BEIERHOLM
VI SKABER BALANCE

To Øl ApS

Slotsgade 2 1, 2200 København N

CVR no. 33 88 22 54

Annual report for 2020

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 30.06.21

Tore Gynther
Dirigent

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Company information etc.

The company

To Øl ApS
Slotsgade 2 1
2200 København N
Tel.: 88 87 68 88
Registered office: København
CVR no.: 33 88 22 54
Financial year: 01.01 - 31.12

Executive Board

Tore Gynther

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

Junta Holding ApS, Copenhagen

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for To Øl ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Års-regnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 01.01.20 - 31.12.20.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, June 30, 2021

Executive Board

Tore Gynther

To the capital owner of To Øl ApS

Opinion

We have audited the financial statements of To Øl ApS for the financial year 01.01.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Soeborg, Copenhagen, June 30, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen
State Authorized Public Accountant
MNE-no. mne42896

Primary activities

The company's activities comprise in brewing and sale of beer.

Development in activities and financial affairs

The income statement for the period 01.01.20 - 31.12.20 shows a profit/loss of DKK -9,746,414 against DKK -14,438,890 for the period 01.01.19 - 31.12.19. The balance sheet shows equity of DKK 23,857,919.

2020 proved to be a challenging year for To Øl mainly due to Covid-19 and getting our new brew plant fully operational. Our new state-of-the-art brewery in Svinninge was constructed during 2019 and early 2020 the new production plant was ready to produce World Class Craft Beer. Also, early 2020 the Covid-19 outbreak became a reality and all our markets closed down one by one.

Despite Covid-19 we decided to keep our new factory operational but at a slower pace compared to the original plan. Keeping our plant operational during lock down allowed us to continuously optimize and improve production while keeping our skilled employees at the factory.

With sales being lower than expected due to Covid-19 and maintaining costs of keeping the factory operational we have financial figures delivering less than expected for 2020. In order to secure our ambitious plans and continued growth we executed a successful capital increase during 2nd quarter.

Our timely investment into e-commerce proved right as sales increased steadily during the year.

The net loss is mainly derived from the Covid-19 outbreak setting in at the time when our new factory was ready for production.

Outlook

We've taken full ownership of our production value chain and, thanks to that bold investment, 2021 is the year we can now harvest the fruition of these production efficiencies. We will benefit from Economies of scale, meaning that we will produce high quality beer and at the same time deliver sound financial figures.

Looking into increased demand for high quality Craft Beer and further market expansions and operating at maximum capacity early 2021, we decided to double our production capacity by acquiring additional fermentation tanks in To Øl City on top of our already operational tanks to support the demand. The newly installed tanks are up and running by the end of 2nd quarter.

As our domestic on-trade sales has been hit by Covid-19 we have successfully managed to increase the domestic off-trade market. New listings in all significant supermarkets are now in place and our beers are presently being delivered to the domestic off-trade markets in record volumes.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2020 DKK	2019 DKK
	Gross result	**11,655,289**	**-5,255,151**
1	Staff costs	-19,274,478	-12,991,233
	Loss before depreciation, amortisation, write-downs and impairment losses	**-7,619,189**	**-18,246,384**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-3,913,874	-336,794
	Loss before net financials	**-11,533,063**	**-18,583,178**
	Financial income	407,167	110,518
	Financial expenses	-1,364,343	-67,158
	Loss before tax	**-12,490,239**	**-18,539,818**
	Tax on loss for the year	2,743,825	4,100,928
	Loss for the year	**-9,746,414**	**-14,438,890**

