

**JTI Denmark A/S
Tobaksvejen 2A
2860 Søborg**

Central Business Registration No. 28 51 99 58

Annual report 2020

The Annual General Meeting adopted the annual report on 30 June 2021

Chairman of the General Meeting

Name: Cormac O'Rourke

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Entity details

Entity

JTI Denmark A/S

Tobaksvejen 2A

2860 Søborg

Central Business Registration No. 28 51 99 58

Registered in: Gladsaxe

Financial year: 1 January 2020 to 31 December 2020

Phone: +45 43 20 06 00

Homepage: www.jti.com

Board of Directors

Cormac O'Rourke, Chairman

Eva Kristina Hassellund

George Metsis

Nadia Kristensen

Executive Board

George Metsis, CEO

Auditors

Deloitte, Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of JTI Denmark A/S for the financial year 1 January 2020 to 31 December 2020.

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

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

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

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

Søborg, 30 June 2021

Executive Board

George Metsis
CEO

Board of Directors

Cormac O'Rourke	Eva Kristina Hassellund	George Metsis	Nadia Kristensen
Chairman			

Independent auditor's report

To the shareholder of JTI Denmark A/S

Opinion

We have audited the financial statements of JTI Denmark A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

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

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

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

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 30 June 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No. 33 96 35 56

Jens Jørgensen Baes
State-Authorised Public Accountant
Identification No. (MNE) mne14956

Henrik Wolff Mikkelsen
State-Authorised Public Accountant
Identification No. (MNE) mne33747

Management commentary

The development of the Company is described by the following financial highlights:

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Profit/loss					
Revenue	990.967	717.710	638.678	620.454	649.189
Gross profit/loss	28.548	24.646	21.159	23.939	26.357
Operating profit/loss	2.230	1.966	1.587	1.641	2.521
Net financials	175	-565	-543	-538	-610
Profit/loss for the year	2.054	1.601	343	704	2.110
Balance sheet					
Total assets	573.448	381.984	216.812	191.235	261.047
Investments in property, plant and equipment	2.423	4.865	0	133	0
Equity	91.128	89.074	87.473	87.129	89.251
Number of employees	23	24	24	27	28
Ratios					
Solvency ratio	15,9	23,3	40,3	45,6	34,2
Profit margin	0,2	0,3	0,2	0,3	0,4
Return on assets	0,4	0,5	0,7	0,9	1,0

The ratios have been calculated in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies applied

Management commentary

Primary activity

The main activity of the Entity is to import and sell tobacco products.

Development in activities and finances

JTI Denmark A/S was the fastest growing RMC (ready made cigarettes) tobacco company in 2020, growing its average share of Market (SoM) from 9% in 2019 to 11.8% in 2020, reaching 14.8% in December 2020 and therefore growing its volume by cca. 15%. The main contributor of JTI Denmark A/S's growth was Winston, the 2nd largest RMC brand globally, which grew by 3.4pp vs. 2019 to 7.8% SoM, reaching considerable scale. In 2019 JTI Denmark A/S has entered as new category – Nicotine Pouches with currently 6 variants of Nordic Spirit on the market.

In 2014, JTI Denmark A/S was converted into a limited risk distributor after prior notice to the Danish Tax Agency (SKAT), by which the results from ordinary activities before tax are fixed at 2% of the net profit.

JTI Denmark A/S is part of a tax audit following the Danish Tax Agency's monitoring operation regarding the tax increase on cigarettes and smoking tobacco on 1 April 2020. The tax audit covers the period 20 November 2019 - 30 September 2020. A draft ruling with a claim of excise tax has been received and commented on. Management disagrees with the claim from the Danish Tax Agency. The outcome of the case is not expected to be decided in 2021.

Uncertainty regarding recognition and measurement

It is estimated that there is no significant uncertainty in the recognition and measurement of accounting figures.

Unusual conditions that can have affected recognition and measurement

It is estimated that there are no unusual conditions that can have affected recognition and measurement the accounting figures.

