

To Øl ApS

Slotsgade 2, 1., 2200 København N
CVR no. 33 88 22 54

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.07.23

Tore Gynther
Dirigent



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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 01.01.22 - 31.12.22 for To Ø1 ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.22 and of the results of the company's activities for the financial year 01.01.22 - 31.12.22.

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, July 14, 2023

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 01.01.22 - 31.12.22, 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 the 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 31.12.22 and of the results of the company's operations for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the information in note 1 in which management accounts for the group's ability to continue as a going concern, We agree with the management as to the description and the choice of accounting policies. Our opinion is not modified in respect of this matter.

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 in-

consistent 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, July 14, 2023

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 01.01.22 - 31.12.22 shows a profit/loss of DKK -17,869,868 against DKK -148,427 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 5,839,624.

Year 2022 proved to be very challenging for the company. Already early in the year our production costs increased significantly in respect to raw materials, transportation, electricity and natural gas.

In 2022 we also experienced that the craft beer market fluctuated significantly. In the first half of 2022, we couldn't produce enough beer to meet demand and had a total revenue 31% higher compared to LYTD, while we in the second half of 2022 were faced with a market that slowed down severely mainly due to higher inflation and reduced consumer confidence. Finally, the company was locked into annual pricing contracts for main customers.

On the event side the company planned for a Craft Beer festival but finally had to cancel as the overall interest proved to be less than anticipated.

During Fall the company took corrective actions where a round of layoffs were initiated resulting in a significant number of employees leaving the company. The management team implemented working capital initiatives including inventory and accounts receivables optimization. Furthermore, budgetary scrutiny resulted in removing all non-critical projects and purchases.

Information on going concern

For information on going concern see note 1.

Outlook

The market for craft has once again picked up during 2023 as we in 1st half of 2023 have seen sales rise to an all-time high. Production prices are back at reasonable levels compared to last year and we also see inflation in Denmark drop to normalized levels. The positive financial effects of the cost savings initiated last year materialized in 2nd quarter of 2023. Furthermore, the company has been shutting down loss generating units during 1st HYR. The result is that after a loss making 1st Quarter of 2023 where we still saw high inflation, reduced consumer confidence and our cost saving initiatives slowly come to effect, the company once again operated profitably in the 2nd quarter of 2023. The result of 1st Quarter 2023 means we expect to come out of 2023 with a loss between DKK 3 to 6 mil., but expect

to be profitable the next running 12 months. We expect to come out of 2023 with a positive EBITDA between DKK 4 to 7 mil.

Subsequent events

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

Income statement

Note		2022 DKK	2021 DKK
	Gross profit	20,581,744	32,252,706
2	Staff costs	-35,543,717	-26,333,129
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	-14,961,973	5,919,577
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-6,666,793	-5,259,509
	Operating profit/loss	-21,628,766	660,068
	Financial income	106,536	8,851
	Financial expenses	-1,428,926	-856,941
	Loss before tax	-22,951,156	-188,022
	Tax on loss for the year	5,081,288	39,595
	Loss for the year	-17,869,868	-148,427
	Proposed appropriation account		
	Retained earnings	-17,869,868	-148,427
	Total	-17,869,868	-148,427

ASSETS		31.12.22	31.12.21
		DKK	DKK
Note			
	Acquired rights	716,241	404,917
3	Total intangible assets	716,241	404,917
	Leasehold improvements	9,349,692	6,251,622
	Plant and machinery	47,195,061	49,637,752
	Other fixtures and fittings, tools and equipment	8,095,877	8,952,421
4	Total property, plant and equipment	64,640,630	64,841,795
5	Deposits	301,000	464,270
	Total investments	301,000	464,270
	Total non-current assets	65,657,871	65,710,982
	Raw materials and consumables	10,176,871	11,168,839
	Work in progress	1,096,701	1,664,484
	Manufactured goods and goods for resale	11,878,903	11,561,899
	Prepayments for goods	1,269,341	0
	Total inventories	24,421,816	24,395,222
	Trade receivables	10,000,883	11,478,661
	Receivables from group enterprises	2,485,019	49,590
	Deferred tax asset	10,639,168	5,557,880
	Other receivables	0	1,039,419
6	Prepayments	0	423,879
	Total receivables	23,125,070	18,549,429
	Cash	2,074,169	7,830,256
	Total current assets	49,621,055	50,774,907
	Total assets	115,278,926	116,485,889

