

## **Hawesko Holding Aktiengesellschaft, Hamburg**

### **Parent company accounts for the period 1 January to 31 December 2019**

The management report has been combined with the Group management report. Users of the accounts are referred to the 2019 Annual Report and the Group accounts.

**HAWESKO Holding AG, Hamburg**

**Balance sheet at 31 December 2019**

**Assets**

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>€</b>	<b>€</b>
<b>A. Fixed assets</b>		
I. Intangible assets		
1. Concessions acquired for consideration, industrial property rights and similar rights and values as well as licences to such rights and values	149.918,00	17.603,00
2. Advance payments	0,00	331.923,07
	<b>149.918,00</b>	<b>349.526,07</b>
II. Tangible assets		
1. Land, equivalent rights and buildings, including buildings on third-party land	40.236,00	45.624,00
2. Other fixtures and fittings, tools and equipment	136.098,00	158.890,00
	<b>176.334,00</b>	<b>204.514,00</b>
III. Financial assets		
Shares in affiliated companies	133.580.638,86	124.642.841,16
	<b>133.580.638,86</b>	<b>124.642.841,16</b>
	<b>133.906.890,86</b>	<b>125.196.881,23</b>
<b>B. Current assets</b>		
I. Receivables and other assets		
1. Due from affiliated companies (of which trade receivables € 1,228,218.41; previous year: € 279,697.59) (of which from financial transactions: € 82,086,249.27; previous year: € 87,324,137.99)	83.314.467,68	87.602.590,20
2. Other assets (of which from overpayment of taxes: € 4,864,975.56; previous year: € 5,030,823.08)	4.981.031,01	5.080.082,65
	<b>88.295.498,69</b>	<b>92.682.672,85</b>
II. Cash on hand, bank accounts in credit	7.124.475,97	8.813.537,48
	<b>95.419.974,66</b>	<b>101.496.210,33</b>
<b>C. Prepaid expenses</b>	<b>73.381,38</b>	<b>92.824,65</b>
	<b>229.400.246,90</b>	<b>226.785.916,21</b>

### Equity and liabilities

	31.12.2019	31.12.2018
	€	€
<b>A. Shareholders' equity</b>		
I. Subscribed capital	13.708.934,14	13.708.934,14
II. Capital reserve	64.066.509,59	64.066.509,59
III. Other retained earnings	91.938.494,72	91.938.494,72
IV. Accumulated profit	20.869.677,82	12.464.249,14
	<b>190.583.616,27</b>	<b>182.178.187,59</b>
<b>B. Provisions</b>		
1. Provisions for taxation	3.949.066,02	2.748.202,71
2. Other provisions	1.223.152,13	1.674.843,18
	<b>5.172.218,15</b>	<b>4.423.045,89</b>
<b>C. Liabilities</b>		
1. Due to banks (of which with a maturity of up to 1 year: € 12,451,873.97; previous year: € 19,696,423.82)	24.331.874,60	31.096.423,82
2. Trade payables (of which with a maturity of up to 1 year: € 236,035.98; previous year: € 153,732.90)	236.035,98	153.732,90
3. Due to affiliated companies (of which with a maturity of up to 1 year: € 2,189,363.90; previous year: € 2,762,886.79) (of which from financial transactions: € 2,133,145.52; previous year: € 2,651,237.81)	2.189.363,90	2.762.886,79
4. Other liabilities (of which with a maturity of up to 1 year: € 5,916,433.40; previous year: € 5,227,768.20) (of which in respect of social insurance: € 7,631.14; previous year: € 7,400.17) (of which from taxes: € 5,722,952.57; previous year: € 5,201,382.41)	5.916.433,40	5.227.768,20
	<b>32.673.707,88</b>	<b>39.240.811,71</b>
<b>D. Deferred tax liabilities</b>	<b>970.704,60</b>	<b>943.871,02</b>
	<b>229.400.246,90</b>	<b>226.785.916,21</b>

**HAWESKO Holding AG, Hamburg**

**Statement of income for the period  
from 1 January to 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
1. Other operating income (of which from currency translation: € 355,924.31; previous year: € 473,771.34)	2.791.646,13	2.276.172,52
2. Personnel expenses		
a) Wages and salaries	4.554.034,60	3.983.692,92
b) Social security and retirement benefit and other pension costs (of which for retirement benefits: € 3,903.76 € 3,903.76; previous year: € 6,866.68)	316.165,90	272.215,87
	4.870.200,50	4.255.908,79
3. Depreciation/amortisation of intangible assets and tangible assets	383.033,57	44.211,00
4. Other operating expenses (of which from currency translation: € 329,286.77; previous year: € 470,364.09)	3.865.325,86	3.094.189,08
5. Income from profit transfers on the basis of a profit transfer agreement	32.385.995,92	30.589.723,55
6. Investment income (of which from affiliated companies € 2,175,771.30; previous year: € 5,072,890.65)	2.595.826,74	5.072.890,65
7. Other interest and similar income (of which from affiliated companies from financial transactions: € 815,011.39; previous year: € 883,098.03)	815.893,39	1.018.488,03
8. Expenses from losses absorbed on the basis of a profit transfer agreement	420.055,44	471.697,83
9. Interest and similar expenses (of which to affiliated companies € 6,060.61; previous year: € 5,497.04)	523.266,30	419.102,13
10. Income tax expense (of which deferred taxes € 26,833.58 (expense); previous year € 186,107.50 (income))	8.441.543,18	5.959.576,00
<b>11. Earnings after taxes</b>	<b>20.085.937,33</b>	<b>24.712.589,92</b>
12. Other taxes	2.084,75	1.553,00
<b>13. Net income</b>	<b>20.083.852,58</b>	<b>24.711.036,92</b>
14. Profit carryforward from previous year	785.825,24	753.212,22
15. Appropriation to other retained earnings	0,00	13.000.000,00
<b>16. Accumulated profit</b>	<b>20.869.677,82</b>	<b>12.464.249,14</b>

