

Interbrands Nordic ApS

Tornerosevej 127A, 2730 Herlev

Company reg. no. 31 87 99 81

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 14 May 2020.

Jacob Hertz
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2019	
Income statement	7
Statement of financial position	8
Statement of changes in equity	10
Notes	11
Accounting policies	12

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Interbrands Nordic ApS for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Herlev, 5 May 2020

Managing Director

Jacob Hertz

Board of directors

Jan Erik Ræiha

Michael Bent Allan Zachrisson

Johan Anders Rehn

Øyvind Berg

Jacob Hertz

Independent auditor's report

To the shareholders of Interbrands Nordic ApS

Opinion

We have audited the annual accounts of Interbrands Nordic ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 5 May 2020

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Henrik Juul Thomsen

State Authorised Public Accountant
mne33734

Company information

The company

Interbrands Nordic ApS
Tornerosevej 127A
2730 Herlev

Company reg. no. 31 87 99 81
Established: 11 December 2008
Domicile:
Financial year: 1 January - 31 December
14th financial year

Board of directors

Jan Erik Ræiha
Michael Bent Allan Zachrisson
Johan Anders Rehn
Øyvind Berg
Jacob Hertz

Managing Director

Jacob Hertz

Auditors

Redmark
Statsautoriseret Revisionspartnerselskab
Dirch Passers Allé 76
2000 Frederiksberg

Management commentary

The principal activities of the company

The company's activity is to trade in wine and spirits.

Development in activities and financial matters

The gross profit for the year is EUR 3.836 against EUR 4.144 last year. The results from ordinary activities after tax are EUR 2.663 against EUR 3.166 last year. The management consider the results satisfactory.

The expected development

After the end of the financial year, the outbreak of the disease COVID19 occurred as a result of the spread of Coronavirus. It is estimated that all of the company's business areas may be affected by the outbreak. Although it is at an early stage to assess the effects hereof, it is the management's assessment that the outbreak can result in significant financial consequences for 2020.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	3.836	4.144
Other financial income	-149	-11
Other financial costs	-254	-87
Pre-tax net profit or loss	3.433	4.046
Tax on ordinary results	-770	-880
Net profit or loss for the year	2.663	3.166
 Proposed appropriation of net profit:		
Transferred to retained earnings	2.663	3.166
Total allocations and transfers	2.663	3.166

Statement of financial position at 31 December

All amounts in EUR.

Assets		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Non-current assets			
1	Equity investments in group enterprises	5.859	5.859
	Other financial instruments and equity investments	<u>249.882</u>	<u>113.013</u>
	Total investments	<u>255.741</u>	<u>118.872</u>
	Total non-current assets	<u>255.741</u>	<u>118.872</u>
Current assets			
	Other receivables	<u>0</u>	<u>6.390</u>
	Total receivables	<u>0</u>	<u>6.390</u>
	Available funds	<u>26.518</u>	<u>51.544</u>
	Total current assets	<u>26.518</u>	<u>57.934</u>
	Total assets	<u>282.259</u>	<u>176.806</u>

Statement of financial position at 31 December

All amounts in EUR.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
Contributed capital		21.000	20.000
Share premium		0	0
Retained earnings		<u>255.074</u>	<u>153.411</u>
Total equity		<u>276.074</u>	<u>173.411</u>
Liabilities other than provisions			
Bank debts		158	3
Trade payables		1.607	1.607
Payables to shareholders and management		3	3
Income tax payable		770	1.782
Other payables		<u>3.647</u>	<u>0</u>
Total short term liabilities other than provisions		<u>6.185</u>	<u>3.395</u>
Total liabilities other than provisions		<u>6.185</u>	<u>3.395</u>
Total equity and liabilities		<u>282.259</u>	<u>176.806</u>

2 Charges and security

3 Contingencies

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Share premium	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity 1 January 2019	20.000	0	153.411	173.411
Cash capital increase	1.000	99.000	0	100.000
Profit or loss for the year brought forward	0	0	2.663	2.663
Transferred to retained earnings	0	-99.000	0	-99.000
Transferred from share premium	0	0	99.000	99.000
	<u>21.000</u>	<u>0</u>	<u>255.074</u>	<u>276.074</u>

Notes

All amounts in EUR.

	<u>2019</u>	<u>2018</u>
1. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	<u>5.859</u>	<u>5.859</u>
Book value 31 December 2019	<u>5.859</u>	<u>5.859</u>

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity EUR	Results for the year EUR
Interbrands USA LLC, USA	80 %	44.673	1.400

2. Charges and security

None.

3. Contingencies

Contingent liabilities

None

Accounting policies

The annual report for Interbrands Nordic ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for administration.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Accounting policies

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Financial fixed assets

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Other securities and equity investments

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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