



**Combined Management Report for the Consolidated Financial Statements  
and the separate Financial Statements of Mast-Jägermeister SE, Wolfenbüttel,  
for the financial year from 1 January to 31 December 2020**

## **I. Business and general conditions**

### Preliminary remark

Mast-Jägermeister SE prepared consolidated financial statements for the 2020 financial year in accordance with the provisions of Sections 290 et seq. HGB and supplementary provisions under stock corporation law. The Jägermeister brand and product are at home all over the world. In addition to Mast-Jägermeister SE as the parent company, the Group includes in particular the foreign sales companies Mast-Jaegermeister US, Inc. in the USA, Mast-Jaegermeister UK Ltd. in the UK, Mast-Jaegermeister CZ s.r.o. in the Czech Republic and Mast-Jaegermeister SK s.r.o. in Slovakia. Like Mast-Jägermeister Deutschland GmbH, which is based in the country of origin of Jägermeister, these companies manage local marketing and sales for the brand with the Hubertus-Hirsch (stag).

### Business activity and company

Mast-Jägermeister SE is an international spirits company and owns one of the most successful premium spirits brands in the world with the herbal liqueur "Jägermeister". It is also the German spirits company with the highest turnover.

Jägermeister has been sold in 150 markets worldwide and enjoyed by millions of fans. The largest markets are Germany, USA, China, Russia, Great Britain and the Czech Republic. For more than 85 years, the brand has continued to develop and is now perceived as more than just a spirits brand - Jägermeister embodies enjoyment and joie de vivre and is a true "love brand" with fans from all parts of the world and in all age groups. The company owns extensive registered industrial property rights for the Jägermeister brand in almost all countries of the world. The Group resolutely counters infringements of property rights.

The parent company Mast-Jägermeister SE is the driving force behind the strategic development of the Group. This is where the supporting elements of brand management and all production activities are developed and executed. The distribution of Jägermeister and the adaptation of the brand strategy are managed and implemented by the company's own subsidiaries in the core markets of Germany, the USA, the UK, the Czech Republic and Slovakia. In the other markets around the globe, Mast-Jägermeister SE entrusts distribution to high-profile and independent partners.

## II. Economic report

### Market and business development

The year 2020 was overshadowed by the COVID-19 pandemic. Complete industries worldwide had to temporarily stop their work and are still suffering from the economic consequences. For Jägermeister, the massive restrictions in travel (duty-free business), gastronomy and the event industry have been of particular importance for business development. It is already foreseeable that the virus will remain part of our daily lives for an indefinite period. Changed consumer and going-out behaviour and a new health consciousness as well as new hygiene standards are only a few examples of a revolutionary change in social interaction. These factors will affect the way we live, work, socialise and celebrate with each other.

The measures taken to combat the Corona pandemic have an impact on the entire spirits industry and thus also directly on our group of companies. Urgently needed measures to contain the virus have led to drastic impairments in the entire cultural environment, in the hotel and catering industry as well as in the entire trade environment. The temporary restrictions and closures of the on-trade business as well as the complete shutdown of the event industry are likely to have a significant impact beyond the crisis. Structural changes in these sectors, which are crucial for Jägermeister, are already clearly foreseeable. A massive wave of insolvencies is to be expected and only with a time delay a recovery and new concepts. The consumer environment is also likely to change fundamentally. Suppliers will therefore be forced to keep pace with the changes more than ever before and to actively shape them in order to meet future consumer needs.

As a responsible family business, Jägermeister has supported particularly affected areas quickly and unbureaucratically in a variety of ways. In addition to the international aid initiative #SAVETHENIGHT for the particularly affected artists, operators and employees in the bar and club scene, for example, neutral alcohol was also donated regionally for disinfection purposes.

With the increase in new out-of-home drinking opportunities, the off-trade will become much more relevant in the future and e-commerce will increasingly become a strong alternative for consumers compared to conventional channels.

In the premium spirits segment, which is relevant for Jägermeister, a global decline in sales of -13% is to be expected. The pandemic is hitting the duty-free sector, which is dependent on the travel market, particularly hard. In this sales channel, a decline of -60% is expected compared to the previous year, followed by negative developments in Africa and the Middle East (-28%) as well as Europe (-18%) and APAC (-15%). The American premium spirits market seems to be much more resilient, as consumers have moved their moments of pleasure from the restaurant trade to the in-home sector more than in any other market. Here, a relatively moderate decline in sales of -2 % is assumed. This trend is mainly due to the volume-driving categories vodka (+5 %) and whisky (+1 %). Tequila is also developing positively compared to 2019. In North America, the forecast growth in this category is just nearly 1%.

The Jägermeister Group, with its leading out-of-home and experience brand, is naturally also strongly affected by the pandemic in its sales. Compared to the values of the previous year, markets with a focus on retail in Northern and Eastern Europe, excluding the Czech Republic and Slovakia, are growing by around 4%, while the duty-free sector is losing around 53% of its volume.

The pandemic was the dominant factor that put pressure on business last year. In addition, continued and in some cases intensified trade conflicts from previous years had an impact on business performance. The punitive tariffs on our products imposed by the USA from October 2019 continued to apply unchanged in 2020 and had a negative impact on the results of the US business, as passing on the higher costs to the market has not been feasible in the competitive environment in the long term. Whether, when and to what extent the punitive tariffs will be corrected through negotiations between the EU and the new US administration is not yet foreseeable.

The UK's exit from the European Single Market and the Customs Union continues to be a defining issue in this economic area. Measures have been taken in the Group to avoid supply bottlenecks, especially at the beginning of the year.

As a result of the pandemic and the economic burden that goes with it, global economic growth in 2020 is negative. In view of the deep economic slump and the danger of a financial market crisis, the major central banks Fed and ECB have therefore taken extraordinary monetary policy steps and at the same time signalled that they are ready to act at any time.

China was the first country to be hit by the pandemic. Its economic low point was therefore already in the first quarter. The economy recovered quickly, however, as the country was able to bring the virus under control with strict measures such as sealing off cities with millions of inhabitants, strict isolation and entry bans. Since the second quarter, the economy was already back on track for growth and is expected to finish with a year-on-year increase.

#### Earnings, financial and asset situation of the Group

The business development of the Jägermeister Group with its main brand Jägermeister was still satisfactory overall in 2020 under the effects of the pandemic, but clearly negative compared to the previous year. Jägermeister's consolidated sales, viewed in a 0.7-litre equivalent, fell by 18.7% to 89.0 million bottles in the 2020 financial year. Around 62% of the sales volume was attributable to the Europe region and 38% to the non-European markets.

Including third-party brand sales in the sales companies in the Czech Republic, Slovakia and, for the first time in 2020, in the USA, total sales amount to 97.5 million bottles compared to 115.1 million bottles in the previous year.

Group sales revenue as a financial performance indicator decreased by EUR 86,222k to EUR 538,670 k. These sales losses are primarily due to the Corona pandemic. The cost of materials is above the previous year's level at EUR 119,514k. This is due to the balance of the expansion of the third-party brand business versus the Corona-related lower production volume at the parent company.

Personnel expenses are lower than in the previous year at EUR 85,994k as special payments to employees were included here. Depreciation and amortisation in the consolidated financial statements also include expenses from the amortisation of goodwill of the acquired sales companies amounting to a total of EUR 10,300k.

Other operating expenses fell by EUR 34,899k to EUR 209,205k in the Group. This is mainly due to the reduced possibility of marketing measures due to global restrictions in the relevant area.

The consolidated operating result of EUR 122,895k is EUR 60,311k or 32.9 % below the previous year. The reported financial result is almost entirely influenced by the parent company. Overall, a consolidated net income (financial performance indicator) of EUR 83,463 thousand is reported for the 2020 financial year, compared to EUR 125,800k in the previous year. The consolidated net income is thus around 36.3% below the earnings forecast for 2020. This development is clearly due to the pandemic, as the sales development was still above the previous year until March of the reporting year.

The balance sheet structure of the Group is mainly characterised by the balance sheet of the parent company and the current assets of the sales subsidiaries. Exceptions to this are the special features specific to the consolidation. The consolidated balance sheet total amounts to EUR 602,375k. It is influenced by the spin-off in the item shares in affiliated companies of current assets. Amounting to EUR 100,694k, trade receivables are EUR 29,867k below the previous year's level. Receivables from affiliated companies not included in the consolidated financial statements amount to EUR 3,083k. Provisions and liabilities together amount to EUR 115,866k and are 19.5 % below the previous year's value (EUR 143,992k). Group equity as at 31 December 2020 amounts to EUR 485,712k; its development is shown in the consolidated statement of changes in equity.

The Group's cash flow and cash and cash equivalents developed as follows in the reporting year:

(in kEUR)	2020	2019
Cash inflow from operating activities	117,772	141,021
Cash inflow/outflow from investing activities	-9,595	-166,713
Cash inflow/outflow from financing activities	-13,246	-10,312
<b>= Total cash inflow/outflow in the reporting year</b>	<b>94,931</b>	<b>-36,004</b>
Exchange rate, scope of consolidation and valuation	674	0
Conditional changes in cash and cash equivalents		
<b>+ Cash and cash equivalents at the beginning of the year</b>	<b>84,965</b>	<b>120,969</b>
<b>= Cash and cash equivalents at the end of the year</b>	<b>180,570</b>	<b>84,965</b>

The cash outflow from investing activities includes the balance of payments for investments in intangible assets and property, plant and equipment as well as payments received from asset disposals in the amount of EUR -11,347k (previous year: EUR -19,785k).

