

# **Altia Denmark A/S**

Herredsvejen 2

3400 Hillerød

CVR No. 11575935

## **Annual Report 2021**

34. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16 June 2022

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Thomas Erik Johannes Heinonen  
Chairman

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**Altia Denmark A/S**

## **Management's Statement**

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Altia Denmark A/S for the financial year 1 January 2021 - 31 December 2021.

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

It is our opinion that the Financial Statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a fair review of the development in the Company's operations and its financial position.

We recommend that the Annual Report be approved at the annual general meeting.

Hillerød, 16 June 2022

### **Executive Board**

Bo Madsen  
CEO

### **Board of Directors**

Kirsi Marjaana Puntila  
Chairman

Sigmund Laszlo Toth  
Member

Thomas Erik Johannes Heinonen  
Member

## Independent Auditor's Report

### To the Shareholders of Altia Denmark A/S

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Altia Denmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

#### Basis of opinion

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

#### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

## Independent Auditor's Report

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 16 June 2022

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

Flemming Eghoff  
State Authorised Public Accountant  
mne30221

## Altia Denmark A/S

### Company details

<b>Company</b>	Altia Denmark A/S Herredsvejen 2 3400 Hillerød
Telephone	88803600
CVR No.	11575935
Date of formation	1 November 1987
Registered office	Hillerød
Financial year	1. januar 2021 - 31. december 2021
<b>Board of Directors</b>	Kirsi Marjaana Puntila Sigmund Laszlo Toth Thomas Erik Johannes Heinonen
<b>Executive Board</b>	Bo Madsen, CEO
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

### Principal activities of the Company

The principal activities of Altia Denmark A/S are to drive marketing and sales of wines and spirits products in Denmark domestic, German-Denmark border-trade and travel-retail territories, as well as the online sales platform Nordicspirits.com, handling online sales of Altia own key brands directly to consumers outside the Nordic territory.

### Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of TDKK -10.991 and the Balance Sheet at 31 December 2021 a balance sheet total of TDKK 76.675 and an equity of TDKK 75.004. In 2021 Altia Denmark A/S have sold the trademark "Brøndum", this has resulted in a loss of TDKK 9.166. Management considers this year's result to be in line with expectations.

### Post financial year events

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

### Expectations for the future

The Company's 2022 outlook is not expected to be negatively affected by the ongoing COVID-19 outbreak, given the fact that the company's revenue consists of web shop sales, intracompany sales of support services and revenue from intracompany royalties.

### Intellectual capital

The Company's primary activities comprise marketing and sale of wine and spirits. These activities are subject to several strict control procedures and requirements under the International IFS standard and the Danish food legislation.

### Particular risks

Results, cash flows and equity are affected by the development of the exchange rates of various currencies due to the Company's activities in connection with purchase and sale abroad. It is Group policy to hedge currency risks to a certain extent by entering forward exchange contracts.

The Company does not engage in speculative currency positions.

### Financial risks

The Company is only exposed to changes in the interest rate level to a limited extent due to its solidity and financial resources. However, the Company is exposed to currency risks insofar as the ongoing operations are concerned.

### Credit risks

The Company's credit risks are primarily related to financial assets recognised in the balance sheet. There are no significant risks associated with an individual customer or partner.

## **Accounting Policies**

The Annual Report of Altia Denmark A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2021 are presented in TDKK.

### **Recognition and measurement**

Revenue is recognised in the Income Statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## **Income statement**

### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received.

Revenue is measured ex. VAT and taxes charged on behalf of third parties.

All discounts granted are recognised in revenue.

### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables such as maintenance and depreciation, etc.

### **Change in inventories of finished goods, work in progress and goods for resale**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary write-downs of such inventories.

### **Other operating income/expenses**

Other operating income/expenses comprises items of a secondary nature to the activities of the enterprises, including profits/losses on sale of intangible assets.

### **External costs**

Other external costs comprise travel expenses, rent, car lease, etc.

### **Staff costs**

Staff costs comprise wages and salaries and other social security costs to the Company's employees.

## Accounting Policies

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

### Tax on profit/loss

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish Companies are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## Balance sheet

### Intangible assets

Trademarks are measured at cost less accumulated amortisation and impairment losses. Trademarks are amortised on a straight-line basis over the remaining licence period, although not exceeding 15 years.

Gains and losses on the disposal of trademarks are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### Impairment of non-current assets

The carrying amount of intangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

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

### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## **Accounting Policies**

### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

### **Prepayments**

Prepayments comprise costs incurred in relation to subsequent financial years.

### **Cash at bank and in hand**

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

### **Equity - dividends**

The expected dividend payment for the year is disclosed as a separate item under equity.

