

# **DIAGEO DENMARK A/S**

Sundkrogsgade 19, 2., 2100 København Ø

CVR no. 21 25 61 10

## **Annual report**

for the year 1 July 2023 - 30 June 2024

Approved at the Company's annual general meeting on 19 December 2024

Chair of the meeting:

.....  
Olena Neznal

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DIAGEO DENMARK A/S for the financial year 1 July 2023 - 30 June 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024.

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.

Copenhagen, 19 December 2024  
Executive Board:

.....  
Jonas Snekker Huusom  
Managing director

Board of Directors:

.....  
Olena Neznal  
Chairman

.....  
Jonas Snekker Huusom

.....  
Ádám Iván Jüngling

.....  
Thea Dybdal Hammerskov

## Independent auditor's report

To the shareholder of DIAGEO DENMARK A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2024, and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Diageo Denmark A/S for the financial year 1 July 2023 - 30 June 2024, which comprise 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 the 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.

## Independent auditor's report

### 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 judgment and maintain professional skepticism 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 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.

Hellerup, 19 December 2024  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Ulrich Kaare von Cappeln  
State Authorised Public Accountant  
mne11629

Mette Buskbjerg Gade  
State Authorised Public Accountant  
mne47828

## Management's review

### Company details

Name	DIAGEO DENMARK A/S
Address, Postal code, City	Sundkrogsgade 19, 2., 2100 København Ø
CVR no.	21 25 61 10
Established	30 December 1954
Registered office	Copenhagen
Financial year	1 July 2023 - 30 June 2024
Board of Directors	Olena Neznal, Chairman Jonas Snekker Huusom Ádám Iván Jüngling Thea Dybdal Hammerskov
Executive Board	Jonas Snekker Huusom, Managing director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

## Management's review

### Financial highlights

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
<b>Key figures</b>					
Revenue	361,077	347,649	320,338	280,419	239,651
Gross profit	50,032	45,764	53,091	39,652	34,999
Operating profit/loss	15,451	11,163	14,488	9,575	963
Profit before interest and tax (EBIT)	18,287	15,731	21,478	14,474	9,272
Net financials	-1,160	381	-91	-214	197
Profit for the year	13,342	12,540	16,672	10,939	7,351
<b>Balance sheet</b>					
Total assets	111,303	111,605	124,020	106,676	94,037
Investments in property, plant and equipment	0	19	188	1,812	0
Share capital	5,000	5,000	5,000	5,000	5,000
Equity	18,342	19,364	21,672	16,644	13,055
<b>Financial ratios</b>					
Gross margin	13.9%	13.2%	16.6%	14.1%	14.6%
Equity ratio	16.5%	17.4%	17.5%	15.6%	13.9%
Return on equity	70.8%	61.1%	87.0%	73.7%	56.2%
<b>Employees</b>					
Average number of full-time employees	34	31	28	24	34

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

Diageo Denmark A/S is a wholly owned subsidiary of Selviac Nederland BV., Amsterdam, which is part of the Diageo Group. The consolidated financial statements for the Ultimate Parent can be obtained at [www.diageo.com](http://www.diageo.com).

The Company's activity comprises import and sale of liquor and "Ready To Drink" products.

### Development in activities and finances

The total market sales in the Nordics slightly increased in 2023/24. Diageo Denmark's market share is 22.2% Denmark and decreased by 197 bps compared to 2022/23 due to ongoing market dynamics based on consumer downtrading in key categories such as Liqueur, Vodka, Ready-to-Drink, and Whiskey.

Even though Diageo Denmark sales volume decreased by 5%, the company was able to increase its net sales value by 4% driven by a very strong performance of the Off-Trade channel, growing key categories and product mix optimization which resulted in overall positive landing for the company.

Even though the whole Nordics market experienced increasing cost prices and inflation we have delivered a good set of results.

Growth was driven by strong consumer demand. Johnnie Walker and Smirnoff brands drove the company strong performance, supported by our Innovation portfolio and product mix optimization. In line with Net Sales, operating profit increased because of reduction of marketing investment.

Despite the challenges Diageo Denmark A/S maintained its well-established market position.

