



Conaxess Trade Denmark Beverages A/S

Stamholmen 151, 4.
2650 Hvidovre
CVR No. 63395013

Annual report 2021

The Annual General Meeting adopted the
annual report on 07.06.2022

Nils Holger Haase

Chairman of the General Meeting

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Entity details

Entity

Conaxess Trade Denmark Beverages A/S

Stamholmen 151, 4.

2650 Hvidovre

Business Registration No.: 63395013

Registered office: Hvidovre

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Nils Holger Hasse, Chairman

Jacob Schilling

Uwe Thellmann

Hanne Magnussen

Joachim Jürgen Scholz

Anthony Leonard Hunt

Executive Board

Jan Rose Pedersen, Managing Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Conaxess Trade Denmark Beverages A/S for the financial year 01.01.2021 - 31.12.2021.

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 Company's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Hvidovre, 07.06.2022

Executive Board

Jan Rose Pedersen
Managing Director

Board of Directors

Nils Holger Hasse
Chairman

Jacob Schilling

Uwe Thellmann

Hanne Magnussen

Joachim Jürgen Scholz

Anthony Leonard Hunt

Independent auditor's report

To the shareholders of Conaxess Trade Denmark Beverages A/S

Opinion

We have audited the financial statements of Conaxess Trade Denmark Beverages A/S for the financial year 01.01.2021 - 31.12.2021, 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 Company's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 Company 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 Company'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 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.

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.

Hvidovre, 07.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant

Identification No (MNE) mne10944

Management commentary

Financial highlights

| | 2021 DKK'000 | 2020 DKK'000 | 2019 DKK'000 | 2018 DKK'000 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| Key figures | | | | |
| Gross profit | 27,384 | 24,783 | 21,942 | 16,551 |
| Operating profit/loss | 8,423 | 6,331 | 7,225 | 4,855 |
| Net financials | 1,018 | 605 | 227 | 45 |
| Profit/loss for the year | 7,341 | 5,400 | 5,786 | 3,812 |
| Total assets | 162,089 | 143,999 | 149,405 | 91,898 |
| Equity | 31,669 | 24,329 | 18,929 | 13,143 |
| Ratios | | | | |
| Return on equity (%) | 26.22 | 24.97 | 36.08 | 33.92 |
| Equity ratio (%) | 19.54 | 16.90 | 12.66 | 14.30 |

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

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

Ratios reflect

Return on equity

The Company's return on capital invested in the Company by the owners

Equity ratio

The financial strength of the Company

Primary activities

Conaxess Trade Denmark Beverages A/S is a sales and marketing company whose principal activity is distribution of branded goods, with main emphasis on spirits, Ready to Drink, Ready to Serve, champagne and wines.

Development in activities and finances

The profit from ordinary activities after tax is DKK 7,341 thousand against DKK 5,400 thousand last year.

Management considers the result satisfactory considering the impact from COVID-19 restrictions that changed many dynamics in the marketplace versus the Off trade (Retail), On trade (bars and restaurants) and Border trade.

Profit/loss for the year in relation to expected developments

Management considers the result very satisfactory.

Uncertainty relating to recognition and measurement

There have been no uncertainties as to recognition or measurement in 2021.

Unusual circumstances affecting recognition and measurement

None.

Outlook

Results for 2022 are expected to be higher than for 2021 as Management expects income for 2022 to be normalized compared to 2021 which, despite experiencing growth in gross profit, was affected by the COVID-19 pandemic. In the previous years with the pandemic, the Company had implemented specific cost saving programs, something that is not planned for in 2022, as the year is basically planned to be without any specific circumstances.

The focus in 2022 will be on continued consolidation and growth of current portfolio, improvement of earnings, adding strategic principals / brands to support the existing portfolio as well as continuous improvement of capital resources. Management expects that price increases will play an important role, as the market saw many signs of such actions by end of 2021.

The Company is not exposed to any significant risks relating to individual customers or trading partners. All customers are credit rated initially and on a sample basis in connection with the ongoing evaluation of the credit limits.

The Company's cash and bank loans yield interest at current floating interest rates.

Environmental performance

The Company has implemented Code of Conduct in 2017, which among other things includes policies for climate impact.

