Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018

Konsern

Morselskap 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:	17.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 04.09.2020

Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	9,11	9 976 000	9 974 000
Sum inntekter		**9 976 000**	**9 974 000**
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	1	21 000	299 000
Annen driftskostnad	10	18 051 000	24 352 000
Sum kostnader		**18 072 000**	**24 651 000**
Driftsresultat		**-8 096 000**	**-14 677 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		30 321 000	60 093 000
Renteinntekt fra foretak i samme konsern		9 327 000	8 689 000
Annen renteinntekt		121 000	886 000
Annen finansinntekt		5 153 000	5 898 000
Sum finansinntekter		**44 922 000**	**75 566 000**
Rentekostnad til foretak i samme konsern		1 439 000	1 230 000
Annen rentekostnad		26 165 000	27 259 000
Annen finanskostnad		6 759 000	6 871 000
Sum finanskostnader		**34 363 000**	**35 360 000**
Netto finans		**10 559 000**	**40 206 000**
Ordinært resultat før skattekostnad		**2 463 000**	**25 529 000**
Skattekostnad på ordinært resultat	8	575 000	-549 000
Ordinært resultat etter skattekostnad		**1 888 000**	**26 078 000**
Årsresultat		**1 888 000**	**26 078 000**
Overføringer og disponeringer			
Overføring til/fra fond		1 888 000	26 078 000
Sum overføringer og disponeringer		**1 888 000**	**26 078 000**

Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	51 000	626 000
Sum immaterielle eiendeler		**51 000**	**626 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	1	7 000	28 000
Sum varige driftsmidler		**7 000**	**28 000**
Finansielle anleggsmidler			
Investering i datterselskap	2	681 602 000	681 602 000
Lån til foretak i samme konsern	3,4	107 559 000	110 310 000
Sum finansielle anleggsmidler		**789 161 000**	**791 912 000**
Sum anleggsmidler		**789 219 000**	**792 566 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	3,4	1 245 000	2 894 000
Andre fordringer		546 000	3 204 000
Konsernfordringer	4	30 321 000	32 093 000
Sum fordringer		**32 112 000**	**38 191 000**
Sum omløpsmidler		**32 112 000**	**38 191 000**
SUM EIENDELER		**821 331 000**	**830 757 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,7	2 331 000	2 329 000

Balanse

Beløp i: NOK	Note	2018	2017
Beholdning av egne aksjer	6,7	-12 000	-58 000
Overkurs	6	230 796 000	230 598 000
Sum innskutt egenkapital		**233 115 000**	**232 869 000**
Opptjent egenkapital			
Annen egenkapital	6	24 856 000	17 215 000
Sum opptjent egenkapital		**24 856 000**	**17 215 000**
Sum egenkapital		**257 971 000**	**250 084 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3	297 205 000	388 038 000
Sum annen langsiktig gjeld		**297 205 000**	**388 038 000**
Sum langsiktig gjeld		**297 205 000**	**388 038 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	5	105 681 000	24 090 000
Leverandørgjeld	4	2 057 000	2 802 000
Kortsiktig konserngjeld	4,5	158 145 000	162 778 000
Annen kortsiktig gjeld		272 000	2 965 000
Sum kortsiktig gjeld		**266 155 000**	**192 635 000**
Sum gjeld		**563 360 000**	**580 673 000**
SUM EGENKAPITAL OG GJELD		**821 331 000**	**830 757 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 530 136 000	1 676 090 000
Annen driftsinntekt		4 628 000	4 725 000
Sum inntekter	5	**1 534 764 000**	**1 680 815 000**
Kostnader			
Varekostnad		1 202 440 000	1 292 256 000
Lønnskostnad	7	148 633 000	159 068 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,10	4 332 000	4 747 000
Andre driftskostnader	6	118 329 000	160 090 000
Andre gevinster og tap	8	20 885 000	-4 319 000
Sum kostnader		**1 494 619 000**	**1 611 842 000**
Driftsresultat		**40 145 000**	**68 973 000**
Finansinntekter og finanskostnader			
Annen finansinntekt		5 610 000	8 228 000
Sum finansinntekter		**5 610 000**	**8 228 000**
Annen finanskostnad		36 510 000	37 541 000
Andel av overskudd fra tilknyttede selskap og JV etter EK-metoden		1 018 000	
Sum finanskostnader		**37 528 000**	**37 541 000**
Netto finans	11	**-31 918 000**	**-29 313 000**
Ordinært resultat før skattekostnad		**8 227 000**	**39 660 000**
Skattekostnad på ordinært resultat	12	4 127 000	9 698 000
Ordinært resultat etter skattekostnad		**4 100 000**	**29 962 000**
Årsresultat		**4 100 000**	**29 962 000**
Andel av OCI inntekter fra tilknyttede selskap og JV ihht EK-metoden		-35 000	
Valutadifferanser		-3 339 000	6 331 000

Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
Sum resultatkomponenter for IFRS-foretak		-3 374 000	6 331 000
Totalresultat		**726 000**	**36 293 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		726 000	36 293 000
Sum overføringer og disponeringer		**726 000**	**36 293 000**

Konsernets balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	5,9	3 238 000	4 889 000
Utsatt skattefordel	14	7 022 000	9 692 000
Goodwill	5,9	789 553 000	776 439 000
Sum immaterielle eiendeler		**799 813 000**	**791 020 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5,10	2 672 000	2 273 000
Sum varige driftsmidler		**2 672 000**	**2 273 000**
Sum anleggsmidler		**802 485 000**	**793 293 000**
Omløpsmidler			
Varer			
Varer	15	163 107 000	196 812 000
Sum varer		**163 107 000**	**196 812 000**
Fordringer			
Kundefordringer	16	343 036 000	448 373 000
Andre fordringer	17	9 852 000	6 098 000
Forskuddsbetalinger	18	25 395 000	24 757 000
Fordring skatt		6 354 000	667 000
Sum fordringer		**384 637 000**	**479 895 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	19	5 454 000	6 423 000
Sum bankinnskudd, kontanter og lignende		**5 454 000**	**6 423 000**
Sum omløpsmidler	17	**553 198 000**	**683 130 000**
SUM EIENDELER		**1 355 683 000**	**1 476 423 000**

Konsernets balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	20	2 331 000	2 329 000
Beholdning av egne aksjer	20	-12 000	-58 000
Overkurs	20	230 796 000	230 598 000
Sum innskutt egenkapital		**233 115 000**	**232 869 000**
Opptjent egenkapital			
Annen egenkapital	20	197 541 000	191 061 000
Sum opptjent egenkapital		**197 541 000**	**191 061 000**
Sum egenkapital		**430 656 000**	**423 930 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	22	1 080 000	1 186 000
Utsatt skatt	14	8 299 000	11 956 000
Andre avsetninger for forpliktelser		3 214 000	
Sum avsetninger for forpliktelser		**12 593 000**	**13 142 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	17,21	297 205 000	345 176 000
Sum annen langsiktig gjeld		**297 205 000**	**345 176 000**
Sum langsiktig gjeld		**309 798 000**	**358 318 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	21	75 091 000	45 995 000
Kassekreditt		30 175 000	20 957 000
Leverandørgjeld		242 409 000	271 285 000
Betalbar skatt		3 553 000	7 269 000
Annen kortsiktig gjeld	23	203 543 000	256 086 000
Andre påløpte kostnader	24	60 458 000	92 583 000
Sum kortsiktig gjeld		**615 229 000**	**694 175 000**
Sum gjeld		**925 027 000**	**1 052 493 000**

