines Oy	2494851-7	Helsinki	1 000	100%	100%
Solera Chardonnay Wines Oy	2494883-2	Helsinki	1 000	100%	100%
Solera Finland Oy	1749615-3	Helsinki	368	100%	100%
Solera Riesling Wines Oy	2492195-5	Helsinki	1 000	100%	100%
Stella Wines Oy	2034385-2	Helsinki	8 000	100%	100%
Urban Beverages Oy	1773172-3	Helsinki	120	100%	100%
Zengo Import Ab	2284712-2	Jomala	100	100%	100%
Tistron Wine Group Ab	2374713-1	Mariehamn	2 000	100%	100%
Collection Spirits ApS	39 75 76 48	Copenhagen	25 000	50%	50%



Note 16 Deferred income tax

Deferred tax is recognised net when the Group has a legal right to net deferred tax assets against deferred tax in the balance sheet and if the deferred tax is payable to the same tax authority.

	Dec 31, 2019	Dec 31, 2018
Deferred tax asset:		
Deferred tax asset to be recovered after more than 12 months	8 105	7 022
Deferred tax liability:		
Deferred tax liability to be paid after more than 12 months	-3 816	-8 299
Deferred tax liability (net)	4 289	-1 277
Change in carrying amount of deferred tax liability:		
	Dec 31, 2019	Dec 31, 2018
Opening balance	-1 277	-2 264
Aquired in business combinations	0	170
Profit and loss account	5 304	556
Change in tax rate	0	-197
Translation differences	262	458
Closing balance	4 289	-1 277

Changes in deferred tax assets and deferred tax (with offsetting in same tax regime)

Deferred tax liabilities	Untaxed reserves	Total
At January 1, 2018	-11 956	-11 956
Profit/(loss) for the period	3 188	3 188
Other comprehensive income	-	-
Change in tax rate	-	-
Translation differences	469	469
At December 31, 2018	-8 299	-8 299
Profit/(loss) for the period	4 198	4 198
Change in tax rate	-	-
Translation differences	285	285
At December 31, 2019	-3 816	-3 816

Deferred tax asset	Intangible and tangible		Pension obligations	Provisions	Tax losses carry forward	Leased assets	Other	Total
	fixed assets							
At January 1, 2018	232		273	768	3 875	-	4 544	9 692
Profit/(loss) for the period	-33		-25	-255	-1 197	-	-1 122	-2 632
Aquired in business combinations	-1		-	85	86	-	-	170
Change in tax rate	-9		-10	-27	-2	-	-149	-197
Translation differences	-		-	-	-11	-	-	-11
At December 31, 2018	189		238	571	2 751	-	3 273	7 022
Profit/(loss) for the period	26		-24	161	-66	366	643	1 106
Aquired in business combinations	-		-	-	-	-	-	-
Change in tax rate	-		-	-	-	-	-	-
Translation differences	-		-	-	-25	2	-	-23
At December 31, 2019	215		214	732	2 660	368	3 916	8 105



Note 16 Deferred income tax, cont.

Deferred tax assets related to tax loss carried forward is recognised in the balance sheet to the extent that it is probable that the Group can apply this against future taxable profit.

In Finland, there are restrictions of ten years on the right to carry the tax loss forward. For Norway and Sweden there are no restrictions.

Expire dates for the taxlosses carryforwards in Finland (kk):

2020	1 701
2021	1 422
2022	3 807
2023	452
2024	795
2025	2 600
2026	0
2027	429
2028	1 395
2029	701

Note 17 Inventory

	Dec 31, 2019	Dec 31, 2018
Inventory at acquisition value	201 327	166 573
Obsolete inventory	-3 376	-3 466
Inventory at net realizable value	197 951	163 107

The inventory is made up of finished goods only.

