



intertrust
GROUP

Moët Hennessy Danmark A/S

**Gammel Kongevej 60, 13.,
DK-1850 Copenhagen
CVR no. 27 96 01 97**

Annual report for 2020

Adopted at the annual general meeting
on 16 June 2021

Frank Jean Julius Floch'hley
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Moët Hennessy Danmark A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 16 June 2021

Executive board



Thibault Testot-Ferry
general manager nordic

Supervisory board



Frank Jean Julius Flochlay
Chairman



Thibault Testot-Ferry



Christophe Gunier

Independent auditor's report

To the shareholder of Moët Hennessy Danmark A/S

Opinion

We have audited the financial statements of Moët Hennessy Danmark A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 16 June 2021

Mazars
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41



Pia-Lund Lillebæk
State Authorised Public Accountant
MNE no. mne30257

Company details

Moët Hennessy Danmark A/S
Gammel Kongevej 60, 13.
DK-1850 Copenhagen

CVR-no. 27 96 01 97

Financial year: 1 January - 31 December 2020

Domicile: Copenhagen

Supervisory Board

Frank Jean Julius Floc'hlay, Chairman
Thibault Testot-Ferry
Christophe Guinler

Executive Board

Thibault Testot-Ferry

Auditors

Mazars
Statsautoriseret Revisionspartnerselskab
Midtermolen 1,2 left
DK-2100 Copenhagen

Bankers

BNP Paribas S.A. Denmark, Filial af BNP Paribas S.A. Frankrig
Adelgade 12, 3rd Floor
1304 Copenhagen K

Consolidated financial statements

Name and registered office of the parent preparing consolidated financial statements for the smallest group: LVMH Group S.A., Paris, France

Name and registered office of the parent preparing consolidated financial statements for the biggest group: LVMH Group S.A., Paris, France

The consolidated financial statements may be obtained at:
<https://www.lvmh.com/investors/>

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	20.824	24.110	23.785	24.459	22.234
Profit/loss before net financials	1.288	6.100	7.862	9.850	9.675
Net financials	-64	10.834	14.585	7.674	6.482
Profit/loss for the year	696	15.646	20.792	15.369	13.640
Balance sheet					
Balance sheet total	79.170	91.455	94.037	98.369	78.667
Investment in property, plant and equipment	323	54	39	55	85
Equity	36.884	51.188	53.542	62.750	47.382
Number of employees	21	23	20	17	18
Financial ratios					
Return on assets	1,5%	6,6%	8,2%	11,1%	12,7%
Solvency ratio	46,6%	56,0%	56,9%	63,8%	60,2%
Return on equity	1,6%	29,9%	35,8%	27,9%	33,6%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The objective of the company is trade in and distribution of, among other things, champagne, cognac and other alcoholic beverages and other related activities, and to act as holding company for sales and distribution companies in Norway, Sweden and Finland.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 695.946, and the balance sheet at 31 December 2020 shows equity of DKK 36.884.300.

Significant events occurring after the end of the financial year

Due to Covid-19, the Danish government has taken actions that restrict the on-trade activities (wholesalers, restaurants, hotels, night clubs, bars etc. in January to April (for now)). Moët Hennessy Danmark will be impacted negatively from this.

For now, the off-trade channel is not impacted negatively.

In the meantime, the company is working on recovery plan with our regional team and with our brand headquarters.

The Covid-19 will have a negative impact on Moët Hennessy Danmark business performance in 2021.

At this stage, Moët Hennessy Danmark remains confident on our capability to rebound on the medium term.

Expected development of the company, including specific prerequisites and uncertainties

The company expects a profit around TDKK 5.720 before tax and dividend from subsidiaries in 2021.

Profit/(loss) for the year relative to the expectations most recently expressed

The result is as expected due to Covid-19 situation in 2020, with bars, night clubs and restaurants closed most of the year.

Description of significant changes in the company's business and financial conditions

There are no particular risks.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		20.824.091	24.110.208
Staff expenses	1	-19.460.441	-17.956.956
Depreciation, amortisation and impairment of property, plant and equipment		-75.566	-52.974
Profit/loss before net financials		1.288.084	6.100.278
Income from investments in subsidiaries		0	10.823.225
Financial income		3.998	83.917
Financial expenses		-68.343	-73.048
Profit/loss before tax		1.223.739	16.934.372
Tax on profit/loss for the year	2	-527.793	-1.288.505
Profit/loss for the year		695.946	15.645.867
Distribution of profit	3		

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		338.710	91.577
Tangible assets	4	<u>338.710</u>	<u>91.577</u>
Investments in subsidiaries	5	239.911	239.911
Fixed asset investments		<u>239.911</u>	<u>239.911</u>
Total non-current assets		<u>578.621</u>	<u>331.488</u>
Finished goods and goods for resale		13.397.432	18.733.529
Stocks		<u>13.397.432</u>	<u>18.733.529</u>
Trade receivables		15.926.591	28.993.359
Receivables from group companies		47.995.903	41.720.437
Other receivables		16.563	84.730
Deferred tax asset		245.021	245.021
Corporation tax		679.161	421.600
Prepayments		330.801	892.015
Receivables		<u>65.194.040</u>	<u>72.357.162</u>
Cash at bank and in hand		<u>0</u>	<u>32.356</u>
Total current assets		<u>78.591.472</u>	<u>91.123.047</u>
Total assets		<u>79.170.093</u>	<u>91.454.535</u>