# **HAWESKO Holding Aktiengesellschaft, Hamburg**

## **Notes for the 2019 financial year**

### **1. General principles**

HAWESKO Holding Aktiengesellschaft (hereinafter Hawesko Holding AG or the company) has its registered office in Hamburg and is entered on the Commercial Register at the Local Court of Hamburg under number HRB 66708.

Hawesko Holding AG is a large corporation within the meaning of Section 267 of the German Commercial Code (HGB).

The annual financial statements at 31 December 2019 have been prepared in accordance with the provisions of Sections 238 ff. and 264 ff. HGB as well as the supplementary provisions of the German Stock Corporation Act (AktG).

The type of expenditure format pursuant to Section 271 (2) HGB was used in the preparation of the statement of income. The financial year corresponds to the calendar year.

## 2. Recognition and measurement principles

The recognition and measurement principles are unchanged from the previous year.

### ASSETS

#### Fixed assets

**Intangible assets acquired** are accounted for at acquisition cost and depreciated by the straight-line method over the average useful life. Prospectively permanent impairment is reflected by write-downs.

**Tangible assets** are carried at acquisition cost and depreciated by the straight-line method over the average useful life. Prospectively permanent impairment is reflected by write-downs. For low-value assets from an accounting perspective, for purposes of commercial law the fiscal regulation of Section 6 (2a) of German Income Tax Act (EstG) is applied. The acquisition or manufacturing cost of depreciable movable fixed assets that are capable of being used independently are recorded in full as expenses in the financial year of acquisition or manufacture if the acquisition or manufacturing cost less any included input tax component does not exceed € 250 per individual asset. For low-value assets with an acquisition or manufacturing cost less any included input tax component of more than € 250 and up to € 1,000, an annual compound item within the meaning of Section 6 (2a) EstG is formed. The annual compound item is reversed through profit or loss over five years.

The depreciation plan for property, plant and equipment is based on the following estimates of useful life:

Intangible assets	3 to 5 years
Leasehold improvements	7 to 10 years
Other fixtures and fittings, tools and equipment	3 to 13 years

**Financial assets** are accounted for at acquisition cost including incidental acquisition costs, taking account of necessary impairment or reversals required.

## Current assets

**Receivables** and **other assets** are carried at nominal value or at fair value if lower at the balance sheet date. Discernible risks are reflected through individual and general value adjustments. Receivables denominated in foreign currency are translated at the mean spot exchange rate at the reporting date.

**Cash on hand** and **bank accounts in credit** are accounted for at nominal values at the balance sheet date. Bank accounts in credit denominated in foreign currency are translated at the mean spot exchange rate at the reporting date.

**Prepaid expenses** are formed in accordance with Section 250 HGB.

## **EQUITY AND LIABILITIES**

The **subscribed capital** is carried at nominal value.

The **provisions** take account of all discernible risks and contingent obligations at the settlement amounts required on the basis of sound business judgment. If their maturity is more than one year, the provisions are discounted at the average market rate for the past seven years in line with their maturity.

**Liabilities** are shown at the settlement amount. Current foreign-currency liabilities that are not part of a valuation unit are translated at the average spot exchange rate on the reporting date.

In the year under review, as in the previous year, there is a net liability position for **deferred taxes** that are reported as the separate item "Deferred tax liabilities". The deferred tax liabilities result mainly from differences in the valuations of shares in affiliated companies (incorporated firms) and differences in the valuations of shares in affiliated companies (unincorporated firms). The net position of deferred tax assets and liabilities is reported. Expense and income from the change in the reported deferred taxes is recognised separately in the statement of income under the item "Income tax expense" as a separate line item immediately beneath it. From a formal perspective the sole tax debtor is the company as the controlling company, i.e. actual and deferred taxes of the dependent companies are likewise to be recognised fully in the annual financial statements of the controlling company because the consequences of taxation affect solely the latter. The temporary differences for the dependent companies are correspondingly shown in the company's accounts. Deferred taxes are calculated using an effective tax rate of 31.787% (15.825% for corporation tax including solidarity surcharge and 15.962% for trade tax) that will prospectively apply at the time the differences are eliminated. The tax rate for trade tax is obtained from the average trade tax factor of 456%.