	2019	2018
Cost related to write-down of inventory	-2 225	-1 992



Note 18 Accounts receivable

	Dec 31, 2019	Dec 31, 2018
Accounts receivable	363 018	343 936
Less provision for impairment of accounts receivable	-2 770	-900
Trade receivables - net	360 248	343 036

Accounts receivable distributed by currency	Dec 31, 2019	Dec 31, 2018
NOK	176 349	145 608
SEK	78 453	86 342
EUR	105 145	110 754
Other currencys	301	332
	360 248	343 036

Change in the provisions for accounts receivable	Dec 31, 2019	Dec 31, 2018
Opening value	-900	-1 223
Provision for doubtful debts	-2 417	-161
Receivables allowance during the year as non-collectable	72	209
Reversed, unutilised provisions	460	253
Exchange rate differences	15	22
Closing value	-2 770	-900

Analysis of credit risk exposure	Dec 31, 2019	Dec 31, 2018
Trade receivable not overdue	343 606	321 257
<i>Overdue:</i>		
up to 30 days	10 876	13 317
30 to 90 days	4 389	6 279
more than 90 days	4 147	3 083
Total overdue	19 412	22 679
Provided for	-2 770	-900
Trade receivables - net value	360 248	343 036

The fair values of the Group's accounts receivable correspond to the book values. As of balance sheet date, accounts receivable totaling 16 642 kkr (21 779 kkr) have matured, but no impairment is required. These amounts refer to a number of independent customers for whom there is no recent history of default.

Amounts reported in the allowance account are generally written off when there is no expectation of recovering further cash and cash equivalents. The maximum exposure to credit risk for accounts receivable at reporting date is comprised of the book values of these items.



Note 19 Financial instruments by category

Financial assets	Dec 31, 2019	Dec 31, 2018
Financial assets at amortised cost		
Other financial assets at amortised cost	5 000	0
Accounts receivable	360 248	343 036
Other receivables	3 555	9 852
Cash and cash equivalents	35 087	5 454
Total	403 890	358 342

Financial liabilities	Dec 31, 2019	Dec 31, 2018
Liabilities at amortised cost		
Trade and other payables	376 015	302 867
Borrowings	331 769	402 471
Lease liabilities	56 451	0
Derivative financial instruments		
Used for hedging		
Total	764 235	705 338

Set out below is the joint venture of the group as of December 31st, 2019.

Name	Place of business/country of incorporation	% of ownership	Carrying amount
Collection Spirits ApS	Denmark	50	33
Write-down			-33
Closing book value			0



Note 20 Prepaid expenses and accrued income

Dec 31, 2019	NOK	SEK	EUR	Total
Prepaid rent	1 645	1 077	–	2 722
Prepaid leasing expenses	188	105	–	293
Prepaid insurance expenses	508	0	–	508
Advance payments to suppliers	–	–	–	0
Prepaid marketing costs	18	120	104	242
Accrued income from customers	–	3 603	566	4 169
Prepaid Kick-back and marketing contribution	6 578	2 630	2 476	11 684
Other prepaid expenses and accrued income	2 454	1 491	1 463	5 408
Total prepaid expenses and accrued income	11 391	9 026	4 609	25 026

Dec 31, 2018	NOK	SEK	EUR	Total
Prepaid rent	1 391	669	–	2 060
Prepaid leasing expenses	188	85	–	273
Prepaid insurance expenses	690	13	–	703
Advance payments to suppliers	–	–	40	40
Prepaid marketing costs	926	233	–	1 159
Accrued income from customers	–	6 133	–	6 133
Prepaid Kick-back and marketing contribution	2 153	2 478	2 547	7 178
Other prepaid expenses and accrued income	4 802	2 566	481	7 849
Total prepaid expenses and accrued income	10 150	12 177	3 068	25 395

All values are presented in kNOK.

Note 21 Cash and cash equivalents

	Dec 31, 2019	Dec 31, 2018
Cash and bank	300	1 135
Restricted cash *	4 434	4 319
Bank overdraft facility	30 353	–
Cash and cash equivalents	35 087	5 454

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows

Balances as above	35 087	5 454
Bank overdrafts	-30 393	-30 175
Balances per statement of cash flows	4 694	-24 721

* Restricted cash refers mainly to withholding tax in Norway.