Konsernets balanse

Beløp i: NOK	Note	2018	2017
SUM EGENKAPITAL OG GJELD		**1 355 683 000**	**1 476 423 000**
POSTER UTENOM BALANSEN			
Garantistillelser	26	1 358 000	4 918 000
Pantstillelser	26	572 212 000	715 992 000

Skattedirektoratet

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

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR

THE FINANCIAL YEAR 2018

SOLERA BEVERAGE GROUP HOLDING AS
Corporate Identity Number 996 888 193

GROUP

SOLERA BEVERAGE GROUP HOLDING AS

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 where 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 1 535 mkr. Solera is a Norwegian company with subsidiaries in Norway, Sweden and Finland, and employs a total of 154 (151) 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 2018
Solera has during the year successfully marketed the product portfolio, won new listings at the monopolies and attracted new producers. However, the loss of a few large producers in Norway and Sweden in 2017 and 1H 2018 has impacted Net revenue negatively. Net revenue declined 9% from 2017 to 2018.

On 22 January 2018 Solera Beverage Group acquired 100% of the issued shares in Sommelier AS and Vinkilden AS. The acquisitions has increased the group's net revenue and reduced cost through economies of scales.

On 2 July 2018 the wholly owned subsidiary Five Eyes AB entered into a Joint Venture 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.

In 2018 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.

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 2018 amounted to 1 535 mkr, compared to 1 681 mkr for 2017, which represents a decrease of 9 percent. Both Solera Norway and Solera Sweden experienced declining sales due to loss of producers, while Solera Finland saw growth in 2018.

Summary covering five years

KEY FIGURES	2018	2017	2016	2015	2014
Amount in million NOK (mkr)					
Revenue	1535	1 681	1 646	1 561	1 432
Operating profit/loss excluding depreciation, amortisation and impairment	44	74	59	70	70
Operating margin, %	2,9%	4,4%	3,6%	4,5%	4,9%
Balance sheet total	1356	1 476	1 447	1 501	1 413
Equity	431	424	392	396	366
Equity/assets ratio, %	31,8%	28,7%	27,1%	26,4%	25,9%
Average number of employees	154	151	139	134	141

The operating margin for 2018 was 2,9% percent, compared to 4,4 percent in 2017.
The reasons to the decrease was weakened currency exchange rates and portfolio-mix.

The average number of employees increased from 151 in 2017 to 154 in 2018.

The Group's net financial costs increased from 29 mkr in 2017 to 32 mkr in 2018.

The Group's pre-tax profit decreased from 40 mkr in 2017 to 8 mkr in 2018.

The Group's net profit for the year decreased from 30 mkr in 2017 to 4 mkr in 2018.

Cash flow
Cash flow from operating activities was 18,0 mkr in 2018 (46,6 mkr).

The net cash flow from investing activities in 2018 amounted to -16,3 mkr (-1,1 mkr).

The net cash flow from financing activities amounted to -0,8 mkr (-52,4 mkr).

Total cash flow was 0,9 mkr (-6,9).

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

Balance sheet and liquidity
Total assets at 31 December 2018 amounted to 1 356 mkr (1 476 mkr). At the same time equity amounted to 431 mkr (424 mkr) and the equity ratio was 31,7 percent (28,7 percent).

Inventories decreased by 34 mkr during 2018 and amounted to 163 mkr at the end of the year (197 mkr). Accounts receivable amounted to 343 mkr at the end of 2018 (448 mkr). Overdue receivables are low and credit losses have been small during 2018.

At 31 December 2018, the Group's interest-bearing debt was 408 mkr (412 mkr) The debt is mainly related to borrowings from credit institutions.

Net cash, cash equivalents and bank overdraft facilities amounted to 5 mkr at the balance sheet date (6 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 1 888 kkr for 2018 (26 078 kkr).

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

Transferred to other equity: 1 888 kkr

Going concern
There have been no events to date in 2019 that significantly affect the result for 2018 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 2018 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 2019.

SOCIAL FACTORS

The sick leave level 2018 was 0.8 percent compared to 1,8 percent in 2017. There were no serious work-related accidents in 2018.

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, 2018 we had a staff ratio of 55 percent men and 45 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 400 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.

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

Solera Beverage Group Holding AS

Member of the board

Member of the board

General Manager

CONSOLIDATED INCOME STATEMENT

Amounts in thousands NOK (kkr)	Note	2018	2017
Sales		1 530 136	1 676 090
Other operating income		4 628	4 725
Net revenue	5	**1 534 764**	**1 680 815**
Operating expenses			
Cost of goods sold		-1 202 440	-1 292 256
Other operating expenses	6	-118 329	-160 090
Personnel expenses	7	-148 633	-159 068
Other gains and losses	8	-20 885	4 319
Depreciation and amortization	9,10	-4 332	-4 747
Total operating expenses		**-1 494 619**	**-1 611 842**
Operating profit/loss		**40 145**	**68 973**
Financial income		5 610	8 228
Financial expenses		-36 510	-37 541
Result from financial items	11	**-30 900**	**-29 313**
Share of net profit of associates and joint ventures accounted for using the equity method		-1 018	-
Result before taxes		**8 227**	**39 660**
Income tax expenses	12	-4 127	-9 698
Profit/loss for the year		**4 100**	**29 962**
Profit attributable to:			
- Owners of the parent		4 100	29 962

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2018	2017
Net profit/loss for the year	**4 100**	**29 962**
Other comprehensive income for the year		
Items that may be subsequently reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-35	-
Exchange differences on translation of foreign operations	-3 339	6 331
Other comprehensive income for the year, net after tax	**-3 374**	**6 331**
Total comprehensive income for the year	**726**	**36 293**
Attributable to:		
- Owners of the parent	726	36 293
Total comprehensive income for the year	726	36 293

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands NOK (kkr)	Note	Dec 31, 2018	Dec 31, 2017
ASSETS			
Fixed assets			
Goodwill	5,9	789 553	776 439
Other intangible assets	5,9	3 238	4 889
Tangible fixed assets	5,10	2 672	2 273
Deferred income tax assets	14	7 022	9 692
Total fixed assets	17	**802 485**	**793 293**
Current assets			
Inventories	15	163 107	196 812
Accounts receivable	16	343 036	448 373
Income tax receivables		6 354	667
Other receivables	17	9 852	6 098
Prepaid expenses and accrued income	18	25 395	24 757
Cash and cash equivalents	19	5 454	6 423
Total current assets	17	**553 198**	**683 130**
TOTAL ASSETS		**1 355 683**	**1 476 423**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, cont.

