

**Treasury Wine Estates
Denmark ApS**

Sundkrogsgade 21
2100 København Ø
Business Registration No
31632250

**Annual report 01.07.2018
- 30.06.2019**

The Annual General Meeting adopted the annual report on 12.12.2019

Chairman of the General Meeting

Name: Vibeke Rohde

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Entity details

Entity

Treasury Wine Estates Denmark ApS
Sundkrogsgade 21
2100 København Ø

Central Business Registration No (CVR): 31632250

Registered in: København

Financial year: 01.07.2018 - 30.06.2019

Executive Board

Michelle Elizabeth Brampton

Derek William Nicol

Vibeke Rohde

Niels Christian Wedell-Wedellsborg

Auditors

KPMG Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28

2100 København Ø

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Treasury Wine Estates Denmark ApS for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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.

Copenhagen, 12.12.2019

Executive Board

Michelle Elizabeth Brampton

Derek William Nicol

Vibeke Rohde

Niels Christian Wedell-
Wedellsborg

Independent auditor's report

To the shareholders of Treasury Wine Estates Denmark ApS

Opinion

We have audited the financial statements of Treasury Wine Estates Denmark ApS for the financial year 01.07.2018 - 30.06.2019, 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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 12.12.2019

KPMG

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 25578198

Henrik Kyhnauv-Andersen
State Authorised Public Accountant
Identification No (MNE) mne40028

Management commentary

Primary activities

During the year, the Company continued to act as a sales and marketing support agent for its parent company, Treasury Wine Estates EMEA Ltd in respect of sales made to Danish customers. It also entered into an agreement with a third party local warehousing and packaging supplier to produce Bag-In-Box product from bulk wine purchased from related parties, in readiness for its transition into a trading entity. The purchase of bulk wine and the production of Bag-In-Box product had begun in the year but sales of this product did not commence until the following year.

Development in activities and finances

The profit for the year amounts to DKK 73.452 against a profit last year of DKK 61.936. The management considers the result satisfying.

Events 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.

Income statement for 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Gross profit		1.219.938	975.444
Staff costs	1	<u>(1.120.770)</u>	<u>(909.136)</u>
Operating profit/loss		99.168	66.308
Other financial income		149	24.430
Other financial expenses		<u>(922)</u>	<u>(4.999)</u>
Profit/loss before tax		98.395	85.739
Tax on profit/loss for the year	2	<u>(24.943)</u>	<u>(23.803)</u>
Profit/loss for the year		<u>73.452</u>	<u>61.936</u>
Proposed distribution of profit/loss			
Retained earnings		<u>73.452</u>	<u>61.936</u>
		<u>73.452</u>	<u>61.936</u>

Balance sheet at 30.06.2019

<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Raw materials and consumables	8.036.769	0
Manufactured goods and goods for resale	<u>1.570.341</u>	<u>0</u>
Inventories	<u>9.607.110</u>	<u>0</u>
Receivables from group enterprises	1.566.396	865.242
Other receivables	<u>391.760</u>	<u>114.896</u>
Receivables	<u>1.958.156</u>	<u>980.138</u>
Cash	<u>0</u>	<u>1.209.577</u>
Current assets	<u>11.565.266</u>	<u>2.189.715</u>
Assets	<u>11.565.266</u>	<u>2.189.715</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		125.000	125.000
Retained earnings		<u>1.506.629</u>	<u>1.433.177</u>
Equity		<u>1.631.629</u>	<u>1.558.177</u>
Bank loans		4.989.781	0
Trade payables		1.089.388	34.916
Payables to group enterprises		3.295.457	0
Income tax payable		30.281	20.389
Other payables		<u>528.730</u>	<u>576.233</u>
Current liabilities other than provisions		<u>9.933.637</u>	<u>631.538</u>
Liabilities other than provisions		<u>9.933.637</u>	<u>631.538</u>
Equity and liabilities		<u>11.565.266</u>	<u>2.189.715</u>

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	1.433.177	1.558.177
Profit/loss for the year	0	73.452	73.452
Equity end of year	125.000	1.506.629	1.631.629

Notes

	2018/19	2017/18
	DKK	DKK
1. Staff costs		
Wages and salaries	1.002.483	804.896
Pension costs	102.714	98.759
Other social security costs	15.573	5.481
	1.120.770	909.136
Average number of employees	1	
	2018/19	2017/18
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	24.943	22.158
Adjustment concerning previous years	0	1.645
	24.943	23.803

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue earned by the Company during the year are in respect of the provision of sales and marketing support activities to its parent company, for which it is remunerated on a cost plus mark-up basis.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

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 writedowns 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.

Other financial income

Other financial income comprises interest income, 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, 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

Inventories

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

Cost consists of purchase price of bulk wine, delivery costs, dry goods and filling costs.

Accounting policies

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 in respect of the sales and marketing service fee that is charged to its parent company, Treasury Wine Estates EMEA Ltd.

Cash

Cash comprises bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.