Note 22 Share capital and other contributed capital

	Number of shares (thousands)	Share capital	Other contributed capital	Total
Opening balance - January 1, 2018	2 329	2 329	230 598	232 927
New share issue	2	2	198	200
Closing balance - Dec 31, 2018	2 331	2 331	230 796	233 127
New share issue	240	240	62 760	63 000
Closing balance - Dec 31, 2019	2 571	2 571	293 556	296 127

The company's share capital at 31 December 2019 comprised 2 571 231 shares with a quotient value of NOK 1 each.

Each share carries one vote. There were 31 shareholders at 31 December 2019.

List of major shareholders at	A shares	B shares	Total shares	Ownership
CapMan Buyout IX Fund A L.P.	1 140 659	926 391	2 067 050	80,4%
Jafema AS	60 000	–	60 000	2,3%
Christer Berens AS	40 000	13 294	53 294	2,1%
Johan Kullander	33 616	13 160	46 776	1,8%
Skimer Invest Ltd*	33 616	13 160	46 776	1,8%
Maneq 2011 AB	23 279	18 905	42 184	1,6%
Zegato AS *	30 000	–	30 000	1,2%
Solera Beverage Group Holding AS	7 000	12 154	19 154	0,7%
Reward Invest AS	18 200	–	18 200	0,7%
Jochum Wilén	13 000	–	13 000	0,5%
Dag Kjetil Lillelien	10 000	–	10 000	0,4%
Kristin T. Fredriksen	10 000	–	10 000	0,4%
Lars Erik Berg	10 000	–	10 000	0,4%
Michelle Vik	10 000	–	10 000	0,4%
Millivar Consulting AB*	10 000	–	10 000	0,4%
Mona Stephansen	10 000	–	10 000	0,4%
Steinar Karlsen	10 000	–	10 000	0,4%
Stein-Erik Treverket	10 000	–	10 000	0,4%
Tormod Wahl	10 000	–	10 000	0,4%
Total	1 489 370	997 064	2 486 434	96,7%
Other owners	80 217	4 580	84 797	3,3%
Total number of shares	1 569 587	1 001 644	2 571 231	100,0%

* Skimer Invest Ltd is owned 100% by Johan Bjarke, member of the board

* Zegato AS is owned 100% by Ole Petter Wie, CEO

* Millivar Consulting AB is owned 100% by Göran Hesseborn, member of the board

At any distribution from the company, and at sale of all shares, the class B shareholders have a priority right to an amount corresponding to a yearly accumulated yield of 13 percent of paid in capital on the class B shares (nominal value and share premium) and paid in capital on the class B shares.

When the company's class B shareholders have received the amount set out in the paragraph above, the company's class B shares shall not give right to any additional distributions from the company, or payment at sale of all shares, exceeding the amount set out. Otherwise, the shares of the company have equal rights.



Note 23 Borrowings

	Dec 31, 2019	Dec 31, 2018
Long-term		
Liabilities to credit institutions	270 000	295 000
Setup fee	–	-326
Accrued interest	3 333	2 531
	273 333	297 205
Current		
Liabilities to credit institutions	25 000	75 000
Setup fee	-325	-2 768
Accrued interest	54	2 859
	24 729	75 091
Total borrowing	298 062	372 296

The Group's total borrowings are in NOK. The interest rate is NIBOR + 4,50 percent.

Covenants were reached at year-end 2019. A new bank agreement has been signed in 2019, with prolonged maturity and new covenants set for 2019 and onwards.

In addition, the Group has a loan of 2,8 MNOK from Christer Robert Berens and Mai-Lill Bjørnskau, raised in connection with the acquisition of Vinkilden AS. The loan is due at the earliest of the sale of SBGH AS and 2023. The interest rate is NIBOR +2%.