Amounts in thousands NOK (kkr)	Note	Dec 31, 2018	Dec 31, 2017
EQUITY			
Capital and reserves attributable the Parent Company's shareholders			
Share capital	20	2 331	2 329
Own shares	20	-12	-58
Share premium reserve	20	230 796	230 598
Retained earnings incl. net profit for the year		197 541	191 061
Total equity		**430 656**	**423 930**
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	17, 21	297 205	345 176
Deferred tax liability	14	8 299	11 956
Pension obligations	22	1 080	1 186
Other non-current liabilities		3 214	-
Total non-current liabilities		**309 798**	**358 318**
Current liabilities			
Borrowings from credit institutions	21	75 091	45 995
Bank overdraft facilities		30 175	20 957
Accounts payable		242 409	271 285
Current income tax liabilities		3 553	7 269
Other liabilities	23	203 543	256 086
Accrued expenses	24	60 458	92 583
Total current liabilities	17	**615 229**	**694 175**
TOTAL EQUITY AND LIABILITIES		**1 355 683**	**1 476 423**

Oslo [illegible]

Solera Beverage Group Holding AS

[illegible] Chairman of the board	[illegible] Member of the board	[illegible] Member of the board
[illegible] Member of the board	[illegible] Member of the board	Ole P. Wie [illegible] General Manager

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands NOK (kkr)	Share capital	Share premium reserve	Own shares	Profit/loss brought forward	Total equity
Equity, 1 January 2017	**2 305**	**228 204**	**-13**	**161 146**	**391 642**
Profit/loss for the year	–	–	–	29 962	**29 962**
Issue expenses	–	–	–	–	**–**
Other comprehensive income	–	–	–	6 331	**6 331**
Share capital increase	24	2 394	–	–	**2 418**
Purchase own shares*	–	–	-45	-6 378	**-6 423**
Equity, 31 December 2017	**2 329**	**230 598**	**-58**	**191 061**	**423 930**

Amounts in thousands NOK (kkr)	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**

* The purchase price for redeemed shares 2017 from former employees was 6 423 kkr.
** 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 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 (kkr)	Note	2018	2017
Cash flow from operating activities			
Result before taxes		8 227	39 660
Adjustment for items not included in cash flow			
- Reversal of depreciation and amortisation	9,10	4 332	4 747
- Shares of profits of associates and joint ventures		1 018	-
- Other items, not affecting cash		199	-8 378
Tax paid		-9 315	-4 804
Changes in working capital			
Increase/decrease in inventories		33 013	-10 064
Increase/decrease in accounts receivable		108 356	3 307
Increase/decrease in other current receivables		-10 187	-7 322
Increase/decrease in accounts payable		-30 070	19 716
Increase/decrease in other current liabilities		-87 620	9 697
Cash flow from operating activities		**17 953**	**46 559**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		-6 414	-
Divestment of shares		-	33
Acquisition of joint ventures		-33	-
Investments in intangible fixed assets	9	-1 284	-290
Investments in tangible fixed assets	10	-2 035	-802
Cash flow from investing activities		**-9 766**	**-1 059**
Cash flow from financing activities			
Borrowings		29 000	-
Repayments of borrowings		-45 000	-40 000
Change bank overdraft facilities		9 219	-8 421
Own shares		-500	-6 423
Share capital increase		-	2 418
Cash flow from financing activities	21	**-7 281**	**-52 426**
Cash flow for the period		**906**	**-6 926**
Cash and cash equivalents at beginning of the period		6 423	10 291
Translation differences in cash and cash equivalents		-1 875	3 058
Cash and cash equivalents at end of period	19	**5 454**	**6 423**

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 13.

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 (kkr), 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 2018:

IFRS 9 Financial Instruments - addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

IFRS 15 Revenue from Contracts with Customers - From 1 January 2018 the group has implemented the new standard, based on a modified retrospective approach for the adoption.

Solera Beverage Group's revenue originates from sales of goods to the Nordic Alcohol retail monopolies, HORECA and Travel retail. Solera also provides accounting and logistics services. Revenue is recognised at the point in time when control of a good or service transfers to a customer.

The adoption of these amendments 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

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 Group will implement this during 2019.
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 has two implementation options: the full retrospective method or the modified retrospective method. The Group has chosen to implement IFRS 16 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.

On the implementation date, the Group, as lessee, also has a number of options concerning the use of simplifications. The Group has chosen to use these simplification options, so that:
• Software licences will not be included in the calculation basis.
• Short-term lease agreements expected to be for shorter terms than 12 months will not be included in the calculation basis.
• Insignificant lease agreements (annual charge under TEUR 5) will not be included in the calculation basis.
• Any service elements in the lease charge will be separated from the annual lease charge in the calculation basis.

The Group also has significant leasing agreements classified as operational leasing agreements, and for these a present value will be calculated that is classified in the statement of financial position as a right of use on the asset side, and a lease obligation on the liability side. The Group has mapped all significant leasing agreements, and the calculated book values are stated in the table below.
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.
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.

In connection with the introduction of IFRS 16 concerning leases as from 2019, the Group's reported net interest-bearing debt and adjusted EBITDA will change. The loan agreement with DNB specifies that the loan terms must be calculated according to the current model, regardless of the introduction of IFRS 16, so that the Group's ability to fulfil the loan terms will not be affected by the introduction of IFRS 16.

The current estimate indicates that this will be the effect on the consolidated Balance Sheet:

01.01.2019	**Estimated right of use**	**Estimated liability**
Property	49 MNOK	49 MNOK
Cars	7 MNOK	7 MNOK
Warehouse	1 MNOK	1 MNOK
Parking	6 MNOK	6 MNOK
Total	**63 MNOK**	**63 MNOK**

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
On 2 July 2018 the wholly owned subsidiary Five Eyes AB entered into a Joint Venture 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.

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 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.

2.6 Financial instruments

The Group classifies its financial assets and liabilities in the following categories: loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. These amounts are included in current assets, except for those with maturities greater than 12 months after balance sheet date. These are classified as non-current assets. Loans and receivables are reported in the balance sheet as accounts receivable, other receivables, accrued income and financial assets, respectively. Cash and cash equivalents are also included in this category.

Other financial liabilities
The borrowings of the Group (including the items borrowings from credit institutions and other borrowings) and accounts payable are classified as other financial liabilities. Refer to the description of accounting policies in sections 2.11 and 2.12, below.

General principles
Purchases and sales of financial assets and liabilities are reported on trade date – the date on which the Group commits to purchase or sell the asset or liability. Financial assets and liabilities are initially reported at fair value

plus transaction costs for all financial assets and liabilities not carried at fair value via profit or loss. Financial assets and liabilities reported at fair value via profit or loss are initially reported at fair value, and transaction costs are expensed in the income statement. Financial assets are de-recognised when the right to receive cash flows from the investments has expired or has been transferred and the Group has transferred, substantially, all risks and rewards of ownership. Financial liabilities are de-recognised in the balance sheet when the commitment in the agreement has been fulfilled or otherwise extinguished.

Loans and receivables and other financial liabilities are reported at accrued acquisition value using the effective interest method.

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.

2.7 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.