EQUITY AND LIABILITIES		31.12.22	31.12.21
		DKK	DKK
Note			
	Share capital	120,000	120,000
	Retained earnings	5,719,624	23,589,492
	Total equity	5,839,624	23,709,492
8	Payables to other credit institutions	5,739,427	5,002,431
8	Lease commitments	32,770,952	33,040,980
8	Payables to group enterprises	31,989,225	0
8	Other payables	1,604,621	2,830,146
	Total long-term payables	72,104,225	40,873,557
8	Short-term part of long-term payables	4,894,686	3,304,348
	Payables to other credit institutions	10,065,460	36,961
	Lease commitments	0	811,048
	Trade payables	8,417,931	9,939,831
	Payables to group enterprises	9,282,879	33,661,430
	Other payables	4,674,121	4,149,222
	Total short-term payables	37,335,077	51,902,840
	Total payables	109,439,302	92,776,397
	Total equity and liabilities	115,278,926	116,485,889
9	Contingent liabilities		
10	Charges and security		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	120,000	23,589,492
Net profit/loss for the year	0	-17,869,868
Balance as at 31.12.22	120,000	5,719,624

1. Information as regards going concern

The group has realized a loss in 2022 of t.DKK 19,611 while the group's equity per 31.12.22 is positive with t.DKK 32,094. The group's result for the first half year of 2023 shows improved earnings compared to 2022. The company's liquidity budget for 2023 shows a maximum liquidity need of DKK 8m, which is within the group's credit facility, with a safety margin of about DKK 5 million. Furthermore, in June 2023 the Group's shareholder have converted debt into equity of DKK 15m. It is therefore the management's assessment that the group's financial resources are sufficient to carry out planed operations for the coming year and thus sets out the reasons why the company's financial statements have been presented on a going concern assumption.

	2022	2021
	DKK	DKK
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2. Staff costs		
Wages and salaries	31,765,097	24,164,340
Pensions	1,697,950	903,159
Other social security costs	309,677	227,543
Other staff costs	1,770,993	1,038,087
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Total	35,543,717	26,333,129
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Average number of employees during the year	68	46
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3. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.22	549,636
Additions during the year	397,795
Cost as at 31.12.22	947,431
Amortisation and impairment losses as at 01.01.22	-144,719
Amortisation during the year	-86,471
Amortisation and impairment losses as at 31.12.22	-231,190
Carrying amount as at 31.12.22	716,241
Carrying amount of assets held under finance leases as at 31.12.22	0

4. Property, plant and equipment

Figures in DKK	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost as at 01.01.22	7,015,662	56,569,902	11,080,168
Additions during the year	3,412,029	1,588,695	1,378,432
Cost as at 31.12.22	10,427,691	58,158,597	12,458,600
Depreciation and impairment losses as at 01.01.22	-764,040	-6,932,149	-2,127,747
Depreciation during the year	-313,959	-4,031,387	-2,234,976
Depreciation and impairment losses as at 31.12.22	-1,077,999	-10,963,536	-4,362,723
Carrying amount as at 31.12.22	9,349,692	47,195,061	8,095,877
Carrying amount of assets held under finance leases as at 31.12.22	0	31,775,860	1,968,629

5. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.22	464,270
Disposals during the year	-163,270
Cost as at 31.12.22	301,000
Carrying amount as at 31.12.22	301,000

	31.12.22 DKK	31.12.21 DKK
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6. Prepayments

Other prepayments	0	423,879
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7. Deferred tax

Provisions for deferred tax as at 01.01.22	5,557,880	5,518,285
Deferred tax recognised in the income statement	5,081,288	39,595
Provisions for deferred tax as at 31.12.22	10,639,168	5,557,880

8. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Payables to credit institutions	1,500,000	875,000	7,239,427	5,002,431
Lease commitments	3,394,686	10,474,445	36,165,638	36,345,328
Payables to group enterprises	0	0	31,989,225	0
Other payables	0	1,604,621	1,604,621	2,830,146
Total	4,894,686	12,954,066	76,998,911	44,177,905

9. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 6 months and total lease payments of DKK 290k.

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 50.165k at the balance sheet date.

10. Charges and security

As security for debt to credit institutions and group enterprises' debt to credit institutions, a company charge of DKK 9.000k has been provided comprising inventories and trade receivables. The total carrying amount of the comprised assets is DKK 33.715k.

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

11. 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.

11. 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.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit 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 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.

11. 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 DKK
Acquired rights	7	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.

11. Accounting policies - continued -

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign 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.

BALANCE SHEET

Intangible assets

Acquired rights

Acquired 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.

11. Accounting policies - continued -

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.

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.

11. Accounting policies - continued -**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.

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 account.

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.

11. Accounting policies - continued -

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.

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

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.