Outlook

As a consequence of the 47% excise tax increase on RMC in April 2020 and the corresponding price increases, JTI Denmark A/S expects that the decline of the legal RMC Market will accelerate in 2021. JTI Denmark A/S estimates that the rate of the legal RMC Market contraction may reach 12% in 2021 to the benefit of the Non-Domestic-Duty-Paid (NDDP) Market, namely border trade and illicit trade of cigarettes.

Despite regulatory challenges in terms of Retail Display Ban of tobacco products (entered into force in April 2021) and Standardized Packs rules (entering into force in July 2021), JTI Denmark A/S aims to defend its current market position and scale in 2021 and onwards.

Particular risks

JTI Denmark A/S is not subject to any current particular business risks, but the industry is always exposed to tightening of the tobacco-related legislation, including for example the political agreement from 2019 on a national action plan against smoking among children and young people. The Entity is neither exposed to any significant financial risks nor exchange rate risks.

Environmental performance

JTI Denmark A/S follows the Parent Company's efforts to reduce its waste and all kinds of energy wastage.

Report on corporate social responsibility**Business model**

The business model is to act as a sales company for the products manufactured by the Group. The products are primarily sold to the Danish retail industry.

Social considerations

JTI Denmark A/S generally wants to act with social commitment and responsibility, and we do not believe there is any material risk of having a negative impact on social conditions.

Environmental performance

JTI Denmark A/S is a wholesaler on the Danish market, and we do not believe there is any material risk of negatively affecting the environment or climate. As mentioned above, the Group works actively to reduce the amount of waste and all sorts of energy waste.

Human rights

As a Danish sales organisation in a global tobacco group, we do not believe there is any material risk of negatively affecting the human rights of our employees, customers or other stakeholders concerning, for example, health, non-discrimination and privacy.

Anti-corruption

JTI Denmark A/S operates on the Danish market in which we do not believe that we are considerably exposed to risks of corruption and bribery in connection with our sales and distribution channels.

Policy on corporate social responsibility

Based on the above risk assessments, the size of our organisation as well as our limited resources in general, separate policies on corporate social responsibility have not been prepared for which reason this management commentary does not separately account for our work with social responsibility.

JTI Denmark A/S's target for the underrepresented gender

JTI Denmark meets the requirements in relation to the underrepresented gender. The underrepresented gender has two out of four seats on the board.

JTI Denmark A/S is not subject to the requirement of target figures for the underrepresented gender in other management levels or the drafting of a policy on target figures for the underrepresented gender as the Entity has less than 50 employees.

Event after the balance sheet date

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

JTI Denmark A/S is very concerned about the health and safety of the employees and has therefore chosen to temporarily to close the office during the COVID-19 pandemic and asked the employees to temporarily work from home. The office is expected to reopen after the summer 2021.

JTI Denmark A/S has succeeded in maintaining a stable revenues and market share throughout these challenging times and the COVID-19 outbreak is not expected to have a material effect on the annual report.

Accounting policies

Reporting class

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

Recognition and measurement

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

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

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

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

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

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate.

Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Translation policies

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income Statement**Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of sales

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation & impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance Sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise intangible assets acquired.

Intangible assets acquired are measured at cost less accumulated amortisation. Intangible assets are amortised over five years.

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

Other fixtures and fittings

Other fixtures and fittings, tools and equipment as leasehold improvements and leased assets are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made based on the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment and buildings	3-10 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Property, plant, and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

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

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value, less write-downs for bad and doubtful debts.

Prepayments

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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

Cash flow statement

According to the exemption provisions of section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Solvency ratio (%) = The financial strength of the Entity = Equity at year-end x 100/Total assets

Profit margin (%) = Earnings ability of the Entity = Profit before financial items x 100/Revenue

Return on assets (%) = The Entity's ability to make profit of the assets = Profit before financial items x 100/Total assets

Income Statement January 1st - December 31st

	Note	2020 DKK	2019 DKK'000
Revenue	1	990.966.609	717.710
Cost of sales		(925.011.635)	(653.203)
Other external expenses	4	(37.406.717)	(39.861)
Gross Profit/loss		28.548.258	24.646
Staff costs	2	(23.954.877)	(20.452)
Amortisation, depreciation and impairment losses	3	(2.363.564)	(2.228)
Operating profit/loss		2.229.817	1.966
Other financial income	5	768.394	223
Other financial expenses	6	(943.768)	(788)
Profit/loss from ordinary activities before tax		2.054.443	1.401
Tax on profit/loss from ordinary activities	7	0	200
Profit/loss for the year	8	2.054.443	1.601
Distribution of profit			
Proposed distribution of profit			
Dividends for the financial year		0	0
Retained earnings		2.054.443	1.601
		2.054.443	1.601