The balance of inflows and outflows for financial investments in fixed and current assets amounts to EUR +915k (previous year: EUR -139,429k). Interest income was EUR 837k (previous year: EUR +2,775k).

The balance of the item changes in cash and cash equivalents due to exchange rates, scope of consolidation and valuation represents the cash and cash equivalents of the subsidiaries included in the scope of consolidation in the 2020 financial year. The subsidiaries were acquired in previous financial years.

Only liquid funds in the form of bank and cash balances are reported in the financial resources fund.

Earnings, financial and asset situation of the parent company

The turnover of EUR 371,254k is below the previous year. The decline is exclusively due to lower sales in connection with the COVID-19 pandemic. In the first three months of the year, the corresponding sales volume was still above the previous year's and the planned values. Other operating income amounts to EUR 7,491k and is mainly influenced by non-periodic income and FX exchange rate gains.

The total operating performance (according to the income statement) in the reporting year was EUR 381,350k compared to EUR 491,134k in the previous year. The operating result of EUR 131,593k amounts to EUR 53,047k below the previous year.

The cost of materials, at EUR 64,262k, is lower than in the previous year due to a lower production volume as a result of the pandemic.

Personnel expenses fell by EUR 5,878k to EUR 34,056k. The main reason for this is the discontinuation of the extraordinary employee bonuses paid on an occasion-related basis in the previous year. Other operating expenses fell by EUR 46,705k to EUR 141,850k. As with the consolidated financial statements, the influence of Corona is also evident here, for example in the reduced marketing expenses, freight and travel costs.

The financial and investment result fell by EUR 3,693k to EUR 1,748k compared to the previous year. In addition to the volume-related lower income from financial investments, lower investment income from profit and loss transfer agreements contributed to this in particular.

The net profit for the 2020 financial year amounts to EUR 90,368k compared to EUR 132,935k in the previous year. Due to Corona, this is around 20 % below the earnings forecast for 2020.

From the net profit for the 2020 financial year, EUR 40,668k was allocated in advance to other revenue reserves when the annual financial statements were prepared. In the reporting year, a dividend of EUR 13,200k was distributed from the previous year's net profit of EUR 326,500k. The remaining amount of EUR 313,300k was used for the spin-off. The balance sheet profit reported as at 31.12.2020 amounts to EUR 49,700k.

The balance sheet total fell by EUR 481,193k to EUR 608,950k due to the spin-off completed in the financial year. Fixed assets remained at a comparable level to the previous year. This is mainly due to replacement and expansion investments of EUR 9,386k and, in contrast, current depreciation of EUR 9,589k. The additions are due in particular to the investment measures in the area of buildings in Wolfenbüttel and the expansion of the use of digital media, which were completed in the reporting year.

Under current assets, inventories are reported at EUR 29,112k, EUR 5,755k higher than in the previous year. This increase in inventories is to ensure the ability to deliver in the event of an intensified lockdown and to enable a quick reaction when business returns to normal. In contrast, trade receivables decreased by EUR 9,136k to EUR 39,110k. There were no Corona-related bad debt losses. Receivables in the group of companies fell by 23,374 kEUR to EUR 62,314k.

The item shares in affiliated companies under current assets was dissolved through the implementation of the spin-off. A large part of the available liquid funds is currently only disposed of in the short term.

Liabilities decreased from EUR 117,365k to EUR 62,718k. This is the reversal of the effects from the location of public holidays at the end of 2019 described last year as well as liabilities from financing activities with affiliated companies.

The cash flow and cash and cash equivalents of Mast-Jägermeister SE developed as follows in the reporting year

(in kEUR)	2020	2019
Cash inflow from operating activities	67,719	184,378
Cash inflow/outflow from investing activities	-7,732	-170,773
Cash inflow/outflow from financing activities	-13,412	-10,012
<b>= Total cash inflow/outflow in the reporting year</b>	<b>46,575</b>	<b>3,593</b>
<b>+ Cash and cash equivalents at the beginning of the year</b>	<b>58,995</b>	<b>55,402</b>
<b>= Cash and cash equivalents at the end of the year</b>	<b>105,570</b>	<b>58,995</b>

The cash outflow from investing activities includes the balance of payments for investments in intangible assets and property, plant and equipment as well as proceeds from disposals of fixed assets amounting to EUR -8,503k (previous year: EUR -18,064k). The balance of incoming and outgoing payments for financial investments in fixed and current assets amounts to EUR 85k (previous year: EUR -118,485k). Interest income was received in the amount of EUR +686k (previous year: EUR +2,339k).

Only liquid funds in the form of bank and cash balances are reported in the financial resources fund.

The equity capital shown in the balance sheet as of the balance sheet date amounts to EUR 503,284k compared to the previous year's value of EUR 926,145k. This corresponds to a reduction of 45.7 %. This is primarily due to the spin-off and the net profit for the 2020 financial year less the dividend distribution for the previous financial year. The equity ratio is 82.6 % after 85.0 % in the previous year. It thus continues to achieve an excellent value in both national and international comparison.

The strength of the Jägermeister brand and its product determine Jägermeister's earnings situation. Despite the extremely unfavourable conditions of the pandemic, the brand has once again proven to be very robust. In summary, the company's net assets, financial position and results of operations can still be described as good.

#### Disclosures on non-financial performance indicators

The corporate success of Mast-Jägermeister SE and its subsidiaries is influenced by non-financial performance indicators in addition to financial performance indicators. In addition to sales, these relate in particular to the company's relationships with its customers, suppliers and employees. Environmental concerns also remain a strong focus. The requirements of the corporate environment are an important benchmark of the company's own assessment bases. All companies in the Jägermeister Group naturally comply with all applicable legal provisions.

The so-called "Jägermeister Pact" contains the global vision of the brand. The goal is to become the No. 1 premium spirit for young adults. The key to achieving this ambitious and self-confident goal is the consistent implementation of the corporate mission in all strategies and measures. And this mission is no less ambitious, as it consists of offering the discerning Jägermeister core target group "The

best nights of their lives". The third central pillar of the pact is the value framework, which is supported and lived by all employees. It is based on clearly defined brand values. The Jägermeister brand and the people who bring it to life are daring, social, masterful and always authentic. Together with fundamental corporate values, these brand values form a value framework that permeates all facets and levels of Jägermeister: respect, quality, cosmopolitanism, enthusiasm and innovation are far more than just buzzwords here, but the compass that guides Jägermeister.

The Jägermeister brand and thus the company are constantly evolving. The focus of HR work is therefore on actively shaping these processes of change and the further organisational development of the group of companies. Digital development, demographic change and the steadily increasing successful internationalisation also shape the strategic orientation of HR work. The rapid and constant changes in the markets mean that the company must react in a highly flexible manner. This is where Jägermeister benefits from its agile and flexible corporate culture. As part of its cultural journey, the Jägermeister Group is working to give its employees the best possible environment in order to be able to work and shape the market accordingly, because a brand as emotional as Jägermeister in particular lives through the people who shape it.

#### Information on research and development

In order to maintain the attractiveness of the product range at the usual high Jägermeister level, the company works continuously to ensure and improve quality along the entire production process. A particular focus remains on checking the quality of the end product and its natural raw materials. The company also invests continuously in the development and marketing of new products under the Jägermeister brand as well as in the conception of creative, international marketing innovations.

### **III. Opportunities and Risk Report**

The Group's business activities involve the usual market opportunities and risks of an internationally active supplier of spirits. No significant risks result from the financial instruments held by the company.

It is expected that the successful development and increasing availability of vaccines against the COVID-19 virus will lead to a positive development of the economic environment and thus also of the sales of our strong brand in the medium term. In addition, new marketing channels in the direct-to-consumer sector will be consistently developed further with the experience gained from the pandemic crisis in 2020.

Pursuant to section 91 (2) of the German Stock Corporation Act (AktG), the company has established a group-wide risk management system for the early detection of developments that could jeopardise the company's existence.

The principles of this system are documented in the "Risk Management Guideline". For the individual divisions and major subsidiaries, risks are identified, updated, evaluated, controlled and communicated every six months in accordance with a predefined software-based control cycle.

The Executive Board and Supervisory Board of Mast-Jägermeister SE are kept fully informed through annual risk reporting within the Group.

At Mast-Jägermeister SE, risks are classified according to a risk matrix into existential, significant, substantial and low risks. Here, the focus is placed in particular on constant compliance with product quality through extensive quality testing. Another focus is on ensuring compliance in order to protect the Jägermeister brand from reputational damage. The occurrence of existential risks would be reported to the Executive Board of Mast-Jägermeister SE as part of ad hoc reporting.

From today's perspective, no risks that could jeopardise the continued existence of Mast-Jägermeister SE or any of its subsidiaries as a going concern are discernible either from individual risks or from the overall risk position.

#### **IV. Forecast report**

The global economy is expected to gradually leave behind the drastic effects of the Corona pandemic and return to growth in 2021. In particular, the approval and availability of various vaccines and the associated slow but increasing immunisation of the population give hope for a return of social life, a rapid economic recovery and an economic upswing.

The persistence of low interest rates has been further manifested by the economic impact of the pandemic. Central banks will keep key interest rates low and use remaining funds for monetary easing to support the economy.

