

Marie Brizard Wine & Spirits Scandinavia A/S

Generatorvej 6A, 3.

DK-2860 Søborg

Annual report 2021

CVR no. 29 62 86 29

The annual report was presented and approved at the
Company's annual general meeting

on April 5th, 2022

Hanne Hilslev
chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Financial statements 1 January – 31 December	6
Income statement	6
Balance sheet	7
Notes	9

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Marie Brizard Wine & Spirits Scandinavia A/S for the financial year 1 January – 31 December 2021.

The annual report has been 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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's activities for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Søborg, 5 April 2022
Executive Board:

Andrew Highcock

Board of Directors:

Jean-Myrtil Laurent
Chairman

Andrew Highcock

Emmanuel Augustin

Independent auditor's report

To the shareholders of Marie Brizard Wine & Spirits Scandinavia A/S

Opinion

We have audited the financial statements of Marie Brizard Wine & Spirits Scandinavia A/S for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position 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.

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 independent auditor's report

- 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 the Management's review

Management is responsible for the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 5 April 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Yde Schmidt
State Authorised
Public Accountant
MNE no. 42821

Management's review

Operating review

Marie Brizard Wine & Spirits Scandinavia A/S was founded in July 2006 as a subsidiary to the French company Marie Brizard Wine & Spirits S.A.

Principal activities in Marie Brizard Wine & Spirits Scandinavia A/S

The main activity of Marie Brizard Wine & Spirits Scandinavia is import to the Danish market of the Marie Brizard Wine & Spirits Group spirits brands including Sobieski Vodka, Marie Brizard liqueurs, Gautier Cognac, San José tequila and several vodka brands to the Danish retail market. Furthermore, Marie Brizard Wine & Spirits Scandinavia A/S oversees the sales of the Marie Brizard Wine & Spirits Group products to the other Scandinavian countries. In addition, the company is distributor of agency brands such as Cutty Sark, Glen Moray, Kidibul, Mulata Rum, Henkell and Franklin and Sons Mixers.

Development in activities and financial matters

The loss for 2021 amounts to DKK 285 thousand and is not in line with the expected result, but a consequence of COVID-19. The effect of the market has been longer and more restricted than expected.

Because of the Government's measures to curtail the spread of COVID-19, the Company has been faced with a material decline in revenue. This were primarily due to government business closure order and public gathering ban. If these restrictions are in force, they will have a negative impact on the Company's financial position.

Marie Brizard Wine & Spirits Scandinavia A/S has applied for aid under the government aid packages to cover salaries and fixed costs. These are not expected to compensate for the revenue decline.

In addition, see the section "Other operating income - Government grants"

Events after the balance sheet date

No significant events have occurred after closing the 2021 reporting.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit/loss		4.599	3.272
Staff costs	2	-5.040	-4.490
Depreciation on property, plant, and equipment		-457	-413
Other operating income	3	592	271
Operating profit/loss		-306	-1.360
Financial income		50	51
Financial expenses		-74	-111
Profit/loss before tax		-330	-1.420
Tax on profit/loss for the year	4	45	-67
Profit/Loss for the year		<u>-285</u>	<u>-1.487</u>
Proposed distribution of loss			
Retained earnings		-285	-1.487
		<u>-285</u>	<u>-1.487</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Fixed assets			
Property, plant, and equipment			
Equipment		350	378
		<u>350</u>	<u>378</u>
Investments			
Other receivables		40	40
		<u>40</u>	<u>40</u>
Total fixed assets		<u>390</u>	<u>418</u>
Current assets			
Inventories			
Finished goods and goods for resale		3.046	2.213
		<u>3.046</u>	<u>2.213</u>
Receivables			
Trade receivables		5.253	2.185
Receivables from group entities		3.072	2.988
Deferred tax asset	4	121	76
Other receivables		330	614
		<u>8.776</u>	<u>5.863</u>
Cash at bank and in hand		<u>4.065</u>	<u>6.223</u>
Total current assets		<u>12.841</u>	<u>12.086</u>
TOTAL ASSETS		<u><u>16.277</u></u>	<u><u>14.717</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Share capital	5	2.605	2.605
Retained earnings		2.871	3.156
Total equity		5.476	5.761
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	6	154	150
		154	150
Current liabilities other than provisions			
Bank debt		35	12
Lease obligations	6	154	191
Trade payables		2.839	1.386
Payables to group entities		1.959	1.478
Other payables		5.660	5.739
		10.648	8.806
Total liabilities other than provisions		10.801	8.956
TOTAL EQUITY AND LIABILITIES		16.277	14.717
Collaterals	7		
Related parties	8		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Marie Brizard Wine & Spirits Scandinavia A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act

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 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 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

Revenue

Income from the sale of goods, comprising the sale of spirits, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, etc.

Gross profit

In the income statement revenue is aggregated with costs incurred generate the revenue for the year and other external expenses to gross profit in accordance with section 32 in the Danish Financial Statements Act.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension, and other social security costs, excluding reimbursements from public authorities.

Other operating income - Government grants

Government grants are recognised when it is certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies.

Tax on loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement at the amount attributable to the loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant, and equipment

Equipment is measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Equipment	5 years
-----------	---------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

Leases

When entering a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration. When an assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if

the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Impairment of fixed assets

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

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 are measured at cost, comprising purchase price plus delivery costs.

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

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.

Equity

Dividends

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

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 measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax because of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

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

Financial statements 1 January – 31 December

Notes

DKK'000	2021	2020
2 Staff costs		
Wages and salaries	4.608	4.084
Pensions	373	380
Other social security costs	59	26
	<u>5.040</u>	<u>4.490</u>
Average number of full-time employees	<u>8</u>	<u>8</u>
3 Other operating income		
Compensation under COVID-19 government aid packages	592	271
	<u>592</u>	<u>271</u>
4 Tax on loss for the year		
Change for the year in deferred tax	-45	67
	<u>-45</u>	<u>67</u>

5 Capital and reserves

The share capital consists of 3,500 shares of nominally EUR 100 each. No shares have been ascribed special rights.

The movements in the capital and reserves are specified as follows:

DKK'000	Share capital	Retained earnings	Total
Capital and reserves on 1 January 2021	2.605	3.156	5.761
Transferred from profit for the year	-	-285	-285
Capital and Reserves on 31 December 2021	<u>2.605</u>	<u>2.871</u>	<u>5.476</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2021	2020
6 Lease obligations		
0-1 year	154	191
1-5 year	154	150
	<u>308</u>	<u>341</u>

7 Collaterals

DKK 100 thousand of the Company's cash at bank and in hand is placed in a collateral account.

8 Related parties

The Company's Board of Directors and Executive Board.

Controlling interest

Marie Brizard Wine & Spirits S.A., France

Related party transactions

Related party transactions comprise intra-group purchase and sale of goods as well as intra-group balances. The transactions have been carried out in accordance with the arm's length principle and as agreed.

Ownership

The Company is a wholly owned subsidiary of Marie Brizard Wine & Spirits S.A, France.

Control

Marie Brizard Wine & Spirits Scandinavia A/S is part of the consolidated financial statements of Marie Brizard Wine & Spirits SA, 27-29 rue de Provence

75009 Paris - France, which is the smallest group in which the Company is included as a subsidiary.