Periods to maturity of borrowings:	Dec 31, 2019	Dec 31, 2018
6 months or less	9 892	36 475
6 - 12 months	14 837	38 616
1-5 years	273 333	297 205
	298 062	372 296

The Group has the following bank overdraft facility:	Dec 31, 2019	Dec 31, 2018
Floating interest range		
- more than one year	110 680	116 800

Net debt reconciliation	Dec 31, 2018	Dec 31, 2018
Cash & cash equivalents	35 087	5 454
Borrowings repayable within one year (including overdraft)	-55 122	-105 266
Lease liabilities	-56 451	–
Borrowings - repayable after one year	-273 333	-297 205
Net debt	-349 819	-397 017
Cash & liquid investments	35 087	5 454
Gross debt - fixed interest rates	-273 897	-285 671
Gross debt - variable interest rates	-110 680	-116 800
Net debt	-349 490	-397 017



Note 23 Borrowings, cont.

	<u>Other Assets</u>		<u>Liabilities from financing activities</u>		Total
	Cash/bank overdraft	Borrowings	Leases		
Net debt as at 1 January 2018	-14 533	-391 172	-	-	-405 705
Cash Flows	-8 313	25 264	-	-	16 951
Foreign exchange adjustments	-1 875	-	-	-	-1 875
Other non-cash movements	-	-6 388	-	-	-6 388
Net debt as at 31 December 2018	-24 721	-372 296	-	-	-397 017
Recognised on adoption of IFRS 16			-62 829		
Net debt as at 1 January 2019	-24 721	-372 296	-62 829	-	-459 846
Cash Flows	29 980	75 000	9 464	-	114 444
Acquisition - leases	-	-	-3 651	-	-3 651
Foreign exchange adjustments	-565	-	565	-	0
Other non-cash movements	-	-766	-	-	-766
Net debt as at 31 December 2019	4 694	-298 062	-56 451	-	-349 819

Note 24 Pension obligations

There is a pension obligation within the Group, in which one (one) person have the right to a lifelong pension. The calculated pension obligation is based on actual yearly payment and expected lifetime. As per December 31, 2019 the pension obligation is 973 kkr (1 080 kkr). Further disclosure information is considered as immaterial.

Note 25 Other liabilities

	Dec 31, 2019	Dec 31, 2018
Alcohol taxes	99 675	90 661
Other fees to local authorities	121 235	111 045
Other short term liabilities	6 265	1 837
Total other liabilities	227 175	203 543

Note 26 Accrued expenses

	Dec 31, 2019	Dec 31, 2018
Personnel expenses	16 980	21 345
Insurance	542	239
Legal expenses	1	24
Audit expenses	647	391
Interest	-	-
Marketing contribution	22 201	18 613
Marketing expenses	3 796	10 168
Logistic expenses	6 223	878
Other accrued expenses	11 294	7 115
Other prepaid income	718	1 685
Total accrued expenses	62 402	60 458



Note 27 Transactions with related parties

We have defined the Company's management, the Board of Directors in the parent company, the owners of the companies and all subsidiaries included in the Group as related parties. Shares in subsidiaries and transactions between companies in the Group are eliminated in the consolidated financial statements and, therefore, no detailed explanation is provided regarding these amounts.

For a description of salaries and other remuneration to senior executives - see Note 7 Remuneration to employees.

In connection with the acquisition of Vinkilden AS in January 2018 Christer Berens and Mai-Lill Bjørnskau provided a loan of 4 MNOK. Christer Berens is the owner of Christer Berens AS, a company that is a shareholder in Solera Beverage Group Holding AS.

There have not been any other transactions with related parties during 2019 or 2018.