The change in the US administration under the new President Joe Biden in the USA is expected to ease tensions to some extent with regard to protectionist measures. In view of the avoidance of the "no deal" in the Brexit negotiations, it can be assumed that short-term distortions, triggered for example by interrupted supply chains and turbulence on the financial markets, can be largely avoided. However, the emerging restrictions in trade relations with the EU are likely to weigh on the growth of the British economy.

For 2021, the Executive Board of Mast-Jägermeister SE expects a gradual recovery of the business combined with the gradual recovery of purely pandemic-related sales losses in the sales markets relevant for Jägermeister.

Assuming the absence of negative events and a normal development of the overall economic conditions, an improvement in the operating business is expected. The company intends to adhere to its strategy in the coming years of continuously increasing investments in the Jägermeister brand to open up and develop new markets and to further consolidate and expand its international market position.

In the economic relationship with the USA, there is at least a reasonable hope that the 25% punitive tariffs on the import of our products, which have been imposed since 2019, could be lifted in whole or in part through positive negotiations between the EU and the new US administration. In our estimation, however, this will not be before the beginning of the second half of the year. In this respect, it will not be possible to fully compensate for the additional expenditure caused by the levied punitive duties. The results of the past two financial years were already burdened by this.

With Mast-Jaegermeister UK Ltd., the Jägermeister Group is locally involved in one of its largest foreign markets in the UK. Against the backdrop of the finalisation of the Brexit, the stock of bottled goods in the subsidiary in the UK was expanded at the end of 2020 in order to be able to observe the development here and to avoid so-called stock-outs in the trade. Currently, no serious risks for sales in this market are discernible from this issue.

For 2021, payments for investments in intangible assets and property, plant and equipment are planned in the Group in the expected amount of EUR 32.2 million, of which EUR 30.6 million are attributable to Mast-Jägermeister SE. These relate in particular to construction measures and the expansion and renewal of production and storage capacities at the Wolfenbüttel site. In addition, investments are planned in the areas of sustainability and digitalisation, further expansion and replacement investments in technical facilities as well as operating and office equipment.

Mast-Jägermeister SE increased an existing investment by around EUR 100 million at the beginning of the 2021 financial year. The increase was carried out with own funds and will only have a minor impact on the Group's earnings situation in the short term.

For the 2021 financial year, the Executive Board expects both the parent company and the Group to achieve a slightly higher result from the catch-up of sales volumes and thus an increase in turnover compared to the reporting year. However, the achievement of this forecast depends heavily on the development of the COVID-19 pandemic and the related measures. A possible development of the issue of punitive tariffs on the import of our Jägermeister bottled goods into the USA will also have an influence on the results of the Group and the companies involved.

#### **V. Final Declaration of the Executive Board on Relations with Affiliated Companies (Dependent Company Report)**

The Executive Board of Mast-Jägermeister SE prepared a report in accordance with Section 312 of the German Stock Corporation Act (AktG) on relationships with affiliated companies and issued the following concluding declaration therein:

"Our company received appropriate consideration for each legal transaction listed in the report on relationships with affiliated companies. There were no reportable transactions. This assessment is based on the circumstances known to us at the time of the reportable transactions or which have come to our knowledge up to the date of preparation of the report. "

Wolfenbüttel, 15 February 2021

Mast-Jägermeister SE

The Board of Directors

Michael Volke

Christopher Ratsch

Denis Schrey

Consolidated Balance Sheet as at 31 December 2020  
of the  
Mast-Jägermeister SE, Wolfenbüttel

ASSETS	31.12.2020		31.12.2019	LIABILITIES	31.12.2020		31.12.2019
	KEUR	KEUR	KEUR		KEUR	KEUR	KEUR
<b>A. FIXED ASSETS</b>				<b>A. OWNERSHIP</b>			
I. Intangible assets				I. Subscribed capital		100,000	100,000
1. Industrial property rights acquired for consideration and similar rights and values	6,507		6,032	II. Capital reserve		2,258	2,258
2. Goodwill	93,575		88,640	III. Retained earnings			
3. Prepayments made	<u>1,173</u>		316	1. Legal reserve	10,226		10,226
		101,255		2. Other revenue reserves	<u>341,100</u>		487,161
II. Property, plant and equipment				IV. Foreign currency adjustment item		351,326	
1. Land, land rights and buildings including buildings on third-party land	62,285		61,885	V. Consolidated balance sheet profit		-12,185	-1,884
2. Technical equipment and machinery	7,375		8,258	VI. Non-controlling interests		44,302	328,007
3. Other equipment, operating and business equipment	12,357		11,104			11	
4. Payments on account and assets under construction	<u>1,892</u>		3,716			485,712	829,768
		83,619					10
III. Financial assets				<b>B. DIFFERENCE FROM CAPITAL CONSOLIDATION</b>			
1. Shares in affiliated companies	35		18,111	<b>C. PROVISIONS</b>			
2. Shareholdings	21,122		20,819	1. Provisions for pensions and similar commitments	10,920		10,855
3. Securities held as fixed assets	22,019		28,782	2. Tax provisions	13,341		12,540
4. Other loans	<u>5,400</u>		0	3. Other provisions	<u>34,616</u>		42,493
		48,576				58,877	65,688
		<u>233,459</u>	<u>247,663</u>	<b>D. LIABILITIES</b>			
<b>B. CURRENT ASSETS</b>				1. Advance payments received on orders	434		336
I. Inventories				2. Liabilities from deliveries and services	25,116		49,143
1. Raw materials and supplies	11,092		8,722	3. Amounts owed to affiliated companies	0		294
2. Work in progress	8,520		7,076	4. Other liabilities	<u>31,439</u>		28,531
3. Finished products and goods	35,982		32,609			56,989	78,304
4. Prepayments made	<u>332</u>		2,182	<b>E. PREPAID EXPENSES</b>			101
		55,926	50,591	<b>F. DEFERRED TAX LIABILITIES</b>			
II. Receivables and other assets						786	1,078
1. Receivables from deliveries and services	100,694		130,561				
2. Receivables from affiliated companies	3,083		4,173				
3. Other assets	<u>18,811</u>		41,811				
		122,588	176,245				
III. Securities							
1. Shares in affiliated companies	<u>0</u>		<u>500,030</u>				
		0	500,030				
IV. Cash on hand and bank balances							
		180,570	84,965				
		<u>359,084</u>	<u>811,831</u>				
<b>C. PREPAID EXPENSES</b>							
		2,310	2,033				
<b>D. DEFERRED TAX ASSETS</b>							
		7,731	8,312				
		<u>602,375</u>	<u>1,070,839</u>			<u>602,375</u>	<u>1,070,839</u>

Wolfenbüttel, 15 February 2021

Consolidated Profit and Loss Account for the period  
from 1 January to 31 December 2020  
of the  
Mast-Jägermeister SE, Wolfenbüttel

		<u>2020</u>		<u>2019</u>
	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
1. Sales		538,670		624,892
2. Change in the inventory of finished and work in progress		<u>938</u>	539,608	608,937
			./.	<u>15,955</u>
3. Other operating income			<u>22,622</u>	<u>20,056</u>
Total output			560,231	628,993
4. Cost of materials				
Expenses for raw materials, consumables and operating supplies and for purchased goods			<u>119,514</u>	<u>91,272</u>
			440,716	537,721
Gross profit				
5. Personnel expenses	71,450			76,539
a) Wages and salaries				
b) Social security contributions and expenses for retirement provision and for support of which for pensions:	14,544			14,788
EUR 1,932k (previous year: EUR 2,046k)		<u>85,994</u>		
6. Depreciation				
a) on intangible assets of fixed assets and property, plant and equipment	21,845			19,084
b) on current assets of working capital, insofar as such exceed the usual amounts of depreciation in the company	<u>777</u>	22,622		0
7. Other operating expenses		<u>209,205</u>	<u>317,821</u>	<u>244,104</u>
Operating result			<u>122,895</u>	<u>183,206</u>
8. Income from participations		1,480		
9. Income from other securities and Loans from financial assets		572		2,218
10. Other interest and similar income		<u>293</u>	2,345	604
11. Depreciation on financial assets and on Securities held as current assets		1,176		0
12. Interest and similar expenses		<u>326</u>	<u>1,501</u>	<u>3,711</u>
Financial and investment result			843	889
			./.	
13. Taxes on income and earnings			<u>40,275</u>	<u>56,517</u>
14. Result after taxes			<u>83,463</u>	<u>125,800</u>
15. Net profit for the year before minorities			83,463	125,800
16. Loss attributable to non-controlling interests			0	0
17. Net profit after minorities			<u>83,463</u>	<u>125,800</u>

Mast-Jägermeister SE | Consolidated Financial Statements 2020 | Consolidated Income Statement

<sup>1)</sup> Loss incurred in the amount of 347.63 euros

Development of the Group's fixed assets in the 2020 financial year  
of the  
Mast-Jägermeister SE, Wolfenbüttel