### 3. Notes to the consolidated balance sheet

The development in **fixed assets** in the 2019 financial year is presented separately in the assets movement schedule. The ownership structure for the 2019 financial year is shown separately in the list of shareholdings in the Notes. With effect from 1 January 2019 Hawesko Holding AG increased its shareholding in Wein & Vinos GmbH, Berlin, by 20% to now 90%. The purchase price already fixed on 17 December 2018 through the notarised shareholders' agreement was € 8,841 thousand.

The **receivables from affiliated companies as well as the other assets** together have a maturity of up to one year.

The **other assets** in essence comprise receivables from the overpayment of taxes in the amount of € 4,865 thousand (previous year: € 5,031 thousand).

The assets-side **prepaid expenses** mainly comprise expenses paid in advance for software maintenance and support totalling € 73 thousand (previous year: € 93 thousand) for subsequent periods.

**Equity** is made up as follows:

	€
Subscribed capital (capital stock)	13,708,934.14
Capital reserve	64,066,509.59
Retained earnings	91,938,494.72
Accumulated profit	<u>20,869,677.82</u>
	<u>190,583,616.27</u>

Capital stock is divided into 8,983,403 no par value bearer shares. Each no par value share represents a share in capital stock of € 1.53.

#### **Authorised capital**

The Board of Management is authorised to increase the capital stock of the company on one or more occasions by no more than € 6,850,000.00 up until 18 June 2022, with the consent of the Supervisory Board, through the issuance of new no par value bearer shares against contributions in cash or kind (Authorised Capital), specifying a profit participation start date that departs from the statutory provisions, pursuant to Article 4 (3) of the articles of incorporation.

The shareholders shall fundamentally have a right to subscribe. The new shares may also be taken on by one or more banks to be determined by the Board of Management or by a consortium of banks with the obligation to offer them to the shareholders for subscription (indirect subscription right).

The Board of Management is moreover authorised, in each case with the consent of the Supervisory Board, to exclude the subscription right of the shareholders on one or more occasions



- a) to the extent that is necessary to eliminate residual amounts;
- b) to the extent that is necessary to grant the bearers of warrant or conversion rights or conversion obligations from bonds or participation rights with conversion rights and/or warrants or a conversion obligation a right to subscribe to new shares to the same extent they would be entitled to following exercising of the warrant or conversion right or following fulfilment of the conversion obligation,
- c) to the extent that the new shares are issued for cash and the theoretical capital stock for the shares issued does not exceed a total of 10% of the capital stock either at the time of this authorisation taking effect or at the time of its exercising (“cap”) and the issuing price of the new shares to be issued does not significantly undercut the market price for already-quoted shares of the company with the same features at the time the issuing price is finally determined,
- d) to the extent that the new shares are issued for contributions in kind, especially in the form of businesses, business units, participating interests or receivables or other assets (such as patents, licences, copyrights and rights of exploitation as well as other intellectual property rights),

Shares that (i) are issued or sold by the company during the term of this authorisation, excluding the subscription right based on other authorisations in direct or analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act, or (ii) are issued or to be issued to service bonds or participation rights with conversion rights and/or warrants or a conversion obligation, to the extent that the bonds or participation rights are issued during the term of this authorisation, excluding the subscription right in analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act, are to be recognised for purposes of the cap according to letter c) above. Recognition according to the previous sentence as a result of the exercising of authorisations (i) to issue new shares pursuant to Section 203 (1) first sentence, (2) first sentence, Section 186 (3) fourth sentence of the German Stock Corporation Act and/or (ii) to sell treasury shares pursuant to Section 71 (1) No. 8, Section 186 (3) fourth sentence of the German Stock Corporation Act and/or (iii) to issue convertible and/or bonds with warrants pursuant to Section 221 (4) second sentence, Section 186 (3) fourth sentence of the German Stock Corporation Act, shall cease to apply with future effect if and to the extent that the respective authorisation(s), the exercising of which triggered recognition, is or are reissued by the Shareholders’ Meeting subject to the statutory provisions.

The Board of Management is moreover authorised to specify the further content of the rights carried by the shares, the details of the capital increase as well as the conditions of the share issue, in particular the issue value, with the approval of the Supervisory Board.

The Supervisory Board is authorised to amend the wording of Article 4 of the articles of incorporation in line with the applicable utilisation of Authorised Capital 2017 as well as after expiry of the authorisation period.

The authorised capital at 31 December 2019 amounts to € 6,850,000.00 (previous year: € 6,850,000.00).

## **Shareholder structure**

The notices pursuant to Section 33 (1) of the German Securities Trading Act (WpHG) on changes in voting rights in the capital stock held by third parties are reproduced in the following in abbreviated form.