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 2021

| | Notes | 2021 DKK'000 | 2020 DKK'000 |
|--|-------|-----------------|-----------------|
| Gross profit/loss | | 27,388 | 24,783 |
| Staff costs | 1 | (18,890) | (18,381) |
| Depreciation, amortisation and impairment losses | | (71) | (71) |
| Operating profit/loss | | 8,427 | 6,331 |
| Other financial income | 2 | 3,263 | 3,307 |
| Other financial expenses | 3 | (2,245) | (2,702) |
| Profit/loss before tax | | 9,445 | 6,936 |
| Tax on profit/loss for the year | 4 | (2,104) | (1,536) |
| Profit/loss for the year | 5 | 7,341 | 5,400 |

Balance sheet at 31.12.2021

Assets

| | Notes | 2021 DKK'000 | 2020 DKK'000 |
|--|-------|-----------------|-----------------|
| Other fixtures and fittings, tools and equipment | | 207 | 278 |
| Property, plant and equipment | 6 | 207 | 278 |
| Other receivables | | 210 | 210 |
| Financial assets | 7 | 210 | 210 |
| Fixed assets | | 417 | 488 |
| Manufactured goods and goods for resale | | 29,346 | 25,474 |
| Inventories | | 29,346 | 25,474 |
| Trade receivables | 8 | 22,820 | 19,006 |
| Receivables from group enterprises | | 106,268 | 96,296 |
| Other receivables | | 3,249 | 2,735 |
| Receivables | | 132,337 | 118,037 |
| Current assets | | 161,683 | 143,511 |
| Assets | | 162,100 | 143,999 |

Equity and liabilities

| | Notes | 2021 DKK'000 | 2020 DKK'000 |
|--|--------------|-------------------------|-------------------------|
| Contributed capital | | 2,000 | 2,000 |
| Retained earnings | | 29,670 | 22,329 |
| Equity | | 31,670 | 24,329 |
| Deferred tax | 9 | 12 | 17 |
| Provisions | | 12 | 17 |
| Other payables | | 1,734 | 1,715 |
| Non-current liabilities other than provisions | | 1,734 | 1,715 |
| Bank loans | | 10,339 | 29,798 |
| Trade payables | | 48,653 | 41,383 |
| Tax payable | | 2,109 | 1,537 |
| Other payables | | 67,583 | 45,220 |
| Current liabilities other than provisions | | 128,684 | 117,938 |
| Liabilities other than provisions | | 130,418 | 119,653 |
| Equity and liabilities | | 162,100 | 143,999 |
| Unrecognised rental and lease commitments | 10 | | |
| Contingent liabilities | 11 | | |
| Assets charged and collateral | 12 | | |
| Related parties with controlling interest | 13 | | |
| Group relations | 14 | | |

Statement of changes in equity for 2021

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---------------------------|--|--|--------------------------|
| Equity beginning of year | 2,000 | 22,329 | 24,329 |
| Profit/loss for the year | 0 | 7,341 | 7,341 |
| Equity end of year | 2,000 | 29,670 | 31,670 |

Notes

1 Staff costs

| | 2021 | 2020 |
|---------------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Wages and salaries | 17,410 | 17,727 |
| Pension costs | 1,257 | 448 |
| Other social security costs | 223 | 206 |
| | 18,890 | 18,381 |
| Average number of full-time employees | 26 | 29 |

| | Remuneration of Management 2021 | Remuneration of Management 2020 |
|-----------------|--|--|
| | DKK'000 | DKK'000 |
| Executive Board | 2,100 | 1,980 |
| | 2,100 | 1,980 |

With reference to the Danish Financial Statements Act § 98b, 3, the information of remuneration for Management has been disclosed as only one category, due to Executive Management solely consists of one person.