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	Cost of Acquisition and Production						
	Opening balance accumulated 01.01.	Difference from currency conv.	Changes in the scope of Consolidation	Acquisitions	Disposals	Transfers Write-ups	Closing balance accumulated 31.12.
- in kEUR -							
I. <u>Intangible assets</u>							
1. Industrial property rights acquired for consideration and similar rights and assets	21,268	-8	9	3,996	-527	193	24,931
2. Goodwill	131,590	0	15,235	0	0	0	146,825
3. Advance payments made	316	0	0	1,050	0	-193	1,173
	153,174	-8	15,244	5,046	-527	0	172,929
II. <u>Property, plant and equipment</u>							
1. Land, land rights and buildings including buildings on third-party land	118,827	-90	0	2,237	-866	1,972	122,080
2. Technical equipment and machinery	49,556	0	125	645	-508	106	49,924
3. Other equipment, factory and office equipment	41,120	-178	393	3,514	-882	922	44,889
4. Advance payments and assets under construction	3,716	0	0	885	0	-2,999	1,602
	213,219	-268	518	7,281	-2,256	1	218,495
III. <u>Financial assets</u>							
1. Shares in affiliated companies	18,111	0	-17,982	0	-94	0	35
2. Shareholdings	20,819	-1,794	1,200	897	0	0	21,122
3. Investment securities	28,782	0	552	2,960	-10,000	0	22,294
3. Other loans	0	0	1,000	7,836	-2,536	0	6,300
	67,712	-1,794	-15,230	11,693	-12,630	0	49,751
	434,105	-2,070	532	24,020	-15,413	1	441,175

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Development of the Group's fixed assets in the 2020 financial year  
of the  
Mast-Jägermeister SE, Wolfenbüttel

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	Depreciations						
	Opening balance accumulated 01.01.	Difference from currency conv.	Changes in the scope of consolid.	Acquisitions	Disposals	Transfers	Write-ups
- in kEUR -	Closing balance accumulated 31.12.						
<b>I. Intangible assets</b>							
1. Industrial property rights acquired for consideration and similar rights and assets	15,236	-4	2	3,615	-425	0	0
2. Goodwill	42,950	0	0	10,300	0	0	0
3. Advance payments made	0	0	0	0	0	0	0
	<b>58,186</b>	<b>-4</b>	<b>2</b>	<b>13,915</b>	<b>-425</b>	<b>0</b>	<b>0</b>
<b>II. Property, plant and equipment</b>							
1. Land, land rights and buildings including buildings on third-party land	56,942	-33	0	2,903	-17	0	0
2. Technical equipment and machinery	41,298	0	55	1,703	-507	0	0
3. Other equipment, factory and office equipment	30,016	-93	177	3,245	-813	0	0
4. Advance payments and assets under construction	0	0	0	0	0	0	0
	<b>128,256</b>	<b>-126</b>	<b>232</b>	<b>7,851</b>	<b>-1,337</b>	<b>0</b>	<b>0</b>
<b>III. Financial assets</b>							
1. Shares in affiliated companies	0	0	0	0	0	0	0
2. Shareholdings	0	0	0	0	0	0	0
3. Investment securities	0	0	0	275	0	0	0
4. Other loans	0	0	0	900	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,175</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>186,442</b>	<b>-130</b>	<b>234</b>	<b>22,941</b>	<b>-1,762</b>	<b>0</b>	<b>0</b>
	<b>207,725</b>						

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Consolidated Statement of Changes in Equity as of 31 December 2020  
of the  
MasT-Jägermeister SE, Wolfenbüttel

- in kEUR -	Capital signed	Capital reserve	Legal reserve	Other retained earnings	Equity difference from currency conversion	Unappropriated profit/Net income for the year	Equity of the shareholders of the mother company	Non-controlling interests before equity difference from currency conversion and annual result	Equity difference from currency conversion accounting for non-controlling interests	Gains/losses accounting for non-controlling interests	Non-controlling interests	Group equity
Balance on 31.12.2012	100,000,000.00	2,258,376.24	10,225,837.82	87,767,240.88	0.00	85,579,086.34	295,830,541.18	0.00	0.00	0.00	0.00	295,830,541.18
Dividend payment						(10,000,000.00)	(10,000,000.00)				0.00	(10,000,000.00)
Transfer to other revenue reserves				130,434,811.68		(130,434,811.68)	0.00				0.00	0.00
Net income for the year						88,855,725.34	88,855,725.34					88,855,725.34
Balance on 31.12.2013	100,000,000.00	2,258,376.24	10,225,837.82	218,202,052.66	0.00	54,000,000.00	384,686,266.52	0.00	0.00	0.00		384,686,266.52
Dividend payment						(10,000,000.00)	(10,000,000.00)				0.00	(10,000,000.00)
Transfer to other revenue reserves				40,470,468.45		(40,470,468.45)	0.00				0.00	0.00
Consolidated net income						88,885,174.80	88,885,174.80				0.00	88,885,174.80
Other comprehensive income					674,585.82		674,585.82					674,585.82
Balance on 31.12.2014	100,000,000.00	2,258,376.24	10,225,837.82	258,672,521.11	674,585.82	92,414,706.35	484,246,027.14	0.00	0.00	0.00		484,246,027.14
Dividend payment						(9,200,000.00)	(9,200,000.00)				0.00	(9,200,000.00)
Transfer to other revenue reserves				42,609,863.77		(42,609,863.77)	0.00				0.00	0.00
Consolidated net income						97,895,837.07	97,895,837.07				0.00	97,895,837.07
Other comprehensive income					1,117,888.75	10,382.27	1,128,271.02					1,128,271.02
Balance on 31.12.2015	100,000	2,258	10,226	301,282	1,792	138,511	654,069	0.00	0.00	0.00		654,069
Dividend payment						(9,600)	(9,600)				0	(9,600)
Transfer to other revenue reserves				40,882		(40,882)	0				0	0
Consolidated net income						96,823	96,823				0	96,823
Other comprehensive income					349	(5)	344					344
Balance on 31.12.2016	100,000	2,258	10,226	342,164	2,141	184,847	841,638	0	0	0		841,638
Dividend payment						(9,200)	(9,200)				0	(9,200)
Transfer to other revenue reserves				39,492		(39,492)	0				0	0
Consolidated net income						89,481	89,481				0	89,481
Other comprehensive income					(9,837)	(3)	(9,840)					(9,840)
Balance on 31.12.2017	100,000	2,258	10,226	381,656	(7,696)	225,633	713,077	0	0	0		713,077
Dividend payment						(8,600)	(8,600)				0	(8,600)
Transfer to other revenue reserves				45,671		(45,671)	0				0	0
Consolidated net income						100,879	100,879				0	100,879
Changes in the scope of consolidation					7		7					7
Other comprehensive income					3,581	(2)	3,579					3,579
Balance on 31.12.2018	100,000	2,258	10,226	427,327	(4,108)	272,039	807,742	0	0	0		807,742
Dividend payment						(10,000)	(10,000)				0	(10,000)
Addition to other retained earnings				59,835		(59,835)	0				0	0
Consolidated net earnings						125,800	125,800				0	125,800
Other comprehensive income					2,224	3	2,227				0	2,227
Balance on 31.12.2019	100,000	2,258	10,226	487,162	(1,884)	328,007	925,768	0	0	0	0	925,768
Dividend payment						(13,200)	(13,200)				0	(13,200)
Addition to other retained earnings				40,668		(40,668)	0				0	0
Consolidated net earnings						83,463	83,463				0	83,463
Spin-off				(166,730)		(313,300)	(500,030)					(500,030)
Changes in the scope of consolidation						0	0	11	0	0	11	11
Other comprehensive income					(10,300)		(10,300)				0	(10,300)
Balance on 31.12.2020	100,000	2,258	10,226	341,100	(12,185)	44,302	485,791	11	0	0	11	485,712

Development of the Group's fixed assets in the 2020 financial year  
of the  
Mast-Jägermeister SE, Wolfenbüttel

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	Net book values	
	Net book values 31.12.2020	Net book values 31.12.2019
- in KEUR -		
I. <u>Intangible assets</u>		
1. Industrial property rights acquired for consideration and similar rights and assets	6,507	6,032
2. Goodwill	93,575	88,640
3. Advance payments made	1,173	316
	<u>101,255</u>	<u>94,988</u>
II. <u>Property, plant and equipment</u>		
1. Land, land rights and buildings including buildings on third-party land	62,285	61,885
2. Technical equipment and machinery	7,375	8,258
3. Other equipment, factory and office equipment	12,357	11,104
4. Advance payments and assets under construction		3,716
	<u>83,619</u>	<u>84,963</u>
III. <u>Financial assets</u>		
1. Shares in affiliated companies	35	18,111
2. Shareholdings	21,122	20,819
3. Investment securities	22,019	28,782
4. Other loans	5,400	0
	<u>48,576</u>	<u>67,712</u>
	<u>233,450</u>	<u>247,663</u>

Consolidated Cash Flow Statement  
for the period from 1 January to 31 December 2020  
of the Mast-Jägermeister SE, Wolfenbüttel