Augendum Vermögensverwaltungs GmbH, Hanover, notified us pursuant to Section 21 (1) WpHG<sup>1</sup> with effect from 12 February 2015 that its voting rights share held in Hawesko Holding AG had fallen below the reportable threshold of 5% and was 3.90%. With effect from 9 April 2015 Augendum Vermögensverwaltungs GmbH notified us pursuant to Section 21 (1) WpHG that the reportable threshold of 5% had been exceeded and was 5.57%.

Mr. Michael Schiemann, resident in Germany, notified us pursuant to Section 21 (1) WpHG with effect from 12 February 2015 that his voting rights share held indirectly in Hawesko Holding AG had fallen below the reportable threshold of 5% and was 3.90%. With effect from 9 April 2015 Michael Schiemann notified us pursuant to Section 21 (1) WpHG that the reportable threshold of 5% had been exceeded and was indirectly 5.57%. Pursuant to Section 22 (1) No. 1 WpHG this share is attributable to him.

TOCOS Beteiligung GmbH, Hamburg, notified us pursuant to Section 21 (1) WpHG with effect from 12 February 2015 that its voting rights share held in Hawesko Holding AG had exceeded the reportable thresholds of 30% and 75% and was 75.38%. With effect from 9 April 2015 TOCOS Beteiligung GmbH notified us pursuant to Section 21 (1) WpHG that its voting rights share had fallen below the reportable threshold of 75% to 74.39%, or 6,682,376 shares. With effect from 3 June 2015 TOCOS Beteiligung GmbH notified us on the basis of the relationship between Detlev Meyer and Hawesko Holding AG as member of the supervisory body that 160,000 shares in Hawesko Holding AG had been sold and its voting rights share was 72.60%, or 6,522,376 shares.

Mr. Detlev Meyer, resident in Germany, notified us pursuant to Section 21 (1) WpHG with effect from 12 February 2015 that his voting rights share held indirectly in Hawesko Holding AG had exceeded the reportable thresholds of 30% and 75% and was 75.38%. With effect from 9 April 2015 Detlev Meyer notified us pursuant to Section 21 (1) WpHG that his voting rights share had fallen below the reportable threshold of 75% to 74.39% indirectly, or 6,682,376 shares. Pursuant to Section 22 (1) No. 1 WpHG this share is attributable to him. With effect from 3 June 2015 TOCOS Beteiligung GmbH notified us on the basis of the relationship between Detlev Meyer and Hawesko Holding AG as member of the supervisory

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<sup>1</sup> The legal clauses indicated in the following in each case relate to the version of the law that was in force at the time notice was given.

body that 160,000 shares in Hawesko Holding AG had been sold and its voting rights share was 72.60%, or 6,522,376 shares.

### Capital reserve

The **capital reserve** contains exclusively amounts according to Section 272 (2) No. 1 HGB.

The capital reserve is mainly the result of the contribution of the shares in the subsidiaries less the reclassification to subscribed capital made as a result of the changeover to the euro (€ 49.2 million).

### Retained earnings

€ '000	31/12/2018	Withdrawal	Allocation	31/12/2019
Other retained earnings	91,938	0	0	91,938

### Accumulated profit

	2019 € '000	2018 € '000
Unappropriated profit 1 Jan	12,464	12,431
Distribution of profit	<u>-11,678</u>	<u>-11,678</u>
Profit carryforward from previous year	786	753
Net income	20,084	24,711
Allocation to other retained earnings	<u>0</u>	<u>13,000</u>
Unappropriated profit 31 Dec	<u>20,870</u>	<u>12,464</u>

### Provisions

The **other provisions** mainly relate to obligations from performance-related pay and bonuses (€ 555 thousand; previous year: € 928 thousand), expenses for the auditing of the annual and consolidated financial statements as well as for tax consultancy (€ 174 thousand; previous year: € 183 thousand), obligations from the Human Resources area as well as obligations under labour law and welfare law (€ 62 thousand; previous year: € 141 thousand) and late invoices (€ 149 thousand; previous year: € 144 thousand).

### Liabilities

Of the amounts due to banks, € 12,452 thousand (previous year: € 19,696 thousand) has a maturity of up to one year and € 11,880 thousand (previous year: € 11,400 thousand) a maturity of between one and five years. The other liabilities and trade payables all have a maturity of up to one year.

There are no liabilities with a maturity of more than five years.

## Deferred tax liabilities

The differences between the commercial and tax balance sheets that lead to deferred tax liabilities mainly result from differences in the valuations of shares in incorporated and unincorporated firms.

Deferred tax assets at the level of the dependent companies that are included in the single-entity relationship for tax purposes mainly result from differences between commercial-law and fiscal-law valuations due to diverging valuations for goodwill, provisions for pensions and sundry other provisions.