2.8 Accounts receivable

Accounts receivable are reported initially at fair value, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties on behalf of the debtor, the probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30-90 days overdue, depending on the client's geographical location) are considered indications that the account receivable is impaired. The amount of the provision is the difference between the asset's book value and the present value of estimated future cash flows, discounted at the original effective interest rate. Both losses regarding accounts receivable and recoveries of accounts receivable previously written off are reported in the income statement as other external costs.

The book value of accounts receivable, after any impairment, is presumed to correspond to their fair value, as this item is of a short-term nature.

2.9 Cash and cash equivalents

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

2.10 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.

2.11 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.

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

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received, or to be received, for the sale of goods and services within the Group. The Group recognises revenue when the amount can be reliably measured, when it is probable that future economic benefits will flow to the company. Sales in income statement are net after alcohol tax.

Sales of goods
The Group operates a distributor of primarily wine to the three Nordic alcohol retail monopolies. Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has 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 distributers 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.

2.17 Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment, where the Group bears all the material economic risks and rewards of ownership, are classified as financial leases. Financial leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The amount of each lease payment is allocated between amortisation of the liability and financial expenses, to achieve the equivalent to a fixed interest rate for the reported outstanding liability. The corresponding payment obligations, net of finance charges, are included in other long-term payables. The interest component of the financial expense is reported in the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under financial leases are depreciated over the shorter of the useful life of the asset and the lease term.

The leases within the Group primarily refer to the fleet of company cars and rent of premises, which is reported as operational leasing.

2.18 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.

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

Definition *Equity/assets ratio*:	Equity as a percentage of total assets.
Definition *Operating margin, %*:	Operating profit/loss, 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 2018 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 5,9 mkr (2017: 6.5 mkr) higher/lower. For 2018 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 0.14 mkr (2017: 0.7 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 4 mkr (2017: 4,1 mkr) lower/higher

For further information, refer to Note 21 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 2018, the Group had accessible liquidity of 92 mkr. Liquidity consists of cash and cash equivalents of 5 mkr, and unutilised revolving facilities of 87 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:

Dec 31, 2018	**Less than one year**	**Between one and two years**	**Between two and five years**	**Total**
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	**949 133**

Dec 31, 2017	**Less than one year**	**Between one and two years**	**Between two and five years**	**Total**
Borrowings from credit institutions	60 915	357 992	–	**418 907**
Bank overdraft facilities	20 957	–	–	**20 957**
Trade and other payables	619 954	–	–	**619 954**
Total financial liabilities	**701 826**	**357 992**	–	**1 059 818**

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 2.5, 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, no impairment requirement has been identified. See Note 9 for more information.

Valuation of loss carry-forward
The Group conducts annual tests as to whether deferred tax assets on fiscal loss carry-forwards have suffered any impairment. In addition, the Group investigates the possibility of capitalising new deferred tax assets with regards to the year's fiscal loss carry-forwards, should this be applicable. Deferred tax assets are reported only in those cases in which it is probable that future tax surpluses will be available against which the temporary difference can be utilised.

Book values for deferred tax assets for each respective balance sheet date are presented in Note 14.

Note 5 Geographical distribution of net revenue and fixed assets

The net revenue is distributed on the following geographical markets:

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**

2017	Norway	Sweden	Finland	Other	Total
Gross revenue, products	1 553 225	1 018 601	442 302	27 490	3 041 618
Gross revenue, services	58 176	46	68	1 962	60 252
Taxes and charges	-770 563	-443 654	-206 838	–	-1 421 055
Net revenue	**840 838**	**574 993**	**235 532**	**29 452**	**1 680 815**

Gross revenue to major customers	2018	2017
Vinmonopolet	826 916	1 088 920
Systembolaget	635 891	892 143
Alko	499 137	425 894
Total gross revenue to major customers	**1 961 944**	**2 406 957**

Fixed assets are distributed on the following geographical markets:

	2018	2017
Norway	356 997	342 425
Sweden	361 448	364 583
Finland	77 018	76 593
Total	**795 463**	**783 601**

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

	2018	2017
Statutory audit	-1 629	-1 570
Other audit related services	-65	-63
Tax consultancy	-257	-278
Other services	-20	-20
Total	**-1 971**	**-1 931**

Note 7 Remuneration to employees and disclosure regarding personnel

Salaries and other benefits	2018	2017
CEO		
Fixed salary	-3 670	-3 048
Other benefits	-19	-544
Key management *		
Fixed salary	-13 915	-12 247
Variable remuneration	0	-38
Other benefits	-71	-551
Other employees	-91 825	-104 990
Total salaries and other benefits	**-109 500**	**-121 418**

Social security costs	2018	2017
CEO	-520	-1 050
Key management *	-2 305	-2 391
Other employees	-20 077	-19 433
Total security costs	**-22 902**	**-22 874**

Pension costs	2018	2017
CEO	-43	-608
Key management *	-966	-1 388
Other employees	-9 622	-8 652
Total pension costs	**-10 631**	**-10 648**
Other personnel costs	-5 600	-4 128
Total personnel costs	**-148 633**	**-159 068**

* 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 2018 the total fees to the Board amounted to 0,2 mkr (0,5) 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

	2018 Average number of employees	2018 Of whom men	2017 Average number of employees	2017 Of whom men
Norway	83	55%	86	57%
Sweden	49	57%	47	61%
Finland	22	50%	18	50%
Total	**154**	**55%**	**151**	**57%**

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

Gender distribution of Board members and other senior executives

	2018 Number on balance sheet date	2018 Of whom men	2017 Number on balance sheet date	2017 Of whom men
Members of the Board	5	100%	6	83%
CEO and other senior management	8	88%	7	86%
Total	**13**	**92%**	**13**	**85%**

Note 8 Other gains and losses

Other gains	**2018**	**2017**
Exchange rate differences	18 738	23 227
Total other gains	**18 738**	**23 227**
Other losses	**2018**	**2017**
Exchange rate differences	-39 623	-18 908
Total other losses	**-39 623**	**-18 908**
Total other gains and losses	**-20 885**	**4 319**

Note 9 Intangible assets

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
Aquired in business combinations		12 834			12 834
Reclassifications	–	–	–	–	–
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
Aquired in business combinations					–
Depreciation for the year	–	–	-1 498	-1 247	-2 745
Reclassifications	–	–	–	–	–
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**

Dec 31, 2017	Trademarks	Goodwill	R&D*	Software**	Total
Opening acquisition value	1 319	774 180	7 560	16 667	799 726
Acquisitions	–	–	–	290	290
Sales/disposals	-1 342	–	–	–	-1 342
Reclassifications*)	–	–	721	-131	590
Exchange rate differences	23	2 259	315	378	2 975
Closing accumulated acquisition value	–	776 439	8 596	17 204	802 239
Opening depreciation	-1 319	–	-2 743	-13 439	-17 501
Sales/disposals	1 342	–	–	–	1 342
Depreciation for the year	–	–	-1 541	-1 999	-3 540
Reclassifications*)	–	–	-721	–	-721
Exchange rate differences	-23	–	-167	-301	-491
Closing accumulated depreciation	**–**	**–**	**-5 172**	**-15 739**	**-20 911**
Closing book value	**–**	**776 439**	**3 424**	**1 465**	**781 328**

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

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

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, 2018	Dec 31, 2017
Norway	352 994	340 160
Sweden	358 143	358 143
Finland	76 584	76 211
Other	1 832	1 925
Total	789 553	776 439

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, 2018	Dec 31, 2017
Goodwill, opening balance	776 439	774 180
Business combinations	12 834	–
Exchange rate effects	280	2 259
Goodwill, closing balance	789 553	776 439

The recoverable amount of a CGU is determined based on estimates of the value in use, for which the recoverable amount is determined as the fair value less selling expenses. In those cases where the recoverable amount is comprised of the value in use, calculations have been based on estimated future cash flows after tax, based on financial budgets for 2019 approved by board and estimate by the management covering the years 2019-2023.