- In kEUR -	2020	2019
<b>1. Cash flow from operating activities</b>		
Result for the period	83,463	125,800
Depreciation (+)	23,798	19,084
Decrease (-) / increase (+) in provisions	-7,711	1,040
Other non-cash expenses (+) / income (-)	-8,017	2,244
Losses (+) / gains (-) from the disposal of fixed assets	61	2,393
Losses (+) / gains (-) from the disposal of financial assets in marketable securities	0	-470
Decrease (+) / increase (-) in inventories, trade receivables and other assets that are not attributable to investing or financing activities.	53,783	-27,493
Decrease (-) / increase (+) in trade payables and other liabilities that cannot be allocated to investing or financing activities.	-24,211	13,202
Interest expenses/interest income (+/-)	-791	-2,462
Income tax expense/income (+/-)	40,276	56,517
Income tax payments (-/+)	-42,879	-48,834
<b>Cash flow from operating activities</b>	<b>117,772</b>	<b>141,021</b>
<b>2. Cash flow from investing activities</b>		
Cash inflow (+) from disposals of property, plant and equipment intangible assets	0	67
Payments (-) for investments in intangible assets	-5,046	-4,497
Cash inflow (+) from disposals of property, plant and equipment	981	400
Payments (-) for investments in property, plant and equipment	-7,282	-15,755
Cash inflow (+) from disposals of financial assets	12,608	453,144
Payments (-) for investments in financial assets	-11,693	-112,622
Payments (-) for additions from the scope of consolidation	0	-10,274
Cash inflow (+) due to investments of financial resources in the framework of the short-term financial dispositions	0	20,079
Disbursements (-) due to financial investments within the scope of the short-term financial dispositions	0	-500,030
Interest received (+)	837	2,775
<b>Cash flow from investing activities</b>	<b>-9,595</b>	<b>-166,713</b>
<b>3. Cash flow from financing activities</b>		
Interest paid (-)	-46	-312
Dividends paid (-) to shareholders of the parent company	-13,200	-10,000
<b>Cash flow from financing activities</b>	<b>-13,246</b>	<b>-10,312</b>
<b>Changes in cash and cash equivalents</b>	<b>94,931</b>	<b>-36,004</b>
<b>Exchange rate, scope of consolidation and valuation Conditional changes in cash and cash equivalents</b>	<b>674</b>	
<b>4. Cash and cash equ. at the end of the peri.</b>		
Cash and cash equivalents at the beginning of the period	84,965	120,969
<b>Cash and cash equ. at the end of the peri.</b>	<b>180,570</b>	<b>84,965</b>
<b>5. Composition of cash and cash equivalents</b>		
Cash in hand, bank balances and cheques	180,570	84,965
<b>Cash and cash equivalents at the end of the period</b>	<b>180,570</b>	<b>84,965</b>

## **Notes to the 2020 Consolidated Financial Statements of Mast-Jägermeister SE, Wolfenbüttel**

### **1. Scope of consolidation and consolidation principles**

#### **General**

Mast-Jägermeister SE prepared the consolidated financial statements for the 2020 financial year in accordance with the provisions of Sections 290 et seq. HGB and supplementary provisions under stock corporation law.

#### **Information on the parent company**

Mast-Jägermeister SE, with its registered office in Wolfenbüttel, Jägermeisterstraße 7-15, is the ultimate parent company of the Mast-Jägermeister Group. It is entered in the Commercial Register of the Braunschweig District Court (HRB 7599).

#### **Information on the scope of consolidation**

As at the reporting date, Mast-Jägermeister SE directly and indirectly holds the majority of the shareholders' voting rights in 22 companies (previous year: 20). In addition to Mast-Jägermeister SE, Wolfenbüttel, as the parent company, six domestic (previous year: three) and 13 (previous year: twelve) foreign subsidiaries are included in the consolidated financial statements.

In the 2020 financial year, Mast-Jägermeister Services (India) Private Ltd., M-Venture GmbH, Wolfenbüttel and Vicentina GmbH & Co. KG as well as GinSul GmbH, all with registered offices in Hamburg, are included in these consolidated financial statements as subsidiaries of Mast-Jägermeister SE, for the first time.

The list of shareholdings, which shows the scope of consolidation, is presented in section 6 "Other information".

#### **Information on the consolidation methods**

In capital consolidation, the equity of the subsidiary is determined according to the revaluation method on the basis of the valuations at the time of the respective initial inclusion of the subsidiary in the consolidated financial statements and compared with the investment valuation of the parent company. Any resulting positive difference is capitalised as goodwill. Any resulting negative difference is recognised as a difference from capital consolidation.

The annual financial statements of the subsidiaries included in the consolidated financial statements are prepared uniformly according to the accounting and valuation methods applicable at Mast-Jägermeister SE in accordance with the statutory provisions.

The balance sheet date for all companies included in the consolidated financial statements is 31 December.

The functional currency of the Group is the euro. Balance sheets of foreign subsidiaries prepared in foreign currencies are translated at the average spot exchange rate on the balance sheet date. This does not apply to equity, which is translated at historical rates. The income statements are translated at the average exchange rate for the year. Currency differences from the translation of the capital subject to consolidation are taken into account within equity. The methods for foreign currency translation in the individual financial statements are explained in section 2.

Receivables and liabilities between group companies are consolidated. Intercompany profits resulting from intercompany deliveries and services are eliminated in accordance with § 304 (1) HGB if assets are valued in the individual financial statements at a higher value than the Group production costs.

Deferred tax assets or liabilities are created if consolidation measures result in different valuations between the consolidated balance sheet and the respective tax balance sheets of the consolidated companies. For the calculation of deferred taxes on deviating valuations from consolidation measures, the individual company tax rates are used.

In the consolidated income statement, revenues from intercompany sales and other intercompany income are offset against the corresponding expenses or reclassified to changes in inventories.

Disclosure options regarding the thereof notes are exercised in favour of the notes to the consolidated financial statements as far as permissible.

## **2. Accounting and valuation principles**

The consolidated financial statements as at 31 December 2020 have been prepared in accordance with the accounting regulations of the German Commercial Code, taking into account the provisions of the German Stock Corporation Act. The valuation is based on the going concern principle.

In order to improve the clarity of presentation, we have combined individual items of the consolidated balance sheet and consolidated income statement and have therefore broken them down and explained them separately in these notes. For the same reason, the disclosures on the allocation to other items and the notes thereto are also made here.

The structural classification of the disclosures and the notes to the consolidated balance sheet and the consolidated income statement correspond to those of the previous year.

The consolidated profit and loss account was prepared in accordance with the structure of § 275 para. 2 HGB.

With retroactive effect as of 01.01.2020, a spin-off pursuant to § 123 sub-section 2 no 1 UmwG was carried out of assets recognised under securities as of 31.12.2019. In addition to the item securities, the items retained earnings and revenue reserves are also affected by this. In this respect, the comparability according to § 265 para. 2 HGB is correspondingly limited here.

The following principles are applied in the preparation of the individual financial statements and the consolidated financial statements:

The valuation of assets and liabilities takes into account all discernible risks in accordance with the principles of prudent business judgment.

The historical acquisition or production costs are shown in the fixed assets movement schedule.

Intangible assets are generally valued at acquisition cost and - insofar as they are subject to wear and tear - depreciated on a straight-line basis.

Any remaining positive differences arising from capital consolidation are capitalised as goodwill and amortised over their expected useful life.

Property, plant and equipment are valued at acquisition or production cost less depreciation. Investment grants received are deducted from the acquisition or production costs without affecting income.

Scheduled depreciation for additions from the 2010 financial year onwards is determined using the straight-line method in accordance with the expected useful life of the asset or the useful life of the asset in accordance with the tax depreciation tables, taking into account the special features customary in the sector and in the company.

Additions to property, plant and equipment are depreciated on a monthly basis. From the 2011 financial year onwards, additions to low-value assets are fully depreciated in the commercial balance sheet in analogous application of § 6 para. 2 EStG (Income Tax Act) in the year of acquisition and shown as disposals in the statement of changes in fixed assets in the following year.

Shares in affiliated companies, participations and securities are valued at the lower of cost or market value. Loans are generally recognised at nominal value.

Raw materials and supplies as well as merchandise are valued at the lower of acquisition cost or replacement cost. The valuation of work in progress and finished goods includes, in addition to the direct costs for materials, the overheads caused by production as well as the depreciation of the tangible assets used for production. Interest on borrowed capital is not included in the production costs.

Payments on account are reported in the amount of the actual payments made less any input tax. Receivables and other assets are stated at nominal value less any necessary value adjustments.

Provisions for pensions and similar obligations are valued in accordance with the valuation regulations of Section 253 (1) and (2) HGB using the present value method. The calculation is based on an interest rate of 2.31% (previous year: 2.71%), expected future salary increases of 3.50% and pension increases of 2.00%. The interest rate is derived from the further development of the value published by the Deutsche Bundesbank for the month of September 2020 in accordance with the Ordinance on the Discounting of Provisions (*Rückstellungsabzinsungsverordnung*) for an average remaining term of the obligations of 15 years in relation to the current balance sheet date. The respective calculations are made on the basis of actuarial reports, which in the reporting year were based on the 2018G Heubeck mortality tables.

The valuation of other provisions takes into account all identifiable risks and uncertain liabilities. They are recognised at the expected settlement amount. Provisions with a remaining term of more than one year for which future price and cost increases are expected, shall be valued taking into account the individually estimated price and cost increases expected in the future. Provisions with a remaining term of more than one year, with the exception of provisions for pensions and similar obligations, are discounted at the interest rates published by the Deutsche Bundesbank in accordance with section 253 (2) sentences 1 and 4 HGB, taking into account the individual remaining term.

Tax provisions are calculated for income taxes on the basis of the tax results for the year.

Liabilities are recognised at their settlement amount.