Balance Sheet December 31st

Assets	Note	2020 DKK	2019 DKK'000
Intellectual intangible assets		331.109	579
Intangible assets	9	331.109	579
Leasehold improvements		204.339	1.022
Leasehold improvements		0	108
Other fixtures & fittings, tools and equipment		3.248.175	2.192
Property, plant and equipment including Leasing	10	3.452.514	3.322
Deposits		697.879	698
Deferred tax	11	2.300.000	2.300
Fixed asset investments	12	2.997.879	2.998
Fixed assets		6.781.502	6.899
Manufactured goods and goods for resale		372.409.970	247.851
Inventories	13	372.409.970	247.851
Trade receivables		176.956.533	120.053
Receivables from group enterprises		17.225.525	6.815
Prepayments	14	74.358	359
Receivables		194.256.416	127.227
Cash		0	8
Current assets		566.666.386	375.085
Assets		573.447.888	381.984

Balance Sheet December 31st

Liabilities and equity

	Note	2020 DKK	2019 DKK'000
Contributed capital	15	1.000.000	1.000
Retained earnings		90.128.472	88.074
Equity		91.128.472	89.074
Other provisions		2.741.245	2.391
Provisions		2.741.245	2.391
Other payables	16	3.383.263	1.974
Non-current liabilities other than provisions		3.383.263	1.974
Lease commitments		1.142.288	1.394
Trade payables		20.203.730	5.923
Payables to group enterprises		264.043.596	249.403
Other payables	17	190.805.294	31.825
Current liabilities other than provisions		476.194.908	288.545
Liabilities other than provisions		479.578.171	290.519
Equity and liabilities		573.447.888	381.984

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Equity December 31st

Equity	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2020	1.000.000	88.074.029	89.074.029
Net profit/loss for the year	0	2.054.443	2.054.443
Equity at 31 December 2020	1.000.000	90.128.472	91.128.472

The share capital consists of DKK 1,000,000 distributed on shares of DKK 100 or multiples hereof.

Notes to the Annual Report

	2020 DKK	2019 DKK'000
1. Revenue		
Sale of tobacco products in Denmark	990.966.609	717.710
	990.966.609	717.710
2. Staff costs		
Wages and salaries	20.797.606	17.723
Pension costs	796.004	889
Other staff related costs	2.361.267	1.840
	23.954.877	20.452
Average number of full-time employees	23	24
Remuneration for the Executive and Supervisory boards		
Executive board	3.932.000	2.927
	3.932.000	2.927
3. Amortisation, depreciation and impairment losses		
Amortisation on intangible assets	248.332	248
Depreciation on property, plant and equipment	147.922	189
Depreciation on leased assets (IFRS16)	1.967.310	1.791
	2.363.564	2.228

Notes to the Annual Report

	2020 DKK	2019 DKK'000
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	174.500	133
Other audit services	145.559	222
	320.059	355
5. Other financial income		
Interest	0	43
Financial income from group enterprises	632.603	178
Other financial income	54.255	1
Currency translation adjustments	81.535	2
	768.393	224
6. Other financial expenses		
Interest expenses	783.458	480
Currency translation adjustments	0	24
Financial expenses from group enterprises	57.079	148
Other financial expenses	103.231	136
	943.768	788
7. Corporation tax		
Changes in deferred tax	0	200
	0	200

Notes to the Annual Report

	2020	2019
	DKK	DKK'000
8. Proposed distribution of profit		
Retained earnings	2.054.443	1.601
	2.054.443	1.601

Acquired intangible assets Acquired intangible assets

9. Intangible assets

Cost beginning of year	1.241.659	1.242
Cost end of year	1.241.659	1.242
Amortisation and impairment losses beginning of year	(662.218)	(414)
Amortisation	(248.332)	(248)
Amortisation and impairment losses end of year	(910.550)	(662)
Carrying amount end of year	331.109	579