Cash flows beyond the five-year period are extrapolated applying the estimated growth rates shown below. The growth rate does not exceed the long-term growth rates of the market in which the CGU in question operates.

Significant assumptions applied in calculating value in use:

	Dec 31, 2018	Dec 31, 2017
Growth rate beyond the budget period	1% - 2%	2%
Discount rate *	4.94% - 7.27%	4.06% - 5.94%

* Discount rate after tax applied when calculating present value of estimated future cash flows.

These assumptions have been applied to analyze each CGU. The discount rates used are specified after-tax and reflect specific risks within the various segments. At December 31, the discount rates could have been maximum 16 percent for Norway, 7,3 percent for Sweden and 14 percent for Finland, before any impairment of goodwill was required. This implies that there is very limited headroom for Sweden before impairment of goodwill is required (0,5% higher interest rate will result in goodwill impairment of ~30 MNOK)

Management deems that the book value will not be impacted by any reasonable, possible change in the assumptions on which the cash generating units' recoverable amounts are based, in the book values exceeding the recoverable amounts in Norway and Finland. Sweden is more sensitive towards changes in the assumptions, e.g. a reduction of 0,5% in growth rate beyond the budget period will imply goodwill impairment of ~20 MNOK.

Note 10 Tangible fixed assets

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
Aquired in business combinations	–	64	64
Reclassifications	–	–	–
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
Aquired in business combinations	–	-64	-64
Depreciation for the year	-1 301	-286	-1 587
Reclassifications	–	–	–
Exchange rate differences	64	-11	53
Closing accumulated depreciation	**-7 222**	**-1 586**	**-8 808**
Closing book value	**1 672**	**1 000**	**2 672**

Dec 31, 2017	Equipment & Tools	Other tangible assets	Total
Opening acquisition cost	7 445	991	8 436
Acquisitions	205	597	802
Reclassifications*)	–	249	249
Exchange rate differences	259	68	327
Closing accumulated acquisition cost	**7 909**	**1 905**	**9 814**
Opening depreciation	-5 083	-760	-5 843
Depreciation for the year	-1 054	-153	-1 207
Reclassifications*)	–	-249	-249
Exchange rate differences	-179	-63	-242
Closing accumulated depreciation	**-6 316**	**-1 225**	**-7 541**
Closing book value	**1 593**	**680**	**2 273**

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

The Group leases cars and office equipment under cancellable/non-cancellable operating lease agreements. The leasing cost for 2018 was 17 789 kkr (19 673 kkr). The group has no financial leases.

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

Leases that expire:	**Dec 31, 2018**	**Dec 31, 2017**
Lease payments this year	17 789	19 673
Within 1 year	16 536	15 476
Within 2-5 years	41 455	25 543
Total	**57 991**	**41 019**

Note 11 Financial income and financial expenses

	2018	**2017**
Financial income		
Exchange rate gains	5 286	6 635
Interest income	324	1 532
Other financial income	–	61
Total financial income	**5 610**	**8 228**
Financial expenses		
Exchange rate losses	-4 619	-5 634
Interest expenses		
- borrowing	-21 982	-24 202
- other interest expenses	-7 309	-3 825
Other financial expense	-2 600	-3 880
Total financial expenses	**-36 510**	**-37 541**
Net result from financial items	**-30 900**	**-29 313**

Note 12 Income tax

	2018	2017
Current tax	-4 476	-9 303
Deferred tax (Note 14)	556	-142
Change in tax rate	-197	-253
Adjustment to current tax attributable to previous years	-10	–
Income tax expense	**-4 127**	**-9 698**

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:

	2018	2017
Profit before tax	8 227	39 660
Tax according to tax rate Norway	-1 892	-9 518
Tax effect of tax rate outside Norway	-99	484
Non-deductible expenses	-1 085	-1 151
Tax exempt income	32	74
Increase in tax losses without corresponding capitalization of deferred tax	-48	717
Utilization of previously unrecognized tax losses	-557	–
Tax effect from result from joint venture	-234	
Change in tax rate	-197	-253
Interest tax allocation reserve	-40	-25
Adjustment from prior year	-10	–
Other	3	-26
Total income tax expenses	**-4 127**	**-9 698**

The income tax expense is calculated using the domestic tax rate. The tax rate is 23 percent in Norway, 22 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:

	2018			2017		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Currency translation differences	-3 374	–	-3 374	6 331	–	6 331
Other comprehensive income	-3 374	–	-3 374	6 331	–	6 331

Note 13 Shares in subsidiaries

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

Name	Corporate identity number	Registered office	Number of shares	% of Shares	Voting right
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 1)	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 1)	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%
MondoWine 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 2)	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 3)	39 75 76 48	Copenhagen	25 000	50%	50%

1) Acquired in January 2018
2) Former Oy Chris-Wine Finland Ab
3) Acquired in July 2018

Note 14 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, 2018	Dec 31, 2017
Deferred tax asset:		
Deferred tax asset to be recovered after more than 12 months	7 022	9 692
Deferred tax liability:		
Deferred tax liability to be paid after more than 12 months	-8 299	-11 956
Deferred tax liability (net)	**-1 277**	**-2 264**

Change in carrying amount of deferred tax liability:

	Dec 31, 2018	Dec 31, 2017
Opening balance	-2 264	-1 573
Aquired in business combinations	170	-
Profit and loss account	556	-142
Change in tax rate	-197	-253
Translation differences	458	-296
Closing balance	**-1 277**	**-2 264**

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

Deferred tax liabilities	Untaxed reserves	Total
At January 1, 2017	**-11 222**	**-11 222**
Profit/(loss) for the period	-156	-156
Other comprehensive income	–	–
Change in tax rate	–	–
Translation differences	-578	-578
At December 31, 2017	**-11 956**	**-11 956**
Profit/(loss) for the period	3 188	3 188
Change in tax rate	–	–
Translation differences	469	469
At December 31, 2018	**-8 299**	**-8 299**

Deferred tax asset	Intangible and tangible fixed assets	Pension obligations	Provisions	Tax losses carry forward	Other	Total
At January 1, 2017	**275**	**311**	**845**	**3 797**	**4 421**	**9 649**
Profit/(loss) for the period	-33	-26	-43	-204	320	14
Change in tax rate	-10	-12	-34	–	-197	-253
Translation differences	–	–	–	282	–	282
At December 31, 2017	**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**

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.