Deferred taxes are calculated and updated in the individual financial statements of the companies included in the consolidated financial statements in accordance with § 274 HGB. They are calculated on the basis of the different valuations of individual assets and liabilities in the commercial and tax balance sheets on the balance sheet date, taking into account supplementary tax regulations for determining income. The company-specific tax rates are used to calculate deferred taxes. In addition, differences based on consolidation measures in accordance with §§ 300 to 307 HGB are also taken

into account, but not differences from the initial recognition of goodwill or negative goodwill from capital consolidation. Deferred tax assets and liabilities are not netted.

Valuation units are formed insofar as assets or liabilities are intended to compensate for opposing risks of changes in value from other assets or liabilities. The effective part of such valuation units is valued in accordance with § 254 HGB using the compensatory valuation method.

Hedged assets and liabilities in foreign currencies are recognised using the hedging rate. Current unhedged assets and liabilities in foreign currencies with a remaining term of up to one year are valued at the average spot exchange rate on the balance sheet date. Expenses and income in the profit and loss account are valued at their acquisition rate, unhedged assets and liabilities in foreign currency with a remaining term of more than one year are valued at the acquisition rate or the less favourable rate on the reporting date.

Expenses and income are accrued for the financial year.

### 3. Notes to the consolidated balance sheet

#### Assets analysis

The development of the fixed assets shown in the consolidated balance sheet in the reporting period is presented in a separate annex ("consolidated fixed assets movement schedule").

#### Intangible assets

Goodwill from the capital consolidation of the US companies Mast-Jaegermeister US, Inc. and Tap Machine, Inc. as well as Mast-Jaegermeister CZ s.r.o. and Mast-Jaegermeister SK s.r.o. and Vicentina GmbH & Co. KG is reported as goodwill. The expected useful life of goodwill is five years for the Czech and Slovakian companies and 15 years for the US companies and the German company. The different useful lives are based in particular on the different market regulations.

This item includes in particular acquired trademark rights, software programs, advertising films, internet presences and a so-called right of occupancy.

#### Property, plant and equipment

The additions and transfers in the financial year are predominantly capitalised replacement and expansion investments in the areas of buildings, operating and office equipment, including IT equipment, as well as investments for the further expansion of digitalisation in the company.

Disposals are mainly due to disposals and sales of replaced assets.

Depreciation and amortisation of fixed assets in the 2020 financial year is made up as follows:

	kEUR
Intangible assets	13,915
Property, plant and equipment	7,557
Low-value assets	373
Total	<u>21,845</u>

In addition, EUR 79k of depreciation for low-value assets will be recognised directly in other operating expenses in the 2020 financial year.

#### Shares in affiliated companies and participations held as fixed assets

These are shares in non-consolidated subsidiaries and in shareholdings.

#### Securities held as fixed assets

This item includes shares in a foreign special fund and registered bonds of a domestic issuer.

#### Other loans

A promissory note loan from a domestic issuer was recognised here.

#### Receivables from deliveries and services

The receivables shown have a remaining term of less than one year on the balance sheet date.

#### Receivables from affiliated companies

These are receivables from intercompany financial transactions with a non-consolidated subsidiary.

#### Other assets

This item includes advertising costs charged on, tax refund claims, bonus and compensation claims as well as interest claims from investments. The reduction in other assets compared to the previous year results essentially from the reimbursement of the tax refund claims reported last year.

#### Equity

The development of retained earnings, the equity difference from currency translation and the consolidated retained earnings can be seen in the statement of changes in equity.

The subscribed capital corresponds to the share capital of Mast-Jägermeister SE. The reported capital reserve corresponds to the capital reserve of Mast-Jägermeister SE. This applies analogously to the revenue reserve.

The consolidated retained earnings developed as follows:

(in kEUR)	2020	2019
Profit carried forward from the previous year	328,007	272,039
Dividend distribution	-13,200	-10,000
	314,807	262,039
Withdrawal due to spin-off	-313,300	
Group net profit for the year	83,463	125,800
Allocation from the net profit for the year to other revenue reserves	-40,668	-59,835
Other consolidated result	0	3
Balance on 31.12.	44,302	328,007

The reported transfers from the net profit for the year to other revenue reserves were made at Mast-Jägermeister SE. These are allocations in accordance with section 58 (2) of the German Stock Corporation Act (AktG) from the net profit for the respective financial year.

#### Provisions for pensions and similar obligations

The existing pension obligations are adequately covered by the reported provisions. For the reporting year, EUR 15k was released for current service cost, for adjustment to changed future pension

entitlements, actuarial calculation processes and other actuarial gains and losses, and additions for compounding amounting to EUR 280k were recognised.

#### Other provisions

Other provisions mainly relate to advertising subsidies still to be paid to foreign partners, obligations in the personnel and social area as well as provisions for legal and consulting costs.

#### Liabilities

The liabilities shown break down as follows:

31.12.2020 (in kEUR)	Total	Residual term		
		to 1 year	1 to 5 years	more than 5 years
Advance payments received on orders	434	434	0	0
Liabilities from Deliveries and services	25,116	25,116	0	0
Amounts owed to affiliated companies	0	0	0	0
Other liabilities	31,439	31,416	23	0
<i>thereof from taxes</i>	20,072	20,072	0	0
<i>thereof within the scope of social security</i>	655	631	24	0
<b>Total amount</b>	<b>56,989</b>	<b>56,966</b>	<b>23</b>	<b>0</b>

The liabilities shown break down as follows:

31.12.2019 (in kEUR)	Total	Residual term		
		to 1 year	1 to 5 years	more than 5 years
Advance payments received on orders	336	336	0	0
Liabilities from Deliveries and services	49,143	49,143	0	0
Amounts owed to affiliated companies	294	294	0	0
Other liabilities	28,531	28,499	32	0
<i>thereof from taxes</i>	26,807	26,807	0	0
<i>thereof within the scope of social security</i>	240	208	32	0
<b>Total amount</b>	<b>78,304</b>	<b>78,272</b>	<b>32</b>	<b>0</b>

Deferred taxes

The deferred tax assets and liabilities reported in the consolidated balance sheet result from the following balance sheet items:

in kEUR	DTA <u>31.12.2020</u>	DTL <u>31.12.2020</u>	DTA <u>31.12.2019</u>	DTL <u>31.12.2019</u>
Property, plant and equipment	18	366		369
Financial assets	404	107	28	173
Inventories	2,893		4,503	
Bank balances	10			
Other assets		106		38
Pension provisions	1,338		1,170	
Tax provisions				
Other provisions	2,269	203	2,846	497
Other liabilities	40	4	322	1
Loss carryforwards	759		443	
Total	<u>7,731</u>	<u>786</u>	<u>9,312</u>	<u>1,078</u>

Deferred taxes on inventory assets are mainly the result of the elimination of intercompany profits. The calculation was made using the expected tax rates (Germany 29.80%, Great Britain 19.00%, USA 25.74%, Czech Republic 19.00%, Slovakia 21.00%).

The other deferred taxes result from temporary valuation differences between the commercial and tax balance sheets, valued at the respective local tax rate, at the level of the individual financial statements of the consolidated companies.

Valuation units and financial instruments

Mast-Jägermeister SE and its subsidiaries are exposed to currency and price risks in the course of their business activities, which are partly hedged through the use of derivative financial instruments; these are forward exchange and spot exchange transactions. The aim of using financial instruments is to reduce the effects of changes in exchange rates on earnings and cash flows.

The underlying transactions result in price change risks due to possible fluctuations in exchange rates. The financial instruments used for hedging purposes compensate for possible changes in the value of the underlying transactions through offsetting effects.

The effective portion of valuation units is valued in accordance with § 254 HGB using the compensatory valuation method. The fair values of financial instruments are determined on the basis of the market values on the reporting date. The dollar offset method is used to measure the effectiveness of hedging relationships by comparing the fair values of the underlying and hedging transactions.

In the reporting year, swap transactions with a fair value of EUR 17,098k (previous year: EUR 17,098k) and a book value of EUR 17,073k (previous year: EUR 17,073k) were combined into valuation units (micro hedge) to hedge currency risks of USD-denominated financial investments of the fixed assets and the resulting expected interest income. Changes in value of the transactions included in the valuation unit will offset each other without affecting profit or loss if the security is held until final maturity. In addition, another valuation unit (micro hedge) was formed on a USD basis in the amount of EUR 46,415k in connection with the upcoming increase in the participation.

#### Information on transactions not appearing in the balance sheet

Mast-Jägermeister SE has created a security interest in the premises of the Wolfenbüttel plant at Jägermeisterstraße 7-15 in favour of the Braunschweig Main Customs Office for the granting of a licence to operate an open spirits warehouse in accordance with §§ 5 et seq. Alcohol Tax Act (formerly Section 135 of the Spirits Monopoly Act), Mast-Jägermeister SE has created a land charge on the Wolfenbüttel plant premises at Jägermeisterstraße 7-15.

#### Contingent liabilities and other financial obligations

There are financial obligations from leasing contracts, purchase commitments and a rental guarantee.

Obligations from leasing contracts amount to EUR 2,226k. These are exclusively vehicle leases entered into in the interest of efficient fleet management.

The order commitments from investment projects started on the balance sheet date and inevitable follow-up investments amount to EUR 21,837k.

Guarantees and warranties to third parties exist in the amount of € 6.9 million.