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		13.584.300	35.688.354
Proposed dividend for the year		22.800.000	15.000.000
Equity	6	<u>36.884.300</u>	<u>51.188.354</u>
Other provisions		14.283.497	12.343.570
Total provisions		<u>14.283.497</u>	<u>12.343.570</u>
Other payables		0	551.955
Total non-current liabilities	7	<u>0</u>	<u>551.955</u>
Trade payables		983.567	1.370.092
Payables to group companies		15.357.886	16.628.735
Other payables		11.660.843	9.371.829
Total current liabilities		<u>28.002.296</u>	<u>27.370.656</u>
Total liabilities		<u>28.002.296</u>	<u>27.922.611</u>
Total equity and liabilities		<u>79.170.093</u>	<u>91.454.535</u>
Staff expenses	1		
Subsequent events	8		
Rent and lease liabilities	9		
Contingent assets, liabilities and other financial obligations	10		
Related parties and ownership structure	11		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2020	500.000	35.688.354	15.000.000	51.188.354
Ordinary dividend paid	0	0	-15.000.000	-15.000.000
Net profit/loss for the year	0	-22.104.054	22.800.000	695.946
Equity at 31 December 2020	500.000	13.584.300	22.800.000	36.884.300

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	18.091.337	16.468.129
Pensions	1.229.406	1.283.974
Other social security costs	139.698	204.853
	<u>19.460.441</u>	<u>17.956.956</u>
Average number of employees	<u>21</u>	<u>23</u>
<p>During 2020 the company has had two general managers. Remuneration to the general managers for 2020 is on TDKK 2.076.</p> <p>There is no remuneration to members of the supervisory board.</p>		
2 Tax on profit/loss for the year		
Current tax for the year	527.793	1.399.228
Change in deferred tax for the year	0	-110.723
	<u>527.793</u>	<u>1.288.505</u>
3 Distribution of profit		
Proposed dividend for the year	22.800.000	15.000.000
Retained earnings	-22.104.054	645.867
	<u>695.946</u>	<u>15.645.867</u>

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2020	222.704
Additions for the year	322.699
Cost at 31 December 2020	545.403
Impairment losses and depreciation at 1 January 2020	131.127
Depreciation for the year	75.566
Impairment losses and depreciation at 31 December 2020	206.693
Carrying amount at 31 December 2020	338.710

Notes

	2020	2019
	DKK	DKK
5 Investments in subsidiaries		
Cost at 1 January 2020	239.911	239.911
Cost at 31 December 2020	239.911	239.911
Revaluations at 1 January 2020	0	0
Revaluations at 31 December 2020	0	0
Carrying amount at 31 December 2020	239.911	239.911

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Moët Hennessy Finland OY	Finland	100%	26.297.599	4.239.050
Moët Hennessy Sverige AB	Sweden	100%	35.720.828	8.579.780
Moët Hennessy Norge AS	Norway	100%	20.846.099	7.875.380

Notes

6 Equity

The share capital consists of 500 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

7 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Other payables	551.955	0	0	0
	551.955	0	0	0

8 Subsequent events

Due to Covid-19, the Danish government has taken actions that restrict the on-trade activities (wholesalers, restaurants, hotels, night clubs, bars etc. in March and April (for now). Moët Hennessy Danmark will be impacted negatively from this.

For now, the off-trade channel is not impacted negatively.

In the meantime, the company is working on recovery plan with our regional team and with our brand headquarters.

The Covid-19 will have a negative impact on Moët Hennessy Danmark business performance in 2021.

At this stage, Moët Hennessy Danmark remains confident on our capability to rebound on the medium term.

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
9 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Commitments under rental agreements or leases until expiry	<u>1.589.701</u>	<u>1.794.628</u>
	<u><u>1.589.701</u></u>	<u><u>1.794.628</u></u>

10 Contingent assets, liabilities and other financial obligations

Recourse and non-recourse guarantee commitments

Recourse and non-recourse guarantee commitments of 40.000 DKK in 2020 (2019: 40.000 DKK)

11 Related parties and ownership structure

Controlling interest

Moët Hennessy International SAS
24 Rue Jean Goujon
75382 Paris
France
4430 070 896 R.C.S

LVMH SAS
22 Avenue Montaigne
France
75008 Paris
775670417 R.C.S

Notes

11 Related parties and ownership structure (continued)

Transactions

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
Sale of services to group companies	9.402	9.344
Purchase of goods from group companies	56.471	78.623
Purchase of services from group companies	4.375	4.884
Receivables from group companies	47.996	41.720
Payables to group companies	15.398	16.629

Besides the above listed transaction, no other transactions were carried out with shareholders or other group companies in the year.

Accounting policies

The annual report of Moët Hennessy Danmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of goods

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Accounting policies

Tax on profit/loss for the year

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed entities to a tax refund are, as a minimum, reimbursed by the administration company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administration company.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of other and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Gains or losses from the disposal of equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of property, plant and equipment is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Changes in presentation of provisions

The company has decided to change the presentation of provisions by a reclassification. The financial statement is aligned with the Danish Financial Statement Act.

The change will reflect value of provision on a separate line in the liabilities.

The comparison figures for 2019 have been restated as well.

The change has resulted in a decrease in trade payables as of 31 December 2020 by DKK 14.283.497 and an increase in provisions 31 December 2020 by DKK 14.283.497.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate 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. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and 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 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.

Cash flow statement

In pursuance of section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the cash flows are included in the consolidated cash flow statement of the parent company.

Accounting policies

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$