Note 28 Commitments – Non-cancellable operating leases

The group has recognized right-of-use assets for its non-cancellable operating leases from 1 January 2019, except for short-term and low-value leases, see note 13 and 14 for further information.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Leases that expire:	Dec 31, 2019	Dec 31, 2018
Within 1 year	–	16 536
Within 2-5 years	–	41 455
> 5 years	–	–
Total	–	57 991

Note 29 Pledged assets and contingent liabilities

Pledged assets	Dec 31, 2019	Dec 31, 2018
Restricted funds	4 434	4 316
Pledged assets referred to tax and customs	7 932	8 151
Floating charges	–	50 930
Accounts receivable *	360 248	343 036
Inventories *	197 951	163 107
Equipment *	2 229	2 672
	572 794	572 212

Contingent liabilities	Dec 31, 2019	Dec 31, 2018
Bank guarantees	1 322	1 358
	1 322	1 358

* Book value is presented above and maximum amount is 800 000 kkr for each class of assets.

Note 30 Events after reporting period

Year to date, the Covid-19 Pandemic has had a positive effect on the Company's operations. Wine and Spirits were defined by the Government(s) as «Essential Items» such that the Vinmonopolet, Systembolaget and ALKO respectively did not experience any disruption in their consumer sales.



The Monopoly sales have furthermore increased due to the border «Lock-down» halting all Cross-border Trade activities as well as Travel Retail sales. The implementation of social distancing in principal shut down the On Trade in Norway and Finland mid-March and, to a lesser extent in Sweden.

With the Covid-19 Pandemic now under control with dramatic decline of new incidents of infection, the On-Trade continues to open up and to continue toward a «New Normal» throughout the rest of 2020. The increase in Monopoly sales have more than compensated for the Company's loss in sales in the On-Trade and Travel Trade channels.

**Income statement Solera Beverage Group Holding AS**

Amounts in thousands NOK (kk)	Note	2019	2018
Operating income and operating expenses			
Other operating income	9, 11	10 711	9 976
Operating Income		10 711	9 976
Operating expenses			
Depreciation and amortisation expense	1	-19	-21
Other operating expenses	10	-19 283	-18 051
Operating expenses		-19 302	-18 072
Operating profit		-8 591	-8 096
Financial income and expenses			
Income from subsidiaries and other group entities		28 344	30 321
Interest income from group entities		9 188	9 327
Other interest income		242	121
Other financial income		4 500	5 153
Interest expense to group entities		-2 688	-1 439
Other Interest expenses		-23 074	-26 165
Other financial expenses		-7 901	-6 759
Net financial income and expenses		8 611	10 559
Operating result before tax		20	2 463
Tax on ordinary result	8	-9	-575
Operating result after tax		11	1 888
Annual net profit	6	11	1 888
Brought forward			
To other equity		11	1 888
Net brought forward		11	1 888

**Balance sheet Solera Beverage Group Holding AS**

Amounts in thousands NOK (kkkr)	Note	Dec 31, 2019	Dec 31, 2018
ASSETS			
Fixed assets			
Intangible assets			
Deferred tax asset	8	42	51
Total intangible assets		42	51
Tangible fixed assets			
Property, plant and equipment	1	82	7
Total tangible fixed assets		82	7
Financial fixed assets			
Investments in subsidiaries	2	681 602	681 602
Loans to group companies	3, 4	111 060	107 559
Total financial fixed assets		792 662	789 161
Total fixed assets		792 786	789 219
Current assets			
Accounts receivables	3, 4	2 617	1 245
Intercompany receivables	4	28 344	30 321
Other receivables		201	546
Total debtors		31 162	32 112
Cash and bank deposits	5	-	-
Total current assets		31 162	32 112
TOTAL ASSETS		823 948	821 331