#### 4. Notes to the profit and loss account

##### Sales

The reported sales are distributed as follows:

(in kEUR)	2020	2019
Germany	115,566	145,492
Czech Republic	33,386	42,661
Great Britain	23,206	30,326
Slovakia	14,926	10,943
Rest of EU territory	100,953	122,461
European Union	288,037	351,883
USA	152,237	158,723
Other third country territory	98,396	114,286
Third country territory	250,633	273,009
Total	538,670	624,892

The sales are predominantly spirits revenues. Expenses for alcohol tax amounting to EUR 109,960k (previous year: EUR 126,440k) were charged within the sales revenues.

##### Other operating income

Other operating income is mainly characterised by cost reimbursements for marketing expenses incurred (EUR 6,203k) and income not relating to the period (EUR 6,368k). The item also includes income from currency translation of EUR 4,566k (previous year: EUR 3,547k). Of this, unrealised income accounts for EUR 2,206k (previous year: EUR 1,551k).

##### Write-offs on current assets

The write-offs result from the inventory adjustment of unsaleable goods.

##### Other operating expenses

Other operating expenses mainly include costs of sales, especially for marketing and advertising. Furthermore, this item includes expenses from currency translation in the amount of EUR 6,133k (previous year: EUR 3,579k). Of this amount, unrealised expenses account for EUR 3,004k (previous year: EUR 1,714k).

##### Income from participations

This is the income from a participation in the amount of EUR 1,480k.

##### Income from other securities and loans held as financial assets

The reported income is interest income from securities held as fixed assets.

##### Other interest and similar income

The income shown here is mainly interest income from overnight and fixed-term deposits.

Depreciation on financial assets and marketable securities

Only depreciations on financial assets in the amount of EUR 1,176k were incurred in the financial year. This relates to the valuation of financial assets owned by a group company.

Interest and similar expenses

The reported expenses include interest in connection with taxes in the amount of EUR 19k. In addition, the expense item includes the interest portion (EUR 280k) resulting from the addition to the provisions for pensions and similar obligations as a result of the update as of 31 December 2020.

Taxes on income and earnings

The reported income tax expense is composed as follows:

(in kEUR)	2020	2019
Effective income taxes	39.102	59.976
Deferred income taxes	1.173	-3.459
<b>Total</b>	<b>40.275</b>	<b>56.517</b>

The effective income taxes are mainly attributable to income taxes payable in Germany (EUR 42,676k) and a refund in the USA (EUR 3,821k).

## **5. Notes to the cash flow statement**

The cash flow from operating activities in the previous year was characterised by various special items and resulted from reimbursement claims of a Group company against the German tax authorities as well as from the increase in inventories in the UK and USA in order to be prepared for negative influences from Brexit.

In the 2020 financial year, the cash flow from operating activities is characterised by the decrease in current assets and current liabilities. In addition to the absence of the special items of the previous year, the decreases also reflect the economic situation of the Covid 19 pandemic.

The cash flow from investing activities includes inflows and outflows from the disposition of financial investments in fixed and current assets of a net amount of EUR 915k (previous year:- EUR 139,429k).

In the cash flow from financing activities, the payments to shareholders are the dividends distributed to the shareholders of Mast-Jägermeister SE.

Only liquid funds in the form of bank and cash balances are reported in the financial resources fund.

## 6. Other information

### Shareholdings

Mast-Jägermeister SE held direct and indirect interests in the following companies as at 31 December 2020:

No.	Name	Seat	Share	via	Currency	Capital in k	Result in k	Note
1.	Mast-Jägermeister SE	Wolfenbüttel						
2.	CERUNNOS GmbH	Wolfenbüttel	100%	1.	EUR	23	-5	
3.	Mast-Jägermeister Deutschland GmbH	Wolfenbüttel	100%	1.	EUR	15,527	0	a)
4.	Mast-Jägermeister Global Services GmbH	Wolfenbüttel	100%	1.	EUR	596	0	a)
5.	Mast-Jägermeister Immobilien Verwaltungs-GmbH	Wolfenbüttel	100%	1.	EUR	33	2	b)
6.	Mast-Jägermeister Immobilien GmbH & Co KG	Wolfenbüttel	100% 0%	1. 5.	EUR	-43	-56	b), c) d)
7.	M-Venture GmbH	Wolfenbüttel	100%	1.	EUR	18,025	0	a)
8.	Mast-Jaegermeister UK Holding Ltd.	Camberley/ Great Britain	100%	1.	GBP	6,805	0	b)
9.	Mast-Jaegermeister US Holding, Inc.	White Plains/ USA	100%	1.	USD	178,716	0	
10.	M-Spirits, Inc.	Delaware/ USA	100%	1.	USD	26,173	1,673	
11.	Mast-Jaegermeister CZ s.r.o.	Prague/Czech Republic	100%	1.	CZK	265,348	12,130	
12.	Mast-Jaegermeister SK s.r.o.	Bratislava/ Slovakia	100%	1.	EUR	2,913	-1,376	
13.	Mast-Jaegermeister Services (China) Limited	Shanghai/PR China	100%	4.	RMB	3,216	482	
14.	Mast-Jaegermeister Services (Hong Kong) Limited	Hong Kong/PR China	100%	4.	HKD	2,575	721	
15.	Mast-Jaegermeister Services (Mexico) SRLCV	Mexico City/Mexico	99% 1%	4. 2.	MXN	3,063	844	
16.	Mast-Jaegermeister Services (RUS) OOO	Moscow/ Russian Federation	99% 1%	4. 2.	RUB	19,873	5,742	
17.	Mast-Jaegermeister Services (South Africa) Pty Ltd.	Sand tone/ South Africa	100%	4.	ZAR	2,502	556	
18.	Mast-Jaegermeister Services (India) Private Limited	New Delhi/ India	99% 1%	4. 2.	INR	3,950	950	
19.	Ginsul GmbH	Hamburg	67%	7.	EUR	31	0	
20.	Vicentina GmbH & Co KG	Hamburg	67% 0%	7. 19.	EUR	1	334	c), d)
21.	Mast-Jaegermeister UK Ltd.	Camberley/ Great Britain	100%	8.	GBP	7,380	-1,616	
22.	Mast-Jaegermeister US, Inc.	White Plains/ USA	100%	9.	USD	105,860	573	
23.	Tap Machine, Inc.	White Plains/ USA	100%	9.	USD	282	15	

Explanation of the notes:

- a) Profit and loss transfer agreement
- b) Waiver of inclusion in the consolidated financial statements pursuant to section 296 (2) HGB
- c) Limited partner contribution
- d) General partner without capital contribution

The German subsidiaries Mast-Jägermeister Deutschland GmbH, Mast-Jägermeister Global Services GmbH and M-Venture GmbH make use of the relief provided by Section 264 (3) of the German Commercial Code (HGB) for the disclosure of their annual financial statements.

The British subsidiaries Mast-Jaegermeister UK Holding Ltd. (registered at Companies House under registration number 8646902) and Mast-Jaegermeister UK Ltd. (registered at Companies House under registration number 8646840) take advantage of the relief to audit and disclose their financial statements as at 31 December 2020 under section 479A of the Companies Act 2006.

#### Auditor's fee

The expenses for the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (prev. year Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft), comprise the following services:

(in kEUR)	2020	2019
Audit	154	133
Tax consultancy	0	75
Other services	0	408
Total	154	616

#### Employees

The average number of employees, excluding trainees, of the companies included in the consolidated financial statements was as follows:

Wage earners	136
Salaried employees	742
Total	878

#### Members of the Supervisory Board

Florian Rehm  
(Entrepreneur)  
- Chairman -

Berndt-Michael Winter  
(former Chairman of the Management Board of DELTON AG)  
- Vice-Chairman -

Christina Flügel  
(Entrepreneur)

Hubertus Hoyt  
(Vice President General Manager Western Europe, Nike, Inc.)

Arnaud R. Lodeizen (until 31.12.2020)  
(Chairman of the Supervisory Board of Chateau Palmer SCI)

Dr. Moritz Hahn (from 01.01.2021)  
(Co-CEO of Schustermann & Borenstein GmbH)

Dr Martin J. Nüchtern  
(former President of Global Hair Care, The Procter & Gamble Company)

#### Members of the Board of Directors

Michael Volke  
- Chairman of the Board -  
Departments Marketing, USA, Strategy, Human Resources & Communication

Christopher Ratsch  
Finance, Production and Administration

Denis Schrey  
Global Markets Department

#### Total remuneration of the Executive Board and the Supervisory Board

In accordance with § 286 para. 4 HGB, the total remuneration of the Executive Board for the 2020 financial year is not disclosed. The remuneration of the members of the Supervisory Board for the 2020 financial year amounts to EUR 740k (previous year: EUR 640k).

There are provisions for pension obligations for former members of the Executive Board in the amount of EUR 6,711k. A total of EUR 375k was paid in pension benefits for this group of persons in the 2020 financial year. The payments were made exclusively by Mast-Jägermeister SE.

## **7. Supplementary report**

Mast-Jägermeister SE increased an existing investment by around € 100 million at the beginning of the 2021 financial year. The increase was carried out with own funds and will only have a minor impact on the earnings situation of the group in the short term.

There are no other events of particular significance that occurred after the end of the financial year and that could have a significant impact on the net assets, financial position and results of operations.

## **8. Proposal for the appropriation of profit**

The net retained profits of Mast-Jägermeister SE reported in the annual financial statements as at 31 December 2020 amount to EUR 49,700,000.00.