Proposed appropriation account

Retained earnings	-9,746,414	-14,438,890
Total	**-9,746,414**	**-14,438,890**

Balance sheet

ASSETS

Note		31.12.20 DKK	31.12.19 DKK
	Acquired rights	293,848	153,567
	Total intangible assets	**293,848**	**153,567**
	Leasehold improvements	6,557,862	6,919,002
	Plant and machinery	47,624,235	1,168,015
	Other fixtures and fittings, tools and equipment	1,804,379	1,000,614
	Property, plant and equipment under construction	0	41,906,559
2	**Total property, plant and equipment**	**55,986,476**	**50,994,190**
	Deposits	301,000	301,000
	Total investments	**301,000**	**301,000**
	Total non-current assets	**56,581,324**	**51,448,757**
	Raw materials and consumables	5,830,815	5,512,626
	Work in progress	963,274	773,957
	Manufactured goods and goods for resale	9,939,955	6,760,768
	Total inventories	**16,734,044**	**13,047,351**
	Trade receivables	5,981,678	4,557,289
	Receivables from group enterprises	19,769	0
	Deferred tax asset	5,518,285	4,062,600
	Other receivables	1,658,616	3,302,746
	Prepayments	152,593	149,406
	Total receivables	**13,330,941**	**12,072,041**
3	**Cash**	**12,361,579**	**10,257,704**
	Total current assets	**42,426,564**	**35,377,096**
	Total assets	**99,007,888**	**86,825,853**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.20 DKK	31.12.19 DKK
	Share capital	120,000	120,000
	Retained earnings	23,737,919	-1,515,667
	Total equity	**23,857,919**	**-1,395,667**
4	Payables to other credit institutions	5,000,000	0
4	Lease commitments	33,822,184	29,589,421
4	Payables to group enterprises	0	40,000,000
4	Other payables	1,588,263	547,511
	Total long-term payables	**40,410,447**	**70,136,932**
4	Short-term part of long-term payables	1,810,032	0
	Payables to other credit institutions	1,566,070	1,467,701
	Lease commitments	1,034,769	0
	Trade payables	5,855,205	9,485,003
	Payables to group enterprises	22,064,654	5,695,450
	Deposits	0	135,938
	Other payables	2,408,792	1,300,496
	Total short-term payables	**34,739,522**	**18,084,588**
	Total payables	**75,149,969**	**88,221,520**
	Total equity and liabilities	**99,007,888**	**86,825,853**

5 Contingent liabilities
6 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.20 - 31.12.20		
Balance as at 01.01.20	120,000	-1,515,667
Group contribution	0	35,000,000
Net profit/loss for the year	0	-9,746,414
Balance as at 31.12.20	120,000	23,737,919

	2020 DKK	2019 DKK

1. Staff costs

	2020 DKK	2019 DKK
Wages and salaries	17,964,472	12,137,439
Pensions	396,883	116,328
Other social security costs	183,924	87,994
Other staff costs	729,199	649,472
Total	19,274,478	12,991,233
Average number of employees during the year	38	23

2. Property, plant and equipment

Figures in DKK	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Cost as at 01.01.20	7,066,337	1,239,469	1,551,503	41,906,559
Additions during the year	-50,675	7,760,171	1,143,422	0
Transfers during the year to/from other items	0	41,906,559	0	-41,906,559
Cost as at 31.12.20	7,015,662	50,906,199	2,694,925	0
Depreciation and impairment losses as at 01.01.20	-147,335	-71,453	-550,889	0
Depreciation during the year	-310,465	-3,210,511	-339,657	0
Depreciation and impairment losses as at 31.12.20	-457,800	-3,281,964	-890,546	0
Carrying amount as at 31.12.20	6,557,862	47,624,235	1,804,379	0
Carrying amount of assets held under finance leases as at 31.12.20	0	36,668,892	733,916	0

	31.12.20 DKK	31.12.19 DKK

3. Cash

Cash includes term deposits of DKK'000 9.954. The amount cannot be paid out before the expiry of the term and only when all the conditions of the agreement with the bank have been met.

4. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 31.12.19
Payables to credit institutions	0	0	5,000,000	0
Lease commitments	1,810,032	21,385,720	35,632,216	29,589,421
Payables to group enterprises	0	0	0	40,000,000
Other payables	0	1,588,263	1,588,263	547,511
Total	1,810,032	22,973,983	42,220,479	70,136,932

5. Contingent liabilities

Recourse guarantee commitments

The company has provided a payment guarantee of DKK 419k to contractors.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The maximum liability totals DKK 0k at the balance sheet date. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc./

6. Charges and security

As security for debt to credit institutions and group enterprises' debt to credit institution, a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials.

As security for debt to credit institutions and group enterprises' debt to credit institutions there have been provided security comprising net cash.

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

7. Accounting policies - continued -

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

INCOME STATEMENT

Gross result

Gross result comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

7. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	5	0
Leasehold improvements	10-15	0
Plant and machinery	10-15	0
Other plant, fixtures and fittings, tools and equipment	5-10	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, for-

7. Accounting policies - continued -

eign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

7. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Prepayments for property, plant and equipment

Prepayments for property, plant and equipment comprise prepayments to suppliers.

Gains and losses on the disposal of property, plant and equipment

7. Accounting policies - continued -

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

7. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

7. Accounting policies - continued -

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Deposits recognised under liabilities comprise deposits received from lessees under the company's leases.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.