### **Liabilities other than provisions**

Other liabilities are measured at net realisable value.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

### **Foreign currency translation**

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

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

**Income Statement**

	Note	2021 DKK'000	2020 DKK'000
<b>Gross profit</b>		<b>3.930</b>	<b>5.530</b>
Staff costs	1	-3.168	-3.592
Depreciation, amortisation and impairment losses	2	-4.195	-5.040
Other operating expenses	3	-9.166	0
<b>Ordinary operating profit/loss</b>		<b>-12.599</b>	<b>-3.102</b>
Financial income		3	0
Financial expenses		-130	-89
<b>Profit/loss before tax</b>		<b>-12.726</b>	<b>-3.191</b>
Tax on profit from ordinary activities	4	1.735	705
<b>Profit/loss for the year</b>		<b>-10.991</b>	<b>-2.486</b>
<b>Proposed distribution of earnings</b>			
Retained earnings		-10.991	-2.486
<b>Distribution of earnings</b>		<b>-10.991</b>	<b>-2.486</b>

**Balance Sheet as of 31 December**

	Note	2021 DKK'000	2020 DKK'000
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Trademarks	5	<u>5.533</u>	<u>32.532</u>
		<b>5.533</b>	<b>32.532</b>
<b>Total non-current assets</b>		<b><u>5.533</u></b>	<b><u>32.532</u></b>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>540</u>	<u>365</u>
		<b>540</b>	<b>365</b>
<b>Receivables</b>			
Trade receivables		30	28
Amounts owed by group enterprises		70.123	56.536
Other receivables		5	0
Prepayments		<u>444</u>	<u>444</u>
		<b>70.602</b>	<b>57.008</b>
<b>Total current assets</b>		<b><u>71.142</u></b>	<b><u>57.373</u></b>
<b>Total assets</b>		<b><u>76.675</u></b>	<b><u>89.905</u></b>

Balance Sheet as of 31 December

	Note	2021 DKK'000	2020 DKK'000
<b>Equity and liabilities</b>			
Equity			
Share capital		680	680
Retained earnings		74.324	85.315
<b>Total equity</b>		<b>75.004</b>	<b>85.995</b>
<b>Provisions</b>			
Provisions for deferred tax	6	0	1.735
<b>Total Provisions</b>		<b>0</b>	<b>1.735</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		178	92
Amounts owed to group enterprises		57	239
Other payables		1.436	1.844
<b>Current liabilities other than provisions</b>		<b>1.671</b>	<b>2.175</b>
<b>Total liabilities other than provisions</b>		<b>1.671</b>	<b>2.175</b>
<b>Total equity and liabilities</b>		<b>76.675</b>	<b>89.905</b>
Related parties	7		
Contractual obligations and contingencies, etc	8		

## Statement of changes in Equity

	Share capital	Retained earnings	Total
Equity 1 January 2021	680	85.315	85.995
Proposed distribution of results	0	-10.991	-10.991
<b>Equity 31 December 2021</b>	<b>680</b>	<b>74.324</b>	<b>75.004</b>

The share capital comprises shares of DKK 1,000 each or a multiple thereof. All shares rank equally.

The share capital has remained unchanged for the last 5 years.

Notes

	2021	2020
<b>1. Employee benefits expense</b>		
DKK'000		
Wages and salaries	2.821	3.302
Post-employment benefit expense	246	250
Social security contributions	101	40
	<u>3.168</u>	<u>3.592</u>
Average number of employees	<u>4</u>	<u>4</u>

With reference to section 98b (3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is not disclosed.

**2. Depreciation, amortisation and impairment losses**

DKK'000		
Trademarks	<u>4.195</u>	<u>5.040</u>
	<u>4.195</u>	<u>5.040</u>

**3. Special items**

Gain and losses on sale of trademarks, recognized in other operating expenses	<u>-9.166</u>	<u>0</u>
	<u>-9.166</u>	<u>0</u>

**4. Tax on profit from ordinary activities**

DKK'000		
Adjustment of deferred tax for the year	<u>1.735</u>	<u>705</u>
	<u>1.735</u>	<u>705</u>

**5. Intangible assets**

DKK'000		
Cost at 1 January	112.535	112.535
Disposal during the year	<u>-77.117</u>	<u>0</u>
Cost at 31 December	<u>35.418</u>	<u>112.535</u>
Impairment losses and depreciation at 1 January	80.003	74.963
Depreciation	4.195	5.040
Reversal of impairment losses and amortisation of disposed assets	<u>-54.313</u>	<u>0</u>
Impairment losses and depreciation at 31 December	<u>29.885</u>	<u>80.003</u>
Carrying amount at 31 December	<u>5.533</u>	<u>32.532</u>

## Notes

	2021	2020
<b>6. Provisions for deferred tax</b>		
DKK'000		
Deferred tax at 1 January	-1.735	-2.440
Deferred tax asset, adjustment for the year	-3.137	1.109
Deferred tax liability, adjustment for the year	5.939	-404
<b>Deferred tax at 31 december</b>	<b>1.067</b>	<b>-1.735</b>
Provision for deferred tax relates to:		
Intangible assets	-1.217	-7.157
Property, plant and equipment	551	735
Loss carried forward	1.733	4.687
	<b>1.067</b>	<b>-1.735</b>

The deferred tax asset is not recognized in the annual report

## 7. Related party disclosures

Altia Denmark A/S' related parties comprise the following:

Parties exercising control

Anora Group Plc (parent company) holds the majority of the share capital in the Company.

All transactions are being performed on arms-length basis.

Consolidated Financial Statements.

The Company is included in the Group Annual Report of the parent Company Anora Group Plc.

The Group Annual Report of Anora Group Plc may be obtained at the following address:

<https://anora.com/en/investors/reports-and-presentations>

## 8. Contractual obligations and contingencies, etc

The Company is from 1 September 2021 jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Arcus Denmark A/S which is the administration company in the joint taxation.

DKK'000

### Lease liabilities

Next year	320	373
2-5 years	0	130
	<b>320</b>	<b>503</b>

### Rental liabilities

Next year	36	35
	<b>36</b>	<b>35</b>