The Executive Board and the Supervisory Board propose that a dividend of EUR 0.225 per no-par value share on the share capital of EUR 100,000,000.00, divided into 40,000,000 no-par value shares, i.e. EUR 9,000,000.00, be distributed to the shareholders on 16 April 2021 from the net profit for the 2020 financial year of EUR 49,700,000.00 and that the remaining amount of EUR 40,700,000.00 be transferred to other revenue reserves.

Wolfenbüttel, 15 February 2021

Mast-Jägermeister SE

The Board of Directors

Michael Volke

Christopher Ratsch

Denis Schrey

### **III.   Reproduction of the Audit opinion**

Following the final results of our audit, we have issued the following unqualified audit opinion dated 16 March 2021:

#### **"INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

To the Mast-Jägermeister SE, Wolfenbüttel

#### ***Audit Opinions***

We have audited the consolidated financial statements of Mast-Jägermeister SE, Wolfenbüttel, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the business year from 1 January to 31 December 2020, and the notes to the consolidated financial statements, including a description of the accounting policies. In addition, we have audited the group management report of Mast-Jägermeister SE, which is combined with the management report of the Company, for the business year from 1 January to 31 December 2020.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with German commercial law and give a true and fair view of the net assets and financial position of the Group as at 31 December 2020 and of its results of operations for the financial year from 1 January to 31 December 2020 in accordance with German principles of proper accounting, and

- the attached group management report provides a suitable understanding of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the Group management report.

#### Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report" in our audit opinion. We are independent of the Group companies in accordance with German commercial law and professional standards and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the group management report.

#### Responsibility of the legal representatives and the supervisory board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with German commercial law, and for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that they have determined, in accordance with German generally accepted accounting principles, to be necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, where relevant, the matters relating to the Group's ability to continue as a going concern. Furthermore, they are responsible for preparing the financial statements in accordance with the going concern principle, except where this conflicts with actual or legal requirements.

In addition, the legal representatives are responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to ensure the preparation of a group management report in accordance with the applicable German legal requirements, and to provide sufficient suitable evidence to support the statements made in the group management report.

The supervisory board is responsible for monitoring the process of accounting of the group to prepare the financial statements and the management report of the group.

## Auditor's responsibility for the audit of the consolidated financial statements and the group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development in all material respects in accordance with the consolidated financial statements and the findings of our audit, as well as to issue an audit opinion which includes our audit opinions on the consolidated financial statements and the group management report.

Adequate assurance is a high degree of certainty, but does not guarantee that an audit conducted in accordance with § 317 HGB and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect material misstatements. Misrepresentations may result from violations or inaccuracies and are considered material if it could reasonably be expected that they could individually or collectively influence the economic decisions of addressees made on the basis of these consolidated financial statements and the group management report.

During the audit we exercise due discretion and maintain a critical attitude. Beyond that

- we identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, plan and perform the audit procedures to respond to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is higher for violations than for inaccuracies, as violations may involve fraudulent collusion, falsification, intentional incompleteness, misleading statements or the invalidation of internal controls.
- we obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the procedures and measures relevant to the audit of the group management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we draw conclusions about the appropriateness of the accounting policies used by the legal representatives of the Group's going concern basis and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in our audit opinion to the related disclosures in the consolidated financial statements and the group management report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Group being unable to continue its operations.
- we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting.
- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the group to enable us to express an opinion on the consolidated financial statements and the group management report. We are responsible for instructing, monitoring and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- we assess the consistency of the Group management report with the consolidated financial statements, its legal representatives and the picture of the Group's situation conveyed by it.

- we perform audit procedures on the future-oriented statements made by the legal representatives in the group management report. On the basis of sufficient and appropriate audit evidence, we verify in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements can be properly derived from these assumptions. We do not express an independent audit opinion on the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

#### **E. Final remark**

We prepared the above report on the audit of the consolidated financial statements of Mast-Jägermeister SE, Wolfenbüttel, for the fiscal year from 1 January until 31 December 2020 and the group management report for this fiscal year in accordance with the legal provisions and the principles of the proper preparation on audit reports (IDW PS 450 I.v.).

Our audit opinion is included in section B under "Reproduction of the audit opinion".

Hanover, 16 March 2021

PricewaterhouseCoopers GmbH  
Auditing company

(round seal)

Signed Dr. Thomas Ull  
Auditor

Signed Moritz Meyer  
Auditor



## **Report of the Supervisory Board**

During the reporting period, the Supervisory Board performed the duties incumbent upon it under the law and the Articles of Association. It regularly advised the Executive Board on the management of the company and monitored the management of the company.

### **Advisory and supervisory activities of the Supervisory Board**

In a total of six meetings during the 2020 financial year, the Supervisory Board dealt with the economic situation of the company as well as the strategic and personnel orientation of the company, the relevant planning and risk management. One of the main topics was the Covid 19 pandemic with its effects on the company, markets and the company's crisis management. In addition, various individual topics were dealt with and discussed with the Executive Board. The Personnel Committee held one meeting and the Audit Committee four meetings in the reporting year. The two committees of the Supervisory Board primarily have the task of preparing decisions and topics for the plenary meetings. To the extent permitted by law, the Supervisory Board has delegated decision-making powers to the committees.

The Supervisory Board was involved in all decisions of fundamental importance. The Supervisory Board's deliberations were based on regular written and oral reports from the Executive Board, which the Executive Board provided in a timely and comprehensive manner. The Chairman of the Supervisory Board was also regularly informed outside the meetings about the current development of the business and all important topics.

In 2020, the Supervisory Board supported the further development and expansion of the Jägermeister brand in Germany and abroad and accompanied it with decisions. A particular focus was once again the global positioning of the Jägermeister brand and the associated demands on the company's structures. In the foreign area, the Supervisory Board dealt intensively with strategic measures and options in selected foreign markets.

The corporate planning 2021 was approved in December 2020. The Supervisory Board was kept informed about the development of the investment measures carried out in the reporting year.

The Supervisory Board has satisfied itself that the early risk detection system introduced by the Executive Board is suitable for the early detection of developments that could jeopardise the continued existence of the company.

Conflicts of interest of Executive Board or Supervisory Board members, which must be disclosed immediately to the Supervisory Board and reported at the Annual General Meeting, did not occur.

# Jägermeister

## **Persons responsible**

The Supervisory Board member Mr Arnaud Lodeizen resigned from the Supervisory Board due to age-related reasons at the end of 31 December 2020. Mr Lodeizen had been a member of the Supervisory Board since 2011. His extensive knowledge and experience in the global spirits market were an enormous help in the continuous internationalisation of the company. The Supervisory Board thanks Mr Lodeizen for his great commitment in the past years and the excellent cooperation.

The Annual General Meeting on 17 March 2020 elected Dr Moritz Hahn as a member of the Supervisory Board with effect from 1 January 2021 for the remaining term of office of the retired Supervisory Board member Mr Arnaud Lodeizen. Dr Hahn is Co-CEO of the fashion retailer Schustermann & Borenstein and is one of the most distinguished e-commerce experts in Germany thanks to his many years of work at Zalando.

## **Annual financial statements and consolidated financial statements**

The auditing company PricewaterhouseCoopers GmbH, with registered office in Frankfurt am Main, Hanover branch, which was elected at an extraordinary general meeting on 10 December 2020 and commissioned by the Supervisory Board to audit the annual and consolidated financial statements 2020, audited the annual and consolidated financial statements prepared by the Executive Board as at 31 December 2020 as well as the combined Group management report, including the accounting records. The Supervisory Board was informed about the progress of the audits. The audits did not lead to any objections and the prepared annual financial statements as well as the prepared consolidated financial statements and the combined group management report were each issued with an unqualified audit opinion on 16 March 2021.

The auditor provided the Supervisory Board with the audit reports. The reports were examined in detail by the supervisory board and discussed in detail at its meeting on 14 April 2021 in the presence of the auditor. During this meeting, the auditor informed the Supervisory Board about the main results of its audits. Supplementary questions were answered in detail. In their reports on the results of their audits, the auditors stated that they were not aware of any material weaknesses in the internal control and risk management systems in relation to the accounting process during their audit.

For its part, the Supervisory Board examined the annual financial statements and consolidated financial statements prepared by the Executive Board as at 31 December 2020 as well as the combined Group management report. According to the final result of the audits, there were no indications for objections.

Accordingly, the Supervisory Board has noted and approved the auditor's audit results. In its meeting today, it approved the financial statements prepared by the Executive Board. The annual financial statements of Mast-Jägermeister SE are thus adopted in accordance with § 172 AktG.

# Jägermeister

The Supervisory Board approved the combined Group management report and the Executive Board's proposal for the appropriation of profits.

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Executive Board has prepared a report on relations with affiliated companies for the 2020 financial year. The auditor has examined the report and issued the following audit opinion: "Following our audit and assessment in accordance with professional standards, we confirm that 1. the factual information in the report is correct, 2. the consideration paid by the company for the legal transactions listed in the report was not unreasonably high".

The Supervisory Board has also examined the report. It agrees with the result of the audit by the auditor and raises no objections to the report of the Executive Board on relations with affiliated companies.

The Supervisory Board would like to thank the Executive Board and all employees for their energetic and particularly committed performance under the difficult conditions of the Covid 19 pandemic, which contributed significantly to the success of the 2020 financial year.

Wolfenbüttel, 14.04.2021

The Supervisory Board

Florian Rehm  
- Chairman -