Balance sheet Solera Beverage Group Holding AS, cont

Amounts in thousands NOK (kkkr)	Note	Dec 31, 2019	Dec 31, 2018
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	6, 7	2 571	2 331
Own shares	6, 7	-19	-12
Share premium reserve	6	293 556	230 796
Total restricted equity		296 108	233 115
Retained earnings			
Other equity	6	24 874	24 856
Total retained earnings		24 874	24 856
Total equity		320 982	257 971
Other long-term liabilities			
Liabilities to financial institutions	3	273 333	297 205
Total of other long term liabilities		273 333	297 205
Current liabilities			
Liabilities to financial institutions	5	24 811	105 681
Trade creditors	4	1 750	2 057
Tax payable	8	0	-
Intercompany liabilities	4, 5	203 072	158 145
Other short term liabilities		-	272
Total short term liabilities		229 633	266 155
Total liabilities		502 966	563 360
TOTAL EQUITY AND LIABILITIES		823 948	821 331

Oslo 06.07.2020

Solera Beverage Group Holding AS

Carl Johan Kristian Pålsson
Chairman of the board

Johan Kullander
Member of the board

Johan Bjarke
Member of the board

Göran Hesseborn
Member of the board

Ole Petter Wie
General Manager



Cash flow statement Solera Beverage Group Holding AS

Amounts in thousands NOK (kkkr)	2019	2018
Cash flow from operations		
Profit before income taxes	20	2 463
Depreciation	19	21
Unrealised exchange rate differences	-348	-280
Change in trade debtors	-1 372	1 649
Change in other current receivables	-3 501	5 689
Change in trade creditors	-307	-745
Change in other current liabilities	48 091	-4 367
Net cash flow from operations	42 602	4 430
Cash flow from investments		
(Issue)/repayment of loans to group companies	0	0
Purchase of fixed assets	-93	0
Net cash flow from investments	-93	0
Cash flow from financing		
Loans raised	0	25 000
Loans to group companies		0
Change in bank overdraft	-30 509	9 570
Repayment of long term loans	-75 000	-45 000
Share capital increase	63 000	200
Purchase of own shares	0	-500
Sale of own shaers	0	6 300
Net cash flow from financing	-42 509	-4 430
Exchange gains / (losses) on cash and cash equivalents		
Net change in cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the period	0	0
Cash and cash equivalents at the end of the period	0	0



Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Fixed assets

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Leased assets are reflected in the balances sheet as assets if the leasing contract is considered a financial lease.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.



Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Taxenhancing or taxreducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



Notes

Note 1 Fixed assets

Fixed assets	IT- System	Sum
Purchase cost pr. 01.01.	1 730	1 730
Additions	93	93
Disposals	0	0
Purchase cost pr. 31.12.	1 823	1 823
Accumulated depreciation 31.12.	-1 742	-1 742
Net book value pr. 31.12.	82	82
Depreciation in the year	-19	-19
Estimated useful life	5 year	
Depreciation plan	Straight line	

Note 2 Subsidiaries

Investments in subsidiaries are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Solera Beverage Group AS	Oslo	100%	680 855	-5 912	681 602
Balance sheet value 31.12.					681 602

Tier- subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Solera Norge AS*	Oslo	100%	48 754	-59 348	443 101
Solera Sweden AB**	Stockholm	100%	5 353	29	243 856
Five Eyes AB***	Stockholm	100%	3 772	-3 313	100
Solera Finland OY****	Helsinki	100%	2 056	37	26 899
Balance sheet value 31.12.					713 956

*Solera Norge AS owns 100 % of the companies Einar A. Engelstad AS, Stenberg & Blom AS, Best Cellars AS, Bottleneck Holding AS, Urban Beverages AS, Eurowine AS, Solera Utelev AS, Cuveco AS, Engelstad Spirits AS, Multibev AS, Winehouse Norway AS, Bacchus Wines AS, Craft Drinks AS, Top Cellars Wine Import AS, Orbis Wines AS, Sommelier AS, Vinkilden AS and Multibev AB.

**Solera Sweden AB owns 100 % of the companies Cuveco AB, Vinnet AB, PrimeWine Sweden AB, MondoWine Sweden AB and Urban Beverages AB.