The deferred tax balances and their changes in the 2019 financial year are presented in the following:

€ '000	31/12/2018	Addition	Disposal <sup>1</sup>	31/12/2019
Deferred tax assets	689		-77	612
Deferred tax liabilities	-1,633		-50	-1,583
Total	-944		-27	-971

<sup>1</sup>Recognised within the item "Income tax expense"

#### 4. Notes to the consolidated income statement

The following income from the transfer of profit and expenses from the absorption of losses on the basis of profit transfer agreements as well as investment income were recorded in the financial year:

<u>Income from profit transfers and investment income:</u>	€ '000
Jacques' Wein-Depot Wein-Einzelhandel GmbH, Düsseldorf	16,008
Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH, Hamburg	10,170
Wein Service Bonn GmbH, Bonn	6,208
Wein & Vinos GmbH, Berlin	2,596
CWD Champagner und Wein Distributionsgesellschaft m.b.H., Hamburg	0
Weinart Handelsgesellschaft mbH, Geisenheim	0
	<b>34,982</b>
<u>Expenses from losses absorbed:</u>	€ '000
IWL Internationale Wein Logistik GmbH	420
	<b>420</b>

Under other operating income, there is income unrelated to the accounting period of € 189 thousand (previous year: € 407 thousand) that includes in particular income from the reversal of provisions (€ 155 thousand; previous year: € 396 thousand). Other operating expenses show expenses unrelated to the accounting period of € 144 thousand (previous year: € 6 thousand) that result mainly from the increased expense of preparing and auditing the 2018 accounts.

## 5. Other particulars

The Corporate Governance Declaration required according to Section 289f HGB, Section 315d HGB and Section 161 AktG was submitted on 5 April 2019 and permanently available on the Internet at [www.hawesko-holding.com](http://www.hawesko-holding.com).

### Other financial obligations

In addition, there are obligations from tenancy, lease and licence agreements that will fall due in the following financial years:

<b>Due</b>	<b>EUR</b>
2020	587,877
2021-2024	1,253,319
From 2025	129,360
<b>Total amount</b>	<b>1,970,556</b>

By notarised deed dated 17 December 2018 the shareholders' agreement on the put option for the shares of the minority interest in Wein & Vinos, Berlin, was amended. The original shareholders sold their remaining shares (30%) to Hawesko Holding AG for a total price of € 13,262 thousand with effect from 1 January 2019 and 1 January 2022. The sale of the shares took place at 1 January 2019 for the first two-thirds of the shares, in return for payment of a purchase price of € 8,841 thousand by Hawesko Holding AG. The payment was made on 4 January 2019. The remaining 10% of the shares in Wein & Vinos GmbH will be transferred at 1 January 2022 in return for payment of a purchase price of € 4,421 thousand. No further obligations exist at 31 December 2019. The value of the obligation in respect of the above shares in Wein & Vinos at 31 December 2019 amounts to € 4,421 thousand.

A financial obligation could arise from the exercise of a put option by the minority interest in WirWinzer GmbH, Munich. The obligation to pay arose through the purchase at 1 October 2016 of 65.67% of the shares in the company. An option may be exercised from April 2020 at the earliest, with effect from 1 July 2020. The value of this obligation at 31 December 2019 is € 2,914 thousand (previous year: € 2,659 thousand).

### Interest rate hedging

#### Hedging of the interest rate by means of micro-hedges

To finance the share purchase in Wein & Co. Handelsges. mbH, Vösendorf (Austria), with effect from 1 October 2018 the company took out a bank loan in the amount of nominally € 12.0 million for five years

until 30 September 2023. The loan is at a 3-month Euribor interest rate.

To hedge the interest risk of the underlying transaction, a corresponding interest rate hedging instrument is concluded and combined with the underlying transaction into a micro-valuation unit. At the balance sheet date, interest rate swaps with the following nominal values (carrying amounts) were included in the valuation units:

	<b>Carrying amount (€ '000)</b>	<b>Interest rate (%)</b>	<b>Nominal amount (€ '000)</b>	<b>Maturity (months)</b>	<b>Interest – underlying transaction (€)</b>	<b>Interest – hedge</b>	<b>Fair value (€)</b>
Borrowings	9,000	0.70 % <sup>2</sup>	12,000	46 months	-74,433.33	0.00	
Hedge (interest rate swap)	9,000	0.22 %	12,000	46 months	-5,005.00	-7,033.85	-5,005.20
Downward limit (floor)	9,000	-	12,000	46 months	0.00	7,033.85	

The amount of the risks hedged with the micro-valuation unit is € 34 thousand (previous year: € 16 thousand), i.e. negative changes in values or cash flows have been avoided in that amount.

The loan included in the micro-valuation unit is subject to an interest risk from changes in interest rates over time.

For the underlying transaction, an opposite derivative that perfectly matches the risk being hedged is concluded. It is ensured that the value-determining factors (currency, nominal value, maturity) of the underlying transaction and hedge are matched (perfect micro-hedge). The hedging relationship is therefore classified as highly effective over the entire hedging period. It is expected that the value changes of the underlying transactions and hedges will therefore fully cancel each other out over the next 3.75 years.

No retrospective mathematical determination of the ineffective portions of the valuation units is carried out because in the conditions presented above no relevant ineffectiveness from an accounting perspective can arise for the valuation units. The net hedge presentation method is applied in all areas in accounting for the valuation units.