Notes to the Annual Report

	2020 Buildings	2020 Leasehold improve- ments	2020 Vehicles	2020 Total
	DKK	DKK	DKK	DKK
10. Tangible assets				
Cost at 1 January 2020	1.839.051	1.269.966	3.343.762	6.452.778
Disposals	0	0	(992.112)	(992.112)
Additions for the year	0	0	2.423.431	2.423.431
Cost at 31 December 2020	1.839.051	1.269.966	4.775.081	7.884.099
Depreciation and impairment losses at 1 January 2020	(817.356)	(1.161.259)	(1.151.923)	(3.130.538)
Reversal regarding disposals	0	0	814.185	814.185
Depreciation	(817.356)	(108.707)	(1.189.168)	(2.115.231)
Amortisation and impairment losses at 31 December 2020	(1.634.712)	(1.269.966)	(1.526.906)	(4.431.584)
Carrying amount at 31 December 2020	204.339	0	3.248.175	3.452.514
Including assets under finance leases amounting to	204.339	0	2.990.033	3.194.372

Notes to the Annual Report

	2020 DKK	2019 DKK'000
11. Deferred tax		
Changes during year		
Beginning of year	2.300.000	2.100
Recognised in the income statement	0	200
End of year	2.300.000	2.300

Tax loss carry forwards are recognized at the value at which it is expected to be realized within 1-5 years by 22% in corporation tax.

	2020 Deposits DKK	2020 Deferred tax DKK
12. Fixed asset investments		
Cost at 1 January 2020	697.879	2.300.000
Cost at 31 December 2020	697.879	2.300.000
Carrying amount end of year	697.879	2.300.000

13. Inventories

Duty stamps	219.182.457	44.312
Goods for resale, including duty stamps	153.227.513	203.539
	372.409.970	247.851

Notes to the Annual Report

	2020 DKK	2019 DKK'000
14. Prepayments		
Prepayments	74.358	359
	74.358	359

Prepayments primarily comprise prepaid expenses concerning rent and insurance.

	Number 2020	Par value DKK	Nominal value DKK
15. Contributed capital			
Ordinary shares	10.000	100,00	1.000.000
Total	10.000		1.000.000

No changes to the contributed capital during the last five years.

	2020 DKK	2019 DKK'000
16. Other payables		
Holiday pay obligations	1.953.811	493
Other accrued expenses	1.429.452	1.481
	3.383.263	1.974

17. Other payables

Holiday pay obligations	867.243	1.453
VAT and duties	184.904.786	28.131
Wages and salaries, personal income taxes, social security costs, etc.	5.033.265	2.239
Payable	190.805.294	31.825

Notes to the Annual Report

18. Related Parties

Controlling interest

JT International Holding B.V.
Bella Donna 4
1181 RM Amstelveen
The Netherlands

Japan Tobacco Inc.
2-1, Toranomom 2-chrome
Minato-ku, Tokyo 105-8422
Japan

	2020	2019
	DKK	DKK'000
19. Contingent Liabilities		
Recourse and non-recourse guarantee commitments	200.000.000	200.000
Contingent Liabilities to third parties	200.000.000	200.000

JTI Denmark A/S is part of a tax audit following the Danish Tax Agency's monitoring operation regarding the tax increase on cigarettes and smoking tobacco on 1 April 2020. The tax audit covers the period 20 November 2019 - 30 September 2020. A draft ruling with a claim of excise tax has been received and commented on. Management disagrees with the draft ruling. No final ruling has been received.

20. Transaction with related parties

The annual report show only transaction with related parties, which have not been implemented on market terms. No such transactions have taken place during the financial year.

Notes to the Annual Report

21. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Japan Tobacco Inc.
2-1, Toranomom 2-chrome
Minato-ku, Tokyo 105-8422 Japan

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

JT International Holding B.V.
Bella Donna 4
1181 RM Amstelveen
The Netherlands

The Consolidated Financial Statements may be obtained at the following address:

JTI Denmark A/S
Tobaksvejen 2A
DK-2860 Søborg