2 Other financial income

| | 2021 | 2020 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Financial income from group enterprises | 3,263 | 3,307 |
| | 3,263 | 3,307 |

3 Other financial expenses

| | 2021 | 2020 |
|--------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Other financial expenses | 2,245 | 2,702 |
| | 2,245 | 2,702 |

4 Tax on profit/loss for the year

| | 2021 DKK'000 | 2020 DKK'000 |
|------------------------|-----------------|-----------------|
| Current tax | 2,109 | 1,537 |
| Change in deferred tax | (5) | (1) |
| | 2,104 | 1,536 |

5 Proposed distribution of profit and loss

| | 2021 DKK'000 | 2020 DKK'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | 7,341 | 5,400 |
| | 7,341 | 5,400 |

6 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 |
|---|--|
| Cost beginning of year | 355 |
| Cost end of year | 355 |
| Depreciation and impairment losses beginning of year | (77) |
| Depreciation for the year | (71) |
| Depreciation and impairment losses end of year | (148) |
| Carrying amount end of year | 207 |

7 Financial assets

| | Other receivables DKK'000 |
|------------------------------------|---------------------------------|
| Cost beginning of year | 210 |
| Cost end of year | 210 |
| Carrying amount end of year | 210 |

8 Trade receivables

Out of the total trade receivables amounting to DKK 22,820 thousand, DKK 10,339 thousand comprise factored trade receivables. The factored trade receivables as well as the liability to the factoring bank, is derecognized when the factoring bank receives payment from the debtor.

9 Deferred tax

| | 2021 DKK'000 | 2020 DKK'000 |
|-------------------------------|-----------------|-----------------|
| Property, plant and equipment | 12 | 17 |
| Deferred tax | 12 | 17 |

| Changes during the year | 2021 DKK'000 | 2020 DKK'000 |
|------------------------------------|-------------------------|-------------------------|
| Beginning of year | 17 | 18 |
| Recognised in the income statement | (5) | (1) |
| End of year | 12 | 17 |

In the calculation of deferred tax, a rate of 22.0% was applied (2020: 22.0%)

10 Unrecognised rental and lease commitments

| | 2021 DKK'000 | 2020 DKK'000 |
|--|-------------------------|-------------------------|
| Liabilities under rental or lease agreements until maturity in total | 3,473 | 2,089 |

11 Contingent liabilities

The Company participates in a Danish joint taxation arrangement where Conaxess Trade Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company 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

In order for the Company to become registered for import of wine and spirits, the Company has provided security in the form of cash funds of DKK 210 thousand as of 31 December 2021, classified as other financial assets.

As collateral for a bank credit facilities, floating charge amounting to DKK 17,000 thousand has been provided in the Company's inventory with a book value of DKK 29,346 thousand at 31 December 2021.

As collateral for factoring bank, floating charge amounting to DKK 10,339 thousand has been provided in the Company's trade receivables with a book value of DKK 22,820 thousand.

13 Related parties with controlling interest

Conaxess Trade Denmark A/S, Business Registration No 16 01 55 12, Stamholmen 151, 4., 2650 Hvidovre, owns 75% of the shares of the Company.

Conaxess Trade Denmark A/S is owned 100% by:

Conaxess Trade Holding AB, Löfströms allé 5, 172 66 Sundbyberg, Sweden

which is owned 100% by:

Conaxess Holding Sweden AB, Löfströms allé 5, 172 66 Sundbyberg, Sweden

which is owned 100% by:

Aurelius Gamma Invest GmbH, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

which is owned 100% by:

Aurelius Equity Opportunities SE & Co. KgaA, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

Thus the above mentioned entities have control over Conaxess Trade Denmark Beverages A/S.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Aurelius Equity Opportunities SE & Co. KgaA, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Conaxess Trade Holding AB, Löfströms Allé 5, 172 66 Sundbyberg, Sweden.

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).

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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of goods 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for distribution, logistics, premises, marketing costs, IT-costs and corporate costs. This item also includes write-downs of receivables recognized in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and currency gains.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and currency losses.

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 group enterprises. 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**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

| | |
|--|---------|
| Other fixtures and fittings, tools and equipment | 5 years |
|--|---------|

Estimated useful lives and residual values are reassessed annually.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

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.

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.

Other financial liabilities

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

Bank loan includes a factoring credit. Factoring credit is recognized with an amount equal to the share to which the factoring bank has recourse right, and is derecognized when the factoring bank receives payment from the debtor.

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

The cash flow statement has not been prepared for the Company as the cash flow statement is included in the cash flow statement of the consolidated financial statements of the ultimate parent company cf. the Danish Financial Statements Act § 86 (4).