*** Five Eyes AB owns 50% of Collection Spirits ApS

****Solera Finland OY owns 100 % of the companies Stella Wines Oy, Quantum Beverages Oy, Solera Cabernet Wines Oy, Solera Chardonnay Wines Oy, Solera Riesling Wines Oy, Multibev Oy and Tistron Wine Group Ab. Tistron Wine Group Ab owns 100 % of Urban Beverages Oy and Zengo Import Ab.



Note 3 Debtor and liabilities

Trade debtors	2019	2018
Trade debtors at nominal value	2 617	1 245
Bad debts provision	-	-
Trade debtors in the balance sheet	2 617	1 245

Debtors which fall due later than one year	2019	2018
Loans to group companies	111 060	107 559
Total	111 060	107 559

Long term liabilities which fall due between 1-5 year	2019	2018
Liabilities to credit institution	273 333	297 205
Total	273 333	297 205

Note 4 Balance with group companies

	Long term debtors		Short term debtors		Trade debtors	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Group companies	111 060	107 559	28 344	30 321	2 617	1 245
Total	111 060	107 559	28 344	30 321	2 617	1 245

	Other short term liabilities		Trade creditors	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Group companies	-203 072	-158 145	-1 327	-1 410
Total	-203 072	-158 145	-1 327	-1 410

Note 5 Bank

Subsidiaries and tier-subsubsidiaries deposit and usage of the company's bank overdraft facilities are booked as a balance against Solera Beverage Group Holding AS. The balances are included in other short-term liabilities to group companies.



Note 6 Shareholders' equity

	Share capital	Share premium	Own shares	Other equity	Total
Equity 01.01.	2 331	230 796	-12	24 856	257 971
Purchase own shares	-	-	-7	7	-
Sale own shares	-	-	-	-	-
Share capital increase	240	62 760	-	-	63 000
Profit for the year	-	-	-	11	11
Equity 31.12.	2 571	293 556	-19	24 874	320 982

Note 7 Share capital and shareholder information

The company has its registered office in Karenslyst Allé 10, 0278 Oslo.

The share capital consists of	Number of shares	Nominal value	Book value
A shares	1 569 587	1	1 569 587
B shares	1 001 644	1	1 001 644
Total	2 571 231	1	2 571 231

The A-shares have all rights.

At any distribution from the company, and at sale of all shares, the class B shareholders have a priority to an amount corresponding to a yearly accumulated yield of 13 percent of paid in capital on the class B shares (quota value and share premium) and paid in capital on the class B shares.

When the company's class B shareholders have received the amount set out in the paragraph above, the company's class B shall not give right to any additional distributions from the company, or payment at sale of all share, exceeding the amount set out.

Otherwise the shares of the company have equal rights.



Note 7 Share capital and shareholder information, cont

List of major shareholders at 31.12.19	A shares	B shares	Total shares	Ownership
Capman Buyout IX Fund A LP	1 140 659	926 391	2 067 050	80,4 %
Jafema AS	60 000	0	60 000	2,3 %
Christer Berens AS	40 000	13 294	53 294	2,1 %
Skirner Invest LTD*	33 616	13 160	46 776	1,8 %
Johan Kullander	33 616	13 160	46 776	1,8 %
Maneq 2011 AB	23 279	18 905	42 184	1,6 %
Zegato AS*	30 000	0	30 000	1,2 %
Solera Beverage Group Holding AS	7 000	12 154	19 154	0,7 %
Reward Invest AS	18 200	0	18 200	0,7 %
Jochum Wilèn	13 000	0	13 000	0,5 %
Dag Kjetil Lillelien	10 000	0	10 000	0,4 %
Kristin T. Fredriksen	10 000	0	10 000	0,4 %
Lars Erik Berg	10 000	0	10 000	0,4 %
Steinar Karlsen	10 000	0	10 000	0,4 %
Tormod Wahl	10 000	0	10 000	0,4 %
Michelle Jane Hoad Vik	10 000	0	10 000	0,4 %
Millivar Consulting AB*	10 000	0	10 000	0,4 %
Mona Stephansen	10 000	0	10 000	0,4 %
Stein-Erik Treverket	10 000	0	10 000	0,4 %
Total	1 489 370	997 064	2 486 434	96,7 %
Other owners	80 217	4 580	84 797	3,3 %
Total number of shares	1 569 587	1 001 644	2 571 231	100,0 %