Note 14 Deferred income tax, cont.

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 tax losses carryforwards in Finland (kkr):

2019	3 148
2020	1 716
2021	1 533
2022	3 840
2023	455
2024	802
2025	1 900
2026	137

Note 15 Inventory

	Dec 31, 2018	Dec 31, 2017
Inventory at acquisition value	166 573	200 833
Obsolete inventory	-3 466	-4 021
Inventory at net realizable value	**163 107**	**196 812**

The inventory is made up of finished goods only.

	2018	2017
Cost related to write-down of inventory	-1 992	-3 804

Note 16 Accounts receivable

	Dec 31, 2018	Dec 31, 2017
Accounts receivable	343 936	449 596
Less provision for impairment of accounts receivable	-900	-1 223
Trade receivables - net	**343 036**	**448 373**

Accounts receivable distributed by currency	**Dec 31, 2018**	**Dec 31, 2017**
NOK	145 608	218 173
SEK	86 342	132 877
EUR	110 754	96 706
Other currencys	332	617
	343 036	**448 373**

Change in the provisions for accounts receivable	Dec 31, 2018	Dec 31, 2017
Opening value	-1 223	-934
Provision for doubtful debts	-161	-457
Receivables allowance during the year as non-collectable	209	52
Reversed, unutilised provisions	253	142
Exchange rate differences	22	-26
Closing value	**-900**	**-1 223**

Analysis of credit risk exposure	**Dec 31, 2018**	**Dec 31, 2017**
Trade receivable not overdue	321 257	432 242
Overdue:		
up to 30 days	13 317	9 326
30 to 90 days	6 279	2 322
more than 90 days	3 083	5 706
Total overdue	22 679	17 354
Provided for	-900	-1 223
Trade receivables - net value	**343 036**	**448 373**

The fair values of the Group's accounts receivable correspond to the book values. As of balance sheet date, accounts receivable totaling 21 779 kkr (16 131 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 17 Financial instruments by category

	Loans and accounts receivable	Total
Dec 31, 2018		
Assets in the balance sheet		
Accounts receivable - trade	343 036	**343 036**
Other receivables	9 852	**9 852**
Cash and cash equivalents	5 454	**5 454**
Total	**358 342**	**358 342**

	Other financial liabilities measured at amortised cost	Total
Dec 31, 2018		
Liabilities in the balance sheet		
Current borrowing	75 091	**75 091**
Non -Current borrowing	297 205	**297 205**
Bank overdraft facilities	30 175	**30 175**
Accounts payable - trade	242 409	**242 409**
Accrued expenses	60 458	**60 458**
Total	**705 338**	**705 338**

	Loans and accounts receivable	Total
Dec 31, 2017		
Assets in the balance sheet		
Accounts receivable - trade	448 373	**448 373**
Other receivables	6 098	**6 098**
Cash and cash equivalents	6 423	**6 423**
Total	**460 894**	**460 894**

	Other financial liabilities measured at amortised cost	Total
Dec 31, 2017		
Liabilities in the balance sheet		
Current borrowing	45 995	**45 995**
Non -Current borrowing	345 176	**345 176**
Bank overdraft facilities	20 957	**20 957**
Accounts payable - trade	271 285	**271 285**
Accrued expenses	92 583	**92 583**
Total	**775 996**	**775 996**

Set out below is the joint venture of the group as of December 31st, 2018.

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 18 Prepaid expenses and accrued income

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**

Dec 31, 2017	NOK	SEK	EUR	Total
Prepaid rent	1 629	1 866	–	**3 495**
Prepaid leasing expenses	297	76	–	**373**
Prepaid insurance expenses	656	84	–	**740**
Prepaid marketing costs	1 916	227	–	**2 143**
Accrued income from customers	–	5 114	–	**5 114**
Prepaid Kick-back and marketing contribution	2 184	4 334	1 703	**8 221**
Other prepaid expenses and accrued income	2 388	1 672	611	**4 671**
Total prepaid expenses and accrued income	**9 070**	**13 373**	**2 314**	**24 757**

All values are presented in kNOK.

Note 19 Cash and cash equivalents

	Dec 31, 2018	Dec 31, 2017
Cash and bank	1 135	2 616
Restricted cash *	4 319	3 807
Bank overdraft facility	–	–
Net cash, cash equivalents and bank overdraft facilities	**5 454**	**6 423**

* Restricted cash refers mainly to withholding tax in Norway.

Note 20 Share capital and other contributed capital

	Number of shares (thousands)	Share capital	Other contributed capital	Total
Opening balance - January 1, 2017	**2 305**	**2 305**	**228 204**	**230 509**
New share issue	24	24	2 394	**2 418**
Closing balance - Dec 31, 2017	**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**

The company´s share capital at 31 December 2018 comprised 2 331 270 shares with a quotient value of NOK 1 each.

Each share carries one vote. There were 32 shareholders at 31 December 2018.

List of major shareholders at	A shares	B shares	Total shares	Ownership
CapMan Buyout IX Fund A L.P.	1 140 659	691 413	1 832 072	78,6%
Jafema AS*	60 000	–	60 000	2,6%
Christer Berens AS	40 000	13 294	53 294	2,3%
Johan Kullander	33 616	13 160	46 776	2,0%
Skirner Invest Ltd*	33 616	13 160	46 776	2,0%
Maneq 2011 AB	23 279	14 110	37 389	1,6%
Zegato AS *	30 000	–	30 000	1,3%
Reward Invest AS	18 200	–	18 200	0,8%
Jochum Wilén	13 000	–	13 000	0,6%
Solera Beverage Group Holding AS	–	12 154	12 154	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	**1 482 370**	**757 291**	**2 239 661**	**96,1%**
Other owners	87 217	4 392	91 609	3,9%
Total number of shares	**1 569 587**	**761 683**	**2 331 270**	**100,0%**

* Jafema AS is owned 100% by Stefan Norberg, member of the board
* Skirner 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 21 Borrowings

	Dec 31, 2018	Dec 31, 2017
Long-term		
Liabilities to credit institutions	295 000	345 000
Setup fee	-326	-1 425
Accrued interest	2 531	1 601
	297 205	**345 176**
Current		
Liabilities to credit institutions	75 000	45 000
Setup fee	-2 768	-2 138
Accrued interest	2 859	3 133
	75 091	**45 995**
Total borrowing	**372 296**	**391 171**

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

Covenants were in breach at year-end 2018, but was waived by DNB. A new bank agreement has been signed, with prolonged maturity and new covenants set for 2019 and onwards.

In addition, the Group has a loan of 4 MNOK from Christer Robert Berens and Mai-Lill Bjørnskau, raised in connection with the acquisition of Vinkilden AS. 1,2 MNOK is due in May 2019, the remaining 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, 2018	Dec 31, 2017
6 months or less	36 475	24 208
6 - 12 months	38 616	21 787
1-5 years	297 205	345 176
	372 296	**391 171**

The Group has the following bank overdraft facility:	Dec 31, 2018	Dec 31, 2017
Floating interest range		
- more than one year	116 800	94 000

Net debt reconciliation	Dec 31, 2018	Dec 31, 2017
Cash & cash equivalents	5 454	6 423
Borrowings repayable within one year (including overdraft)	-105 266	-66 952
Borrowings - repayable after one year	-297 205	-345 176
Net debt	**-397 017**	**-405 705**
Cash & liquid investements	5 454	6 423
Gross debt - fixed interest rates	-285 671	-318 128
Gross debt - variable interest rates	-116 800	-94 000
Net debt	**-397 017**	**-405 705**

Note 21 Borrowings, cont.