To determine the amount of ineffectiveness to date mathematically, the dollar offset method is applied in cumulative form.

For the dollar offset method, the cumulative market value changes in the underlying transactions are compared with the cumulative market value changes in the hedges from the time of designation, in absolute amounts of money. The dollar offset test is performed at each trade date. Ineffectiveness is

<sup>2</sup> Variable interest for the basic term (at 1 October 2018)

recorded if the cumulative value changes of the underlying transactions and the cumulative value changes of the hedges produce a net loss. In that instance an onerous contracts provision is created for the net loss. A profit peak is disregarded.

## **Employees**

As an average over the year the company had no industrial employees and 22 (previous year: 22) permanent staff (including three senior executives (previous year: 4)). No apprentices were employed, as in the previous year.

## **Members of the managing bodies / related party transactions**

No transactions were concluded with related parties that were not at arm's length.

### ***Board of Management***

Thorsten Hermelink:	Chief Executive Officer Member for the Group Strategy area as well as for the E-commerce and Distribution (B2B) segments
Alexander Borwitzky:	Member for the Platforms and Multi-Channel Retail area
Raimund Hackenberger:	Member for the Finance, Investment Controlling, Investor Relations and Human Resources areas
Nikolas von Haugwitz:	Member for the E-commerce area (until 1 April 2019)



The total remuneration of the Board of Management for the 2019 financial year is presented in the following table:

€ '000	Non-performance-related	Performance-related with long-term incentivising effect	Termination benefits	Total
Thorsten Hermelink	510	335	-	845
	(462)	(300)	(-)	(762)
Raimund Hackenberger	312	200	-	512
	(311)	(200)	(-)	(511)
Alexander Borwitzky	321	207	-	528
	(321)	(207)	(-)	(528)
Nikolas von Haugwitz	122	30	661	813
(until 31/03/2019)	(260)	(160)	(-)	(420)
Total	1,265	772	661	2,698
	(1,354)	(867)	(-)	(2,221)

The total remuneration of the Board of Management in the previous year was € 2,221 thousand. The expenses of the company for provident funds in the previous year came to € 5 thousand for the former Board of Management member Nikolas von Haugwitz.

The Board of Management remuneration comprises the following components:

- **Fixed basic annual remuneration.** The basic remuneration is paid in the form of a monthly salary.
- **Variable annual remuneration.** The variable remuneration is based on attainment of an EBIT development in the Hawesko consolidated financial statements over a three-year period, and the level of attainment of personal targets for each Board of Management member. In the two years before final assessment of target attainment, the individual members have a contractual entitlement to payment of instalments. At the end of the full three-year assessment period these payments are netted against the three-year remuneration achieved.

At 31 December 2019 the Board of Management holds 1,000 shares of Hawesko Holding AG, half of which are attributable to Thorsten Hermelink and half to Alexander Borwitzky (previous year: 0 shares). On 2 March 2020 Alexander Borwitzky acquired a further 500 shares of Hawesko Holding AG.

## ***Supervisory Board***

Detlev Meyer

– Chairman –

Managing Director of TOCOS Beteiligung GmbH, Hamburg

Member of the following statutorily constituted controlling bodies of commercial enterprises:

Closed Holding GmbH, Hamburg

Thomas R Fischer

– Deputy Chairman –

Chief Executive Officer of Marcard, Stein & Co. AG, Hamburg, as well as

Managing Director of Marcard Family Office Treuhand GmbH, Hamburg

Member of the following statutorily constituted controlling bodies of commercial enterprises:

Hannover 96 GmbH & Co. KGaA, Hanover;

HF Fonds X. Unternehmensbeteiligungs-GmbH, Hanover;

Warburg Invest Kapitalgesellschaft mbH, Hamburg

Warburg Invest AG, Hamburg

Dr. Jörg Haas

Chief Executive Officer of HW Partners AG, Bonn;

Managing Partner of BonnVisio Group and of Invite Group, each with registered office in Bonn

Member of the following statutorily constituted controlling bodies of commercial enterprises:

Digitaler Hub Region Bonn AG, Bonn

Hypatos GmbH, Berlin

Professor Dr. iur. Dr. rer. pol. Dr. h.c. Franz Jürgen Säcker

Director of the Institute for Energy and Regulatory Law Berlin, Berlin

Wilhelm Weil

Director of Robert Weil winery, Kiedrich

Kim-Eva Wempe

Personally liable managing partner of Gerhard D. Wempe KG, Hamburg

The members of the Supervisory Board were paid the following total remuneration for their activities in the financial year:

€ '000					
	Variable remuneration	Fixed remuneration	Attendance fees	Remuneration for services rendered in person	Total
Prof. Dr. Dr. Dres. h.c. Franz Jürgen Säger	18	4	13	—	<b>35</b>
	(17)	(4)	(8)	(-)	(29)
Thomas R Fischer	27	6	19	—	<b>52</b>
	(25)	(6)	(16)	(-)	(47)
Detlev Meyer	36	8	25	—	<b>69</b>
	(33)	(8)	(21)	(-)	(62)
Kim-Eva Wempe	18	4	8	—	<b>30</b>
	(17)	(4)	(6)	(-)	(27)
Wilhelm Weil (from 19 June 2017)	18	4	9	—	<b>31</b>
	(17)	(4)	(6)	(-)	(27)
Dr Jörg Haas (from 1 January 2017)	18	4	12	—	<b>34</b>
	(17)	(4)	(8)	(-)	(29)
<b>Total</b>	<b>135</b>	<b>30</b>	<b>86</b>	<b>—</b>	<b>251</b>
	(126)	(30)	(65)	(-)	(221)

There existed no loans to members of the Supervisory Board and Board of Management in the 2019 financial year, as in the previous year.

At 31 December 2019, the Supervisory Board held 6,522,376 shares in Hawesko Holding AG – directly and/or indirectly – all of which were attributable to the Chairman (previous year: 6,522,376 shares). On 10 February 2020 Dr. Jörg Haas acquired 10,000 shares of Hawesko Holding AG.

## **Proposal on the appropriation of earnings**

The Board of Management of Hawesko Holding AG proposes to the Supervisory Board that the accumulated profit for the past financial year 2019 of € 20,869,677.82 be appropriated as follows:

1. Distribution of a dividend of € 1.30 per share carrying dividend entitlements. With a total number of 8,983,403 shares carrying dividend entitlements, that is a total amount of € 11,678,423.90.
2. Allocation of the balance of € 9,191,253.92 from accumulated profit to the other retained earnings.

## Shareholdings

pursuant to Section 285 (11–11b) of German Commercial Code on 31 December 2019

	Sitz	Eigenkapital in T€	Beteiligungs- quote in %	Jahresergebnis 2019 in T€
<b>A. Direkte Beteiligungen</b>				
Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH	Hamburg	5.165	100	10.170 **
Jacques' Wein-Depot Wein-Einzelhandel GmbH	Düsseldorf	537	100	16.008 **
Wein & Co. Handelsges.mBH	Vösendorf (Österreich)	-60	100	-295
CWD Champagner- und Wein-Distributionsgesellschaft mbH	Hamburg	305	100	-251
Wein Service Bonn GmbH	Bonn	8.443	100	6.208 **
IWL Internationale Wein Logistik GmbH	Tornesch	26	100	-420 **
Wein & Vinos GmbH	Berlin	4.536	90	3.536
WirWinzer GmbH	München	-2.088	65,67	-672
Weinart Handelsgesellschaft mbH	Geisenheim	3.357	51	1.448
Vins de Prestige Classics S.A.R.L en liquidation (vormals: Château Classic – Le Monde des Grands Bordeaux S.A.R.L. en liquidation)	Bordeaux (Frankreich)	-4.073	100*	-12
Sélection de Bordeaux S.A.R.L.	Straßburg (Frankreich)	-4	100	-6
Globalwine AG***	Zürich (Schweiz)	299	95	450
<b>B. Indirekte Beteiligungen</b>				
<b>Beteiligungen der Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH</b>				
Carl Tesdorpf GmbH	Lübeck	-345	100	125
The Wine Company Hawesko GmbH	Hamburg	-2.469	100	-222
Wine Dock GmbH	Hamburg	3.072	100	-876 **
<b>Beteiligung der Jacques' Wein-Depot Wein-Einzelhandel GmbH:</b>				
Jacques' Wein-Depot Weinhandelsgesellschaft m.b.H.	Salzburg (Österreich)	98	100	-2
<b>Beteiligungen der Wein Service Bonn GmbH:</b>				
Wein Wolf Import GmbH & Co. Vertriebs KG	Salzburg (Österreich)	678	100	717
Verwaltungsgesellschaft Wein Wolf Import GmbH	Salzburg (Österreich)	78	100	5
Wein Wolf GmbH	Bonn	2.160	100	990 **
Gebrüder Josef und Matthäus Ziegler GmbH	Freudenberg	3.172	100	-213
Alexander Baron von Essen Weinhandelsgesellschaft mbH	Bonn	754	100	141
Global Eastern Wine Holding GmbH	Bonn	1.538	100	343
Weinland Ariane Abayan GmbH	Hamburg	1.831	100	3.820 **
Volume Spirits GmbH (vormals: Weinland Ariane Abayan Verwaltungsgesellschaft mbH)	Bonn (vormals Hamburg)	119	100	-132
Deutschwein Classics GmbH & Co. KG	Bonn	800	90	186 **
Deutschwein Classics Verwaltungsgesellschaft mbH	Bonn	37	90	1
<b>Beteiligung der Globalwine AG :</b>				
Vogel Vins SA***	Grandvaux (Schweiz)	4.472	70	117
<b>Beteiligung der CWD Champagner- und Wein-Distributionsgesellschaft mbH:</b>				
Grand Cru Select Weinhandelsgesellschaft mbH	Hamburg (vormals: Rüdesheim)	608	75	108
<b>Beteiligung der Weinart Handelsgesellschaft mbH:</b>				
Weinart Handels- und Beteiligungsgesellschaft mbH	Geisenheim	45	100	1****

\* Of which 10% direct participating interest through Sélection de Bordeaux S.A.R.L.