* Skirner Invest LTD is owned 100 % by member of the board Johan Fredrik B. Bjarke

* Zegato AS is owned 100 % by Ole Petter Wie, CEO

* Millivar Consulting AB is owned 100 % by Göran Hesseborn, member of the board



Note 8 Taxes

Calculation of deferred tax/deferred tax benefit	2019	2018
Temporary differences		
Fixed assets	-190	-233
Other differences	-	-
Net temporary differences	-190	-233
Tax losses carried forward	-	-
Basis for deferred tax	-190	-233
Deferred tax	-42	-51
Deferred tax in the balance sheet	-42	-51

Basis for income tax expense, changes in deferred tax and tax payable	2019	2018
Result before taxes	20	2 463
Permanent differences	-28 320	-30 293
Basis for the tax expense for the year	-28 300	-27 830
Change in temporary differences	-43	-2 491
Basis for payable taxes in the income statement	-28 343	-30 321
+/- Group contributions received/given	28 343	30 321
Taxable income (basis for payable taxes in the balance sheet)	0	0

Components of the income tax expense	2019	2018
Payable tax on this year's result	0	0
Adjustment in respect of priors	0	0
Total payable tax	0	0
Change in deferred tax	9	573
Change in deferred tax due to change in tax rate	-	2
Tax expense	9	575

Reconciliation of the tax expense		
Result before taxes	20	2 463
Permanent differences	-28 320	-30 293
Basis for tax expense in the financial statement	-28 300	-27 830
Calculated tax	-6 226	-6 401
Tax impact group contributions received	6 235	6 974
Change in tax rate	-	2
Tax expense	9	575

Payable taxes in the balance sheet	2019	2018
Payable tax in the tax charge	0	0
Payable tax in the balance sheet	0	0



Note 9 Operating income

	2019	2018
Management fee	10 711	9 976
Total	10 711	9 976

Note 10 Payroll expenses, number of employees, remunerations, loans to employees, etc

The company has no employees as at 31.12.2019

Remuneration to executives	General manager	Board
Salaries/board fee	3 664	200
Pension expenses	43	0
Other remuneration	6	0

Costs related to General Manager is recharged internally.

No loans/securities have been granted to the general manager, Board chairman or other related parties.

Expensed audit fee (excl. VAT)	2019	2018
Statutory audit (incl. technical assistance with financial statements)	422	349
Other assurance services	17	29
Tax advisory fee (incl. technical assistance with tax return)	116	77
Other assistance	396	12
Total audit fees	951	467

Note 11 Transactions with related parties

Remuneration to executives is disclosed in note 10, and balance with group companies is disclosed in note 4.

Related-party transactions:	2019	2018
a) Sales of goods and services		
- Subsidiaries		
Sales of services:	10 711	9 976
b) Purchase of goods and services		
- Subsidiaries		
Purchase of services:	14 692	12 919



Note 12 Pledged assets and contingent liabilities

Pledged assets	2019	2018
Shares in subsidiaries	681 602	681 602
Loans to subsidiaries	111 060	107 559
Contingent liabilities	2019	2018
	-	-



Årsregnskap SBGH

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Johan Kullander	BANKID	2020-07-06 11:29
JOHAN PÅLSSON	BANKID	2020-07-06 10:27
GÖRAN HESSEBORN	BANKID	2020-07-06 10:54
Wie, Ole Petter	BANKID_MOBILE	2020-07-06 10:24
Johan Bjarke	BANKID	2020-07-06 10:34

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.