

Det Danske Spiritus Kompagni A/S

Borgergade 24 B, 1.
1300 Copenhagen K
CVR No. 34702063

Annual report 2023

The Annual General Meeting adopted the annual report on 10.06.2024

Sigmund Laszlo Toth

Chairman of the General Meeting

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Entity details

Entity

Det Danske Spiritus Kompagni A/S
Borgergade 24 B, 1.
1300 Copenhagen K

Business Registration No.: 34702063
Date of foundation: 01.09.2012
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Kirsi Marjaana Puntila, Chairman
Henrik Bodekær Thomsen
Sigmund Laszlo Toth

Executive Board

Christian Alsing, managing director

Auditors

Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Det Danske Spiritus Kompagni A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 10.06.2024

Executive Board

Christian Alsing
managing director

Board of Directors

Kirsi Marjaana Puntila
Chairman

Henrik Bodekær Thomsen

Sigmund Laszlo Toth

Independent auditor's report

To the shareholders of Det Danske Spiritus Kompagni A/S

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Det Danske Spiritus Kompagni A/S for the financial year 1 January - 31 December 2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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, in our view, 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 in Management's Review.

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 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.

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 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.

Hellerup, 10.06.2024

Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231

Flemming Eghoff

State Authorised Public Accountant

Identification No (MNE) mne30221

Kenneth Østergaard

State Authorised Public Accountant

Identification No (MNE) mne47262

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	28,116	8,426	12,598	12,158	13,441
Operating profit/loss	16,202	468	3,402	3,664	6,365
Net financials	(0)	(14)	(24)	(59)	(21)
Profit/loss for the year	12,635	349	2,634	4,379	4,379
Total assets	83,284	72,022	77,045	56,091	57,900
Equity	19,150	6,855	9,205	9,371	10,892
Average number of employees	15	11	12	12	12
Ratios					
Return on equity (%)	97.17	435.00	28.36	27.43	41.11
Equity ratio (%)	22.99	9.52	11.95	16.71	18.81

Financial highlights are defined and calculated based on below:

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The primary activities of Det Danske Spiritus Kompagni A/S are marketing and sale of Danish brands and spirits with proud traditions on the domestic market in Denmark. The company also sells foreign-owned brands owned by both other Group companies and other producers of spirits on the domestic market in Denmark

Development in activities and finances

The company's income statement for the year ended 31.12.2023 shows a profit before tax for the year of 16,2 MDKK while the balance sheet shows equity of 19,1 MDKK at 31.12.2023. The company has in 2023 expanded the portfolio so that it now includes the entire Anora portfolio (Ex. Arcus & ex. Altia) and thereby increased the activities considerably. The most important categories are aquavit and bitter. Despite the continued decline in these categories the company has managed to gain further market shares.

Profit/loss for the year in relation to expected developments

The profit for 2023 exceeds our expectations for 2023, and we will continue our strategic focus.

Risk from external factors

External market conditions are still challenging after years with high inflation and war in Ukraine. Focus has been "profit protection" and management are satisfied with the financial performance in the year. Management is working hard on strategies to change the negative trend in the aquavit and bitter categories and to grow in other important categories e.g. own Vodka.

Outlook

We aim to significantly increase the share of our business both through organic growth and growth from new categories with annual Net Sales Growth of 3-5% and EBITDA growth of 4-8%. This through increased focus on new launches, margin focus and scale benefits on indirect costs.

Environmental performance

Det Danske Spiritus Kompagni A/S' impact on the external environment is deemed limited for the office-based activities and in line with similar administrative operations. The movement of goods to consumer via retailer impacts the environment and the limitation of this to furthest extent possible remains a key priority for the company.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		28,116,061	8,425,632
Staff costs	2	(11,914,352)	(7,957,174)
Operating profit/loss		16,201,709	468,458
Other financial expenses	3	(493)	(13,609)
Profit/loss before tax		16,201,216	454,849
Tax on profit/loss for the year	4	(3,566,000)	(105,700)
Profit/loss for the year	5	12,635,216	349,149

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Deposits		543,142	496,453
Deferred tax	7	3,000	5,000
Financial assets	6	546,142	501,453
Fixed assets		546,142	501,453
Trade receivables		64,228,866	49,702,792
Receivables from group enterprises		18,181,119	21,588,185
Other receivables		97,520	103,680
Prepayments	8	228,564	123,961
Receivables		82,736,069	71,518,618
Cash		2,157	2,028
Current assets		82,738,226	71,520,646
Assets		83,284,368	72,022,099

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	9	6,500,000	6,500,000
Retained earnings		730	14,514
Proposed dividend		12,649,000	340,000
Equity		19,149,730	6,854,514
Trade payables		9,418,753	9,628,824
Payables to group enterprises		37,685,893	42,717,494
Tax payable		3,564,000	101,000
Other payables		13,465,992	12,720,267
Current liabilities other than provisions		64,134,638	65,167,585
Liabilities other than provisions		64,134,638	65,167,585
Equity and liabilities		83,284,368	72,022,099
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		
Group relations	15		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	6,500,000	14,514	340,000	6,854,514
Ordinary dividend paid	0	0	(340,000)	(340,000)
Profit/loss for the year	0	(13,784)	12,649,000	12,635,216
Equity end of year	6,500,000	730	12,649,000	19,149,730

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	10,826,009	7,314,645
Pension costs	976,455	563,204
Other social security costs	111,888	79,325
	11,914,352	7,957,174
Average number of full-time employees	15	11

Persuant to Section 98 (b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board and Board of Directors has not been disclosed.

3 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	333	11
Interest regarding tax paid on account	160	13,598
	493	13,609

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	3,564,000	101,000
Change in deferred tax	2,000	4,700
	3,566,000	105,700

5 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	12,649,000	340,000
Retained earnings	(13,784)	9,149
	12,635,216	349,149

6 Financial assets

	Deposits	Deferred tax
	DKK	DKK
Cost beginning of year	496,453	5,000
Additions	46,689	0
Disposals	0	(2,000)
Cost end of year	543,142	3,000
Carrying amount end of year	543,142	3,000

7 Deferred tax

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	5,000	9,700
Recognised in the income statement	(2,000)	(4,700)
End of year	3,000	5,000

Deferred tax assets

The deferred tax assets relates to timing differences on fixed assets.

8 Prepayments

Prepayments relates to rent, insurance etc. which relates to next financial year.

9 Share capital

The share capital have not been change for the last 5 years.

10 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,492,000	1,479,000

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Arcus Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total

known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

The company has deposited DKK 40 thousand as security for duty and taxes.

13 Related parties with controlling interest

Arcus-Gruppen AS, Destilleriveien 11, Hagen, Norway owns all shares in the Entity, thus exercising control.

14 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

15 Group relations

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

Anora Group Oyj, Finland.

Copies of the consolidated financial statements of Anora Group Oyj can be obtain on;
<https://anora.com/en/investors/reports-and-presentations>

Accounting policies

Reporting class

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

The annual report have been prepared in DKK.

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

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 effected 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.

Foreign currency translation

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 rate 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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. The Company has chosen IAS 18 as interpretation for revenue recognition.

Costs of raw materials and consumables

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 normal writedowns 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 writedowns of receivables recognised in current assets.

Staff costs

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Company is jointly taxed with all Danish entities of the Anora group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Deferred tax**

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts. The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease, in accordance with IAS 17

Other financial liabilities

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

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.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Anora Group Oyj., Kaapeliukio 1, P.O. Box 350, 00101 Helsinki, Finland - Business Reg. No. F115055557,