\*\* Before profit transfer

\*\*\* The equity was converted at an exchange rate of CHF/EUR 1.0854 (reporting date) and the net income for the year at a rate of CHF/EUR 1.0925 (average)

\*\*\*\* Net income for the financial year from 1 April 2018 to 31 March 2019

## **Group affiliation**

The company is included in the consolidated financial statements of HAWESKO Holding Aktiengesellschaft, Hamburg, (smallest group of consolidated companies) and the consolidated financial statements of TOCOS Beteiligung GmbH, Hamburg, (largest group of consolidated companies). Both sets of consolidated financial statements are prepared in accordance with the International Financial Reporting Standard (IFRS). The respective consolidated financial statements are submitted to the electronic Federal Gazette for filing for disclosure with the Hamburg Company Register. The fees charged for the company are included in the overall fees for the independent auditors stated therein.

The fees for audit services include the audit of the annual financial statements of the company and auditing of the consolidated financial statements of the smallest group of consolidated companies.

## **Report on post-balance sheet date events**

The spread of the coronavirus in Europe since February 2020 and the resulting restrictions to the public, economic and private spheres in all European countries will in all probability have a negative impact on the future net worth, financial position and financial performance.

On 16 March 2020 the German federal government and the heads of government of the federal states decreed the closure or restricting of many catering establishments and certain retail outlets in Germany. The situation in Austria and Switzerland is similar. This will adversely affect the sales and earnings of the group divisions with wholesale and retail operations. On the other hand in the e-commerce segment – subject to the availability of goods and logistics – we expect a positive effect on the future net worth, financial position and financial performance.

As it is currently impossible to foresee further developments in possible restrictions and limitations or their duration, no quantitative estimate of the financial consequences can be made at present. However based on the positive liquidity situation within the Hawesko Group we do not foresee an increased risk to the going concern.

# DECLARATION OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report that is combined with the group management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Hamburg, 2 April 2020

HAWESKO Holding Aktiengesellschaft

The Board of Management

Thorsten Hermelink

Alexander Borwitzky

Raimund Hackenberger

## Development in fixed assets

	Acquisition cost			
	01.01.2019	Additions	Disposals	31.12.2019
	€	€	€	€
I. Intangible assets				
1. Concessions acquired for consideration, industrial property rights and similar rights and values as well as licences to such rights and values	145.081,45	158.533,77	0,00	303.615,22
2. Advance payments	331.923,07	0,00	331.923,07	0,00
	<b>477.004,52</b>	<b>158.533,77</b>	<b>331.923,07</b>	<b>303.615,22</b>
II. Property, plant and equipment				
1. Land, equivalent rights and buildings, including buildings on third-party land	91.074,50	0,00	0,00	91.074,50
2. Other fixtures and fittings, tools and equipment	304.376,37	1.228,73	5.498,59	300.106,51
	<b>395.450,87</b>	<b>1.228,73</b>	<b>5.498,59</b>	<b>391.181,01</b>
III. Financial assets				
Shares in affiliated companies	125.129.200,10	8.962.797,70	25.000,00	134.066.997,80
	<b>125.129.200,10</b>	<b>8.962.797,70</b>	<b>25.000,00</b>	<b>134.066.997,80</b>
	<b>126.001.655,49</b>	<b>9.122.560,20</b>	<b>362.421,66</b>	<b>134.761.794,03</b>



Accumulated depreciation and amortisation				Residual carrying amount	
01.01.2019	Additions	Disposals	31.12.2019	31.12.2019	31.12.2018
€	€		€	€	€
127.478,45	26.218,77	0,00	153.697,22	149.918,00	17.603,00
0,00	331.923,07	331.923,07	0,00	0,00	331.923,07
<b>127.478,45</b>	<b>358.141,84</b>	<b>331.923,07</b>	<b>153.697,22</b>	<b>149.918,00</b>	<b>349.526,07</b>
45.450,50	5.388,00	0,00	50.838,50	40.236,00	45.624,00
145.486,37	19.503,73	981,59	164.008,51	136.098,00	158.890,00
<b>190.936,87</b>	<b>24.891,73</b>	<b>981,59</b>	<b>214.847,01</b>	<b>176.334,00</b>	<b>204.514,00</b>
486.358,94	0,00	0,00	486.358,94	133.580.638,86	124.642.841,16
486.358,94	0,00	0,00	486.358,94	133.580.638,86	124.642.841,16
<b>804.774,26</b>	<b>383.033,57</b>	<b>332.904,66</b>	<b>854.903,17</b>	<b>133.906.890,86</b>	<b>125.196.881,23</b>