	Other Assets	Liabilitites from financing activities		
	Cash & Cash eq.	Borrow. due within 1 year	Borrow. due after 1 year	Total
Net debt as at 1 January 2017	**10 291**	**-71 975**	**-385 949**	**-447 633**
Cash Flows	-6 926	5 023	40 773	**38 870**
Foreign exchange adjustments	3 058			3 058
Other non-cash movements	–	–	–	0
Net debt as at 31 December 2017	**6 423**	**-66 952**	**-345 176**	**-405 705**

	Other Assets	Liabilitites from financing activities		
	Cash & Cash eq.	Borrow. due within 1 year	Borrow. due after 1 year	Total
Net debt as at 1 January 2018	**6 423**	**-66 952**	**-345 176**	**-405 705**
Cash Flows	906	16 045	0	**16 951**
Foreign exchange adjustments	-1 875			-1 875
Other non-cash movements	–	-54 359	47 971	-6 388
Net debt as at 31 December 2018	**5 454**	**-105 266**	**-297 205**	**-397 017**

Note 22 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, 2018 the pension obligation is 1 080 kkr (1 186 kkr).
Further disclosure information is considered as immaterial.

Note 23 Other liabilities

	Dec 31, 2018	Dec 31, 2017
Alcohol taxes	90 661	131 067
Other fees to local authorites	111 045	124 503
Other short term liabilities	1 837	516
Total other liabilities	**203 543**	**256 086**

Note 24 Accrued expenses

	Dec 31, 2018	Dec 31, 2017
Personnel expenses	21 345	33 631
Insurance	239	–
Legal expenses	24	–
Audit expenses	391	469
Interest	–	–
Marketing contribution	18 613	29 163
Marketing expenses	10 168	7 273
Logistic expenses	878	2 660
Other accrued expenses	7 115	18 675
Other prepaid income	1 685	712
Total accrued expenses	**60 458**	**92 583**

Note 25 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 2018 or 2017.

Note 26 Pledged assets and contingent liabilities

Pledged assets	Dec 31, 2018	Dec 31, 2017
Restricted funds	4 316	4 174
Pledged assets referred to tax and customs	8 151	11 881
Floating charges	50 930	52 479
Accounts receivable *	343 036	448 373
Inventories *	163 107	196 812
Equipment *	2 672	2 273
	572 212	**715 992**

Contingent liabilities	Dec 31, 2018	Dec 31, 2017
Bank guarantees	1 358	4 918
	1 358	**4 918**

Commitment - joint venture

Commitment to provide funding for joint venture's capital commitments, if called, amounts to 2.000 kDKK. As of December 31st, 2018, 1.700 kDKK was called upon.

Commitment to provide for revolving credit for joint venture, if called, amounts to 1.000 kDKK. As of December 31st, 2018, 355 kDKK was called upon.

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

Note 27 Events after reporting period

In May 2019 a new agreement with DNB was signed. In order to improve the capital structure of SBGH AS a capital increase of 63 MNOK was performed in June 2019.

Income statement Solera Beverage Group Holding AS

Amounts in thousands NOK (kkr)	Note	**2018**	**2017**
Operating income and operating expenses			
Other operating income	**9, 11**	9 976	9 974
Operating Income		9 976	9 974
Depreciation and amortisation expense	**1**	-21	-299
Other operating expenses	**10**	-18 051	-24 352
Operating expenses		**-18 072**	**-24 651**
Operating profit		**-8 096**	**-14 677**
Financial income and expenses			
Income from subsidiaries and other group entities		30 321	60 093
Interest income from group entities		9 327	8 689
Other interest income		121	886
Other financial income		5 153	5 898
Interest expense to group entities		-1 439	-1 230
Other Interest expenses		-26 165	-27 259
Other financial expenses		-6 759	-6 871
Net financial income and expenses		**10 559**	**40 206**
Operating result before tax		**2 463**	**25 529**
Tax on ordinary result	**8**	-575	549
Operating result after tax		**1 888**	**26 078**
Annual net profit	**6**	**1 888**	**26 078**
Brought forward			
To other equity		1 888	26 078
Net brought forward		**1 888**	**26 078**

Balance sheet Solera Beverage Group Holding AS

Amounts in thousands NOK (kkr)	Note	Dec 31, 2018	Dec 31, 2017
ASSETS			
Fixed assets			
Intangible assets			
Deferred tax asset	8	51	626
Total intangible assets		**51**	**626**
Tangible fixed assets			
Property, plant and equipment	1	7	28
Total tangible fixed assets		**7**	**28**
Financial fixed assets			
Investments in subsidiaries	2	681 602	681 602
Loans to group companies	3, 4	107 559	110 310
Total financial fixed assets		**789 161**	**791 912**
Total fixed assets		**789 219**	**792 566**
Current assets			
Accounts receivables	3, 4	1 245	2 894
Intercompany receivables	4	30 321	32 093
Other receivables		546	3 204
Total debtors		**32 112**	**38 191**
Cash and bank deposits	5	-	-
Total current assets		**32 112**	**38 191**
TOTAL ASSETS		**821 331**	**830 757**

Balance sheet Solera Beverage Group Holding AS, cont

Amounts in thousands NOK (kkr)	Note	Dec 31, 2018	Dec 31, 2017
EQUITY			
Restricted equity			
Share capital	**6, 7**	2 331	2 329
Own shares	**6, 7**	-12	-58
Share premium reserve	**6**	230 796	230 598
Total restricted equity		**233 115**	**232 869**
Retained earnings			
Other equity	**6**	24 856	17 215
Total retained earnings		**24 856**	**17 215**
Total equity		**257 971**	**250 084**
LIABILITIES			
Other long-term liabilities			
Liabilities to financial institutions	**3**	297 205	388 038
Total of other long term liabilities		**297 205**	**388 038**
Current liabilities			
Liabilities to financial institutions	**5**	105 681	24 090
Trade creditors	**4**	2 057	2 802
Intercompany liabilities	**4, 5**	158 145	162 778
Other short term liabilities		272	2 965
Total short term liabilities		**266 155**	**192 635**
Total liabilities		**563 360**	**580 673**
TOTAL EQUITY AND LIABILITIES		**821 331**	**830 757**