### Sustainability and responsibility

Responsibly managing our environmental impact continues to be a high priority for us and we are committed to protecting and sustaining our natural resources and making a positive contribution to the communities in which we live and work. In November 2020, we were proud to launch our new 10-year sustainability action plan, 'Society 2030: Spirit of Progress'. The plan builds on Diageo's long and ambitious track record on environmental, social and governance issues, with goals focused in three core areas: promoting positive drinking; championing inclusion and diversity; and pioneering grain to glass sustainability. We would like to reduce value chain emission by 50%, achieve zero waste in our direct operation and ensure 100% of our packaging is widely recyclable by 2030. We want to change the way the world drinks for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes that tackle underage drinking, drink driving and binge drinking. Detailed information on the steps taken can be obtained from the consolidated financial statement of the Diageo Group. The Company has not had any environmental issue in the framework of its activities in the current year.

## Management's review

### Financial review

In 2023/24, the Company's revenue amounted to DKK 361,077 thousand against DKK 347,649 thousand last year. The income statement for 2023/24 shows a profit of DKK 13,342 thousand against a profit of DKK 12,540 thousand last year, and a balance sheet at 30 June 2024 shows equity of DKK 18,342 thousand.

In the fiscal year 2023/24, the Company's primary objective was to exceed market growth and increase market share by a mid-single-digit margin compared to the previous year. However, the Organization saw a -197 bps change in market share. This decline was mainly driven by the ongoing market dynamics based on consumer downtrading, specially in key categories such as Liqueur, Vodka, Ready-to-Drink, and Whiskey. Notably, Baileys and Johnnie Walker showed strong financial results compared to the previous year despite these challenges. Additionally, even though volume expectations were 5% lower than the annual target, the revenue performance was 4% higher compared to target due to the company's strategy to focus on high-end products materializes.

No activity has been exercised in the research and development area during the last financial year. The Company has no branch abroad.

The net profit increased by 6% compared to prior year due to improved sales driven by optimized product mix, and decrease in marketing investment. Based on actual results recorded for the first quarter of 2024/25, ending on 30 September 2025, and because the entity belongs to a large, structured group, with a clear strategy in place, the directors have no reasons to believe that the economical and sanitary context could materially hit the financial healthy situation of the Company for the upcoming 12 months.

It is important to note that the Company, as well as the whole Danish market, will face macroeconomic challenges as in the previous years, such as high inflation, increasing raw material prices, and living costs raisings, which could generate short-term volatility throughout 2024/25.

### Financial risks and use of financial instruments

The Company's funding, liquidity and exposure to foreign exchange rate risk are similar to those facing the Group as a whole and are managed by the Group's treasury department. The treasury department uses a range of financial instruments to manage these underlying risks. As the Company forms part of the group's financial operations, the financial risk management measures used by management to analyse the development, performance and position of the Company's business are mainly similar to those facing the group as a whole.

### 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.

### Outlook

The Company's ambition is to protect its market share and improve its profitability in 2024/25 through strategic portfolio battlegrounds, which will be the key growth drivers for the upcoming years. These actions are expected to result in sustainable growth in Sales and Operating Profit compared to the current year's result. The Company expected net sales for 2024/25 is DKK 361,602 thousand, which represents a slight 0.1% increase compared to prior year sales. The profit of the year expected for 2024/2025 is DKK 13,363 thousand forecasting a slight, 0.2% increase compared to 2023/24.

Diageo Denmark is committed to promote responsible drinking and balanced lifestyle, therefore non alcoholic beverages such as Gordon's 0.0, Tanqueray 0.0, and Captain Morgan 0.0 will play an important role in its future success. The Luxury segment will continue to play an important role within the Organization's performance, as leveraging strong and well-positioned brands such as Don Julio 1942, Talisker, Singleton, Johnnie Walker Blue, and Zacapa, will create sustainable growth.

From consumers perspective, their experience and continued engagement with alcoholic beverages was able to mitigate the pandemic impact, allowing the industry to maintain a relatively resilient performance. As result of removing restrictions after the global COVID-19 crisis, the on-trade business will continue to be a key focus area, supported by a strong and clear strategy to ensure the competitiveness of the Company.

## Financial statements 1 July 2023 - 30 June 2024

### Income statement

Note	DKK'000	<u>2023/24</u>	<u>2022/23</u>
	<b>Revenue</b>	361,077	347,649
	Cost of sales	-249,914	-237,278
	Other operating income	2,836	4,568
	Other external expenses	-63,967	-69,175
	<b>Gross profit</b>	<u>50,032</u>	<u>45,764</u>
3	Staff costs	-31,268	-29,653
4	Depreciation of property, plant and equipment	-477	-380
	<b>Profit before net financials</b>	<u>18,287</u>	<u>15,731</u>
5	Financial income	112	1,000
6	Financial expenses	-1,272	-619
	<b>Profit before tax</b>	<u>17,127</u>	<u>16,112</u>
7	Tax for the year	-3,785	-3,572
	<b>Profit for the year</b>	<u><u>13,342</u></u>	<u><u>12,540</u></u>

## Financial statements 1 July 2023 - 30 June 2024

### Balance sheet

Note	DKK'000	<u>2023/24</u>	<u>2022/23</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
9	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	481	824
	AUC-Tangible assest under construction and advance payments	0	152
		<u>481</u>	<u>976</u>
	<b>Total fixed assets</b>	<u>481</u>	<u>976</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	31,411	30,312
		<u>31,411</u>	<u>30,312</u>
	<b>Receivables</b>		
	Trade receivables	74,796	76,664
	Receivables from group enterprises	3,405	2,502
	Other receivables	983	1,095
10	Prepayments	227	56
		<u>79,411</u>	<u>80,317</u>
	<b>Total non-fixed assets</b>	<u>110,822</u>	<u>110,629</u>
	<b>TOTAL ASSETS</b>	<u><u>111,303</u></u>	<u><u>111,605</u></u>

## Financial statements 1 July 2023 - 30 June 2024

### Balance sheet

Note	DKK'000	<u>2023/24</u>	<u>2022/23</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	5,000	5,000
	Retained earnings	0	0
	Dividend proposed	13,342	14,364
	<b>Total equity</b>	<u>18,342</u>	<u>19,364</u>
	<b>Provisions</b>		
11	Deferred tax	60	120
	<b>Total provisions</b>	<u>60</u>	<u>120</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	28,048	41,339
12	Payables to group enterprises	39,524	19,290
	Corporation tax payable	2,638	3,485
	Other payables	22,691	28,007
		<u>92,901</u>	<u>92,121</u>
	<b>Total liabilities other than provisions</b>	<u>92,901</u>	<u>92,121</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>111,303</u>	<u>111,605</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 8 Appropriation of profit
- 13 Contractual obligations and contingencies, etc.
- 14 Security and collateral
- 15 Related parties

## Financial statements 1 July 2023 - 30 June 2024

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 July 2022	5,000	1,824	14,848	21,672
8	Transfer, see "Appropriation of profit"	0	-1,824	14,364	12,540
	Dividend distributed	0	0	-14,848	-14,848
	<b>Equity at 1 July 2023</b>	<b>5,000</b>	<b>0</b>	<b>14,364</b>	<b>19,364</b>
8	Transfer, see "Appropriation of profit"	0	0	13,342	13,342
	Dividend distributed	0	0	-14,364	-14,364
	<b>Equity at 30 June 2024</b>	<b>5,000</b>	<b>0</b>	<b>13,342</b>	<b>18,342</b>

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies

The annual report of DIAGEO DENMARK A/S for 2023/24 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Diageo Plc.

#### Basis of 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.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and payment is expected to be received. Revenue is measured less VAT and tax charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

###### Other operating income

Other operating income comprise income of a secondary nature viewed in relation to the Company's primary activities.

###### Cost of sales

Cost of sales comprises cost of sales for 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 relating for premises, stationery and office supplies, marketing costs, etc. The item also includes write-downs of receivables recognised in current assets.

###### Staff costs

Payroll and related costs all include cost and expenses occurred in relation to Management and staff.

###### Depreciation

A non-cash expense that reduces the value of an asset over the useful life of the asset.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5-10 years
IT Equipments	3 years

Property, plant and equipment are written down to the lower of recoverable amount, if this is lower than the carrying amount.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

###### Financial income and expenses

Financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies.

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprise, net capital losses on securities, payables and transactions in foreign currencies.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

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

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses on property, plant and equipment are determined as the difference between the selling price less 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 cost, respectively.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### 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 estimated selling price less completion costs and costs incurred to execute the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

The Company has chosen IFRS 9 as interpretation for impairment of financial receivables.

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

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

##### Cash

Cash comprises cash in hand and bank deposits.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities" or "Payables to group entities" depending on the balance.

##### Equity

###### *Proposed dividends*

Dividend is recognised as a liability at the time of adoption at the annual general meeting (declaration date). The proposed dividend for the financial year is disclosed as a separate item in equity.

##### Income taxes and deferred tax

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

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

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Installments due within 1 year are entered under current liabilities. Other liabilities are recognized under non-current liabilities.

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

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 2 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.

DKK'000	2023/24	2022/23
<b>3 Staff costs and incentive programmes</b>		
Wages/salaries	27,486	26,712
Pensions	3,024	2,797
Other social security costs	758	144
	<u>31,268</u>	<u>29,653</u>
Average number of full-time employees	<u>34</u>	<u>31</u>
Total remuneration to Management: DKK 2,536 thousand (2022/23: DKK 1,918 thousand), of which DKK 189 thousand (2022/23: DKK 173 thousand) is pension.		
<b>Incentive programmes</b>		
There are no specific incentive programmes for the Company's management.		
<b>4 Depreciation of property, plant and equipment</b>		
Depreciation of property, plant and equipment	477	380
	<u>477</u>	<u>380</u>
<b>5 Financial income</b>		
Interest income from group entities	93	240
Other financial income	19	760
	<u>112</u>	<u>1,000</u>
<b>6 Financial expenses</b>		
Interest expenses, group entities	1,014	535
Other financial expenses	258	84
	<u>1,272</u>	<u>619</u>
<b>7 Tax for the year</b>		
Estimated tax charge for the year	3,805	3,618
Deferred tax adjustments in the year	-60	-63
Tax adjustments, prior years	40	17
	<u>3,785</u>	<u>3,572</u>
<b>8 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Proposed dividend recognised under equity	13,342	14,364
Retained earnings/accumulated loss	0	-1,824
	<u>13,342</u>	<u>12,540</u>

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 9 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	AUC-Tangible assest under construction and advance payments	Total
Cost at 1 July 2023	3,418	152	3,570
Disposals and retirements	0	-18	-18
Transferred	134	-134	0
Cost at 30 June 2024	<u>3,552</u>	<u>0</u>	<u>3,552</u>
Impairment losses and depreciation at 1 July 2023	2,594	0	2,594
Depreciation	477	0	477
Impairment losses and depreciation at 30 June 2024	<u>3,071</u>	<u>0</u>	<u>3,071</u>
<b>Carrying amount at 30 June 2024</b>	<u><b>481</b></u>	<u><b>0</b></u>	<u><b>481</b></u>

#### 10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years. The amount for 2023/24 consists for DKK 227 thousand of prepayments related to prepaid rent.

DKK'000	2023/24	2022/23
<b>11 Deferred tax</b>		
Deferred tax at 1 July	120	183
Deferred tax adjustments in the year	-60	-63
<b>Deferred tax at 30 June</b>	<u><b>60</b></u>	<u><b>120</b></u>
Deferred tax relates to:		
Property, plant and equipment	60	120
	<u>60</u>	<u>120</u>
Analysis of the deferred tax		
Deferred tax liabilities	60	120
	<u>60</u>	<u>120</u>

#### 12 Payables to group enterprises

The company has entered into a cash pool agreement with Diageo Finance plc, in which Diageo Finance plc, is the account holder and Diageo Denmark A/S is the sub-account holder together with the group's other affiliated companies. The terms of the cash pool scheme grant Bank of America the right to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitutes Diageo Finance plc, balance with Bank of America.

Diageo Denmark A/S' accounts in the cash pool scheme, which are recognised under payables to group enterprises, consitute a balance of DKK 30,642 thousand as of 30 June 2024 (as of 30 June 2023: payables of DKK 115 thousand).

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 13 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2023/24	2022/23
Rent and lease liabilities	5,310	3,884

Rent and lease liabilities include a rent obligation totalling DKK 1,877 thousand (2022/23: DKK 3,092 thousand) in interminable rent agreements with remaining contract terms of 20 months. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 3,433 thousand (2022/23: DKK 792 thousand), with remaining contract terms of 1-3 years.

#### 14 Security and collateral

The Company has not provided any security or other collateral in assets at 30 June 2024.

#### 15 Related parties

DIAGEO DENMARK A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Selviac Nederland BV.	Amsterdam, Netherlands	Parent
Diageo Plc.	London, UK	Ultimate Parent

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Diageo Plc.	London, UK	Consolidated financial statement can be obtained by contacting Diageo Plc. or via its homepage <a href="http://www.diageo.com">www.diageo.com</a>
Selviac Nederland B.V.	Amsterdam, Netherlands	Selviac Nederland B.V. does not have to publish its consolidated financial statements

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.