Solera Beverage Group Holding AS

Chairman of the board | Member of the board | Member of the board

Member of the board | Member of the board | General Manager

Cash flow statement Solera Beverage Group Holding AS

Amounts in thousands NOK (kkr)	2018	2017
Cash flow from operations		
Profit before income taxes	2 463	25 529
Depreciation	21	299
Unrealised exchange rate differences	-280	-3 549
Recognised Group contributions	-30 321	-32 093
Change in trade debtors	1 649	-2 851
Change in other current receivables	5 689	-5 236
Change in trade creditors	-745	302
Change in other current liabilities	-6 139	5 049
Net cash flow from operations	**-27 663**	**-12 550**
Cash flow from investments		
(Issue)/repayment of loans to group companies	-	65 656
Purchase of fixed assets	-	-19
Net cash flow from investments	**0**	**65 637**
Cash flow from financing		
Loans raised	25 000	-
Loans to group companies	-	-40 098
Group contributions received	32 093	39 437
Change in bank overdraft	9 570	-8 421
Repayment of long term loans	-45 000	-40 000
Share capital increase	200	2 418
Purchase of own shares	-500	-6 423
Sale of own shares	6 300	-
Net cash flow from financing	**27 663**	**-53 087**
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. Tax enhancing or tax reducing 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	-	-
Disposals	-	-
Purchase cost pr. 31.12.	1 730	**1 730**
Accumulated depreciation 31.12.	1 723	**1 723**
Net book value pr. 31.12.	**7**	**7**
Depreciation in the year	21	**21**
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%	686 767	-	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%	108 101	6 611	443 101
Solera Sverige AB**	Stockholm	100%	5 469	339	243 856
Five Eyes AB	Stockholm	100%	3 426	-66	4 362
Solera Finland Oy***	Helsinki	100%	1 705	1 175	26 898
Balance sheet value 31.12.					**718 218**

*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 Uteliv 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.

***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, Finland Ab and Tistron Wine Group Ab. Tistron Wine Goup Ab owns 100 % of Urban Bevarges Oy and Zengo Import Ab.

Note 3 Debtor and liabilities

Trade debtors	2018	2017
Trade debtors at nominal value	1 245	2 894
Bad debts provision	-	-
Trade debtors in the balance sheet	**1 245**	**2 894**

Debtors which fall due later than one year	2018	2017
Loans to group companies	107 559	110 310
Total	**107 559**	**110 310**

Long term liabilities which fall due between 1-5 year	2018	2017
Liabilities to credit institution	297 205	388 038
Total	**297 205**	**388 038**

Note 4 Balance with group companies

	Long term debtors		Short term debtors		Trade debtors	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Group companies	107 559	110 310	30 321	32 093	1 245	2 894
Total	**107 559**	**110 310**	**30 321**	**32 093**	**1 245**	**2 894**

	Other short term liabilities		Trade creditors	
	2018	**2017**	**2018**	**2017**
Group companies	158 145	162 778	1 410	1 796
Total	**158 145**	**162 778**	**1 410**	**1 796**

Note 5 Bank

Subsidiaries and tier-subsidiaries 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

Equity changes in the year	Share capital	Share premium	Own shares	Other equity	Total
Equity 01.01.	2 329	230 598	-58	17 215	250 084
Purchase own shares	-	-	-5	-495	-500
Sale own shares	-	-	51	6 249	6 300
Share capital increase	2	198	-	-	200
Profit for the year	-	-	-	1 888	1 888
Equity 31.12.	**2 331**	**230 796**	**-12**	**24 857**	**257 971**

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	Quotient value	Book value
A shares	1 569 587	1	1 569 587
B shares	761 683	1	761 683
Total	**2 331 270**	1	**2 331 270**

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 31.12.18	A shares	B shares	Total shares	Ownership
Capman Buyout IX Fund A L.P	1 140 659	691 413	1 832 072	78,6 %
Jafema AS*	60 000	0	60 000	2,6 %
Christer Berens AS	40 000	13 294	53 294	2,3 %
Skimer Invest LTD*	33 616	13 160	46 776	2,0 %
Johan Kullander	33 616	13 160	46 776	2,0 %
Maneq 2011 AB	23 279	14 110	37 389	1,6 %
Zegato AS*	30 000	0	30 000	1,3 %
Reward Invest AS	18 200	0	18 200	0,8 %
Jochum Wilèn	13 000	0	13 000	0,6 %
Solera Beverage Group Holding AS	-	12 154	12 154	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	1 482 370	757 291	2 239 661	96,1 %
Other owners	87 217	4 392	91 609	3,9 %
Total number of shares	**1 569 587**	**761 683**	**2 331 270**	**100,0 %**

* Jafema AS is owned 100 % by member of the board Jan Stefan Hammernes Norberg
* Skimer 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 Hessebom, member of the board

Note 8 Taxes

Calculation of deferred tax/deferred tax benefit	2018	2017
Temporary differences		
Fixed assets	-233	-272
Other differences	-	-2 452
Net temporary differences	-233	-2 724
Tax losses carried forward	-	-
Basis for deferred tax	**-233**	**-2 724**
Deferred tax	-51	-626
Deferred tax in the balance sheet	**-51**	**-626**

Basis for income tax expense, changes in deferred tax and tax payable	2018	2017
Result before taxes	2 463	25 529
Permanent differences	-30 293	-60 023
Basis for the tax expense for the year	-27 830	-34 494
Change in temporary differences	-2 491	2 401
Basis for payable taxes in the income statement	-30 321	-32 093
+/- Group contributions received/given	30 321	32 093
Taxable income (basis for payable taxes in the balance sheet)	**0**	**0**

Components of the income tax expense	2018	2017
Payable tax on this year's result	–	–
Adjustment in respect of priors	–	–
Total payable tax	–	–
Change in deferred tax	573	-576
Change in deferred tax due to change in tax rate	2	27
Tax expense	**575**	**-549**

Reconciliation of the tax expense	2018	2017
Result before taxes	2 463	25 529
Permanent differences	-30 293	-60 023
Basis for tax expense in the financial statement	-27 830	-34 494
Calculated tax	-6 401	-8 279
Tax impact group contributions received	6 974	7 702
Change in tax rate	2	27
Tax expense	**575**	**-549**

Payable taxes in the balance sheet	2018	2017
Payable tax in the tax charge	–	–
Payable tax in the balance sheet	–	–

Note 9 Operating income

	2018	2017
Management fee	9 976	9 974
Total	**9 976**	**9 974**

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

The company has no employees as at 31.12.2018

Remuneration to executives	**General manager**	**Board**
Salaries/board fee	3 670	200
Pension expenses	43	0
Other remuneration	19	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)	**2018**	**2017**
Statutory audit (incl. technical assistance with financial statements)	402	349
Other assurance services	17	29
Tax advisory fee (incl. technical assistance with tax return)	105	77
Other assistance	20	12
Total audit fees	**544**	**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:	**2018**	**2017**
a) Sales of goods and services		
- Subsidiaries		
Sales of services:	9 976	9 974
b) Purchase of goods and services		
- Subsidiaries		
Purchase of services:	12 919	14 142

Note 12 Pledged assets and contingent liabilities

Pledged assets	2018	2017
Shares in subsidiaries	681 602	681 602
Loans to subsidiaries	107 559	110 310

Contingent liabilities	2018	2017
-	-	-

pwc

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 2018, 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 consolidated statement of financial position as at 31 December 2018, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 2018, 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 2018, 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, 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

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

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, 17 June 2019
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant