

**Bjergsø Holding ApS**  
Humletorvet 27, 3.  
1799 København V  
Central Business Registration  
No 34696349

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 07.06.2019

### **Chairman of the General Meeting**

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Name: Mikkel Borg Bjergsø

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## **Entity details**

### **Entity**

Bjergsø Holding ApS  
Humletorvet 27, 3.  
1799 København V

Central Business Registration No (CVR): 34696349

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

### **Board of Directors**

Asbjørn Hangaard Joensen

Jacob Gram Alsing

Mikkel Borg Bjergsø

### **Executive Board**

Mikkel Borg Bjergsø

Jacob Gram Alsing

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Lead Client Service Partner: Bjørn Winkler Jakobsen

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Bjergsø Holding ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 07.06.2019

### Executive Board

Mikkel Borg Bjergsø

Jacob Gram Alsing

### Board of Directors

Asbjørn Hangaard Joensen

Jacob Gram Alsing

Mikkel Borg Bjergsø

# Independent auditor's report

## To the shareholders of Bjergsø Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Bjergsø Holding ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

## Independent auditor's report

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 consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 07.06.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen  
State Authorised Public Accountant  
Identification No (MNE) mne32127

Mads Fauerskov  
State Authorised Public Accountant  
Identification No (MNE) mne35428

## Management commentary

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>
<b>Financial highlights</b>				
<b>Key figures</b>				
Revenue	249.234	199.867	153.410	125.873
Gross profit/loss	78.622	65.221	55.462	52.517
EBITDA	6.184	16.025	21.129	27.173
Operating profit/loss	(8.652)	4.805	12.357	22.738
Net financials	(528)	(1.014)	141	1.634
Profit/loss for the year	(11.563)	2.300	7.030	18.644
Profit/loss excl minority interests	(9.490)	1.719	7.030	18.644
Total assets	165.830	166.463	153.904	89.164
Investments in property, plant and equipment	23.239	19.304	12.662	22.582
Equity	123.065	136.323	125.538	61.072
Equity excl minority interests	122.428	133.315	125.538	61.072
Average numbers of employees	198	130	79	59

### Ratios

Gross margin (%)	31,5	32,6	36,2	41,7
Net margin (%)	(4,6)	1,2	4,6	14,8
Return on equity (%)	(7,4)	2,0	8,0	61,0
Equity ratio (%)	73,8	80,1	81,6	68,5
Revenue per employee	1.258,8	1.537,4	1.941,9	2.133,4

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

The group was formed in 2015 and therefore financial highlights for 2014 are not presented.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$	The entity's productivity



## Management commentary

### Primary activities

The group's activities comprise of development, manufacturing and sale of quality beers, wine and spirits under "Mikkeller" brand as well as bar and restaurant operations. The production takes place in the group's breweries and in cooperation with leading breweries in Denmark and abroad.

### Development in activities and finances

The income statement for the period 01.01.18 - 31.12.18 shows a net loss of TDKK 11.563 against a net profit of TDKK 2.300 for the period 01.01.17 - 31.12.17. The balance sheet shows equity of TDKK 123.065.

Bjergsø Holding ApS continued its strong revenue growth in 2018 with total revenue of TDKK 249.234 representing 25% growth over the prior year. The net loss in 2018 is a result of significant investment in growth centered around the following areas:

- The launch and investment in retail establishments, hereunder in 3 reconfigured and 11 new establishments in 2018 in Warsaw, Odense, NYC, Copenhagen, London, San Diego, Taipei and Oslo.
- New sales and distribution resources and partnerships in key markets, which has required transition to more qualified distribution partnerships (and a pause in revenue in certain markets while that switch is implemented). We expect these investments and new partnerships to drive significant growth going forward.
- Additional investment in Mikkeller San Diego necessary to double production capacity given the rapid growth of the business. The brewery expansion will be finalized in 2019.
- Investments in e-commerce platform and building a greater customer base.
- The addition of key employees focused on growth of the business across sales, retail and e-commerce.

Based on the group's continued growth and the continuous investments in future growth the management considers the net result for the year to be satisfactory.

### Uncertainty relating to recognition and measurement

The management has assessed its debtors as per 31 December 2018, which resulted in provisions for doubtful receivables of TDKK 3.310. The provisions are based on discretionary assessments and can affect the 2019 result depending on the collection process and eventual agreements with debtors.

The recognition and measurement of other items in the financial statements are not subject to any uncertainty.

### Unusual circumstances affecting recognition and measurement

The company's financial position at 31 December 2018 and the results of its operations for the financial year ended 31 December 2018 are not affected by any unusual matters.

### Outlook

Significant revenue growth is expected to continue in 2019. Furthermore it is expected that the profitability of the current business (bars, restaurants and wholesale) will improve throughout 2019. However, in order to prepare for continued future growth, the management anticipates further investments in the business (particularly related to the build out of additional brewery capacity and new retail establishments) and such

## Management commentary

investments may impact the net result in 2019. The management anticipates that the net result in 2019 will be in the region of TDKK 0.

### Particular risks

The group is subject to usual risks within the wholesale and retail industry including cyclical fluctuations, consumers behavior, sourcing of raw materials, currency exposure etc.

The group operates worldwide and is naturally exposed to currency risks, mainly in EUR and USD.

### Intellectual capital resources

It is essential for the group's continued growth to attract and maintain talented employees. The group strives to exercise operational excellence to create most possible value for the customers. To support this the group has launched a Mikkeller Quality & Service Training Program and a Beer School for employees.

### Environmental performance

The group's growth means a greater responsibility to run the businesses in a sustainable way. The group considers the environmental footprint throughout its various activities and continues to improve efforts. The production of organic beers have been scaled up in 2018, and the group will produce more organic beers going forward.

To reduce the carbon footprint, the group has initiated a carbon neutral program for the group's restaurants and bars.

### Research and development activities

The group is constantly developing its concepts and products to maintain its position as one of the trendsetters in the market. In 2019, the group will continue to invest in the development of new concepts and products.

### Foreign branches

The group has a foreign branch in United Kingdom.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Consolidated income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Revenue		249.234.118	199.867.482
Other operating income		7.703.755	0
Cost of sales		(117.320.106)	(98.145.478)
Other external expenses		(60.995.919)	(36.501.376)
<b>Gross profit/loss</b>		<b>78.621.848</b>	<b>65.220.628</b>
Staff costs	1	(72.437.521)	(49.195.712)
Depreciation, amortisation and impairment losses	2	(14.836.608)	(11.220.145)
<b>Operating profit/loss</b>		<b>(8.652.281)</b>	<b>4.804.771</b>
Income from investments in associates		(415.266)	(544.263)
Other financial income	3	552.928	375.253
Other financial expenses	4	(665.702)	(844.662)
<b>Profit/loss before tax</b>		<b>(9.180.321)</b>	<b>3.791.099</b>
Tax on profit/loss for the year	5	(2.382.656)	(1.490.881)
<b>Profit/loss for the year</b>	6	<b>(11.562.977)</b>	<b>2.300.218</b>

## Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Acquired intangible assets		6.414.067	4.090.948
Goodwill		13.903.882	16.584.809
<b>Intangible assets</b>	7	<b>20.317.949</b>	<b>20.675.757</b>
Plant and machinery		9.651.290	8.200.708
Other fixtures and fittings, tools and equipment		12.831.046	11.761.577
Leasehold improvements		28.705.590	16.256.656
Property, plant and equipment in progress		653.378	2.200.831
Prepayments for property, plant and equipment		0	1.754.673
<b>Property, plant and equipment</b>	8	<b>51.841.304</b>	<b>40.174.445</b>
Investments in associates		51.454	674.776
Deposits		5.475.645	4.615.960
Deferred tax	12	682.666	1.309.134
<b>Fixed asset investments</b>	9	<b>6.209.765</b>	<b>6.599.870</b>
<b>Fixed assets</b>		<b>78.369.018</b>	<b>67.450.072</b>
Raw materials and consumables		742.549	2.376.257
Work in progress		1.758.864	973.276
Manufactured goods and goods for resale		27.268.813	17.097.457
Prepayments for goods		1.738.603	435.896
<b>Inventories</b>		<b>31.508.829</b>	<b>20.882.886</b>
Trade receivables		17.587.317	13.123.657
Receivables from associates		8.520.779	2.135.987
Other receivables		3.323.732	4.021.345
Receivables from owners and management		674.985	0
Prepayments	11	3.679.956	2.896.782
<b>Receivables</b>		<b>33.786.769</b>	<b>22.177.771</b>
<b>Cash</b>		<b>22.165.411</b>	<b>55.952.513</b>
<b>Current assets</b>		<b>87.461.009</b>	<b>99.013.170</b>
<b>Assets</b>		<b>165.830.027</b>	<b>166.463.242</b>

## Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		102.488	102.488
Retained earnings		122.325.648	130.336.122
Proposed dividend		0	2.876.000
<b>Equity attributable to the Parent's owners</b>		<b>122.428.136</b>	<b>133.314.610</b>
<b>Share of equity attributable to minority interests</b>		<b>636.576</b>	<b>3.008.810</b>
<b>Equity</b>		<b>123.064.712</b>	<b>136.323.420</b>
Deferred tax	12	1.564.039	1.910.333
<b>Provisions</b>		<b>1.564.039</b>	<b>1.910.333</b>
Payables to shareholders and management		9.254.424	0
Other payables		0	416.367
<b>Non-current liabilities other than provisions</b>	13	<b>9.254.424</b>	<b>416.367</b>
Trade payables		12.235.688	10.403.526
Payables to shareholders and management		593.407	0
Income tax payable		1.153.164	1.947.413
Other payables		12.698.729	11.485.287
Deferred income	14	5.265.864	3.976.896
<b>Current liabilities other than provisions</b>		<b>31.946.852</b>	<b>27.813.122</b>
<b>Liabilities other than provisions</b>		<b>41.201.276</b>	<b>28.229.489</b>
<b>Equity and liabilities</b>		<b>165.830.027</b>	<b>166.463.242</b>
Associates	10		
Unrecognised rental and lease commitments	16		
Subsidiaries	17		

## Consolidated statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>
Equity beginning of year	102.488	130.336.122	2.876.000
Ordinary dividend paid	0	0	(2.876.000)
Exchange rate adjustments	0	1.479.718	0
Profit/loss for the year	0	(9.490.192)	0
<b>Equity end of year</b>	<b>102.488</b>	<b>122.325.648</b>	<b>0</b>

  

	<b>Share of equity attributable to minority interests DKK</b>	<b>Total DKK</b>
Equity beginning of year	3.008.810	136.323.420
Ordinary dividend paid	0	(2.876.000)
Exchange rate adjustments	(299.449)	1.180.269
Profit/loss for the year	(2.072.785)	(11.562.977)
<b>Equity end of year</b>	<b>636.576</b>	<b>123.064.712</b>

## Consolidated cash flow statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Operating profit/loss		(8.652.281)	4.804.771
Amortisation, depreciation and impairment losses		13.937.803	11.220.145
Working capital changes	15	(16.720.100)	(5.988.643)
<b>Cash flow from ordinary operating activities</b>		<b>(11.434.578)</b>	<b>10.036.273</b>
Financial income received		552.928	194.134
Financial expenses paid		(665.702)	(489.576)
Income taxes refunded/(paid)		(2.896.731)	(5.063.889)
<b>Cash flows from operating activities</b>		<b>(14.444.083)</b>	<b>4.676.942</b>
Acquisition etc of intangible assets		(3.275.516)	(2.951.860)
Acquisition etc of property, plant and equipment		(23.239.146)	(19.303.716)
Sale of property, plant and equipment		789.571	675.018
Acquisition of fixed asset investments		(651.629)	(2.449.708)
Net payment of loans to associates and group enterprises		9.431.464	1.719.214
<b>Cash flows from investing activities</b>		<b>(16.945.256)</b>	<b>(22.311.052)</b>
Dividend paid		(2.876.000)	(10.118.000)
Cash increase of capital		0	20.482.468
<b>Cash flows from financing activities</b>		<b>(2.876.000)</b>	<b>10.364.468</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(34.265.339)</b>	<b>(7.269.642)</b>
Cash and cash equivalents beginning of year		55.952.513	63.703.314
Currency translation adjustments of cash and cash equivalents		478.237	(655.736)
<b>Cash and cash equivalents end of year</b>		<b>22.165.411</b>	<b>55.777.936</b>
Cash and cash equivalents at year-end are composed of:			
Cash		22.165.411	55.952.513
Short-term debt to banks		0	(174.577)
<b>Cash and cash equivalents end of year</b>		<b>22.165.411</b>	<b>55.777.936</b>

## Notes to consolidated financial statements

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	65.706.174	44.228.627
Pension costs	4.404.936	3.269.369
Other staff costs	2.326.411	1.697.716
	<b>72.437.521</b>	<b>49.195.712</b>
Average number of employees	<b>198</b>	<b>130</b>
	<b>Remunera- tion of manage- ment 2018 DKK</b>	<b>Remunera- tion of manage- ment 2017 DKK</b>
Executive Board	4.020.000	4.185.000
	<b>4.020.000</b>	<b>4.185.000</b>

### Average number of employees in pro rate-consolidated enterprises

Average number of employees above contains an average number of employees in pro rate-consolidated enterprises: 23 in 2018, 23 in 2017.

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	3.577.230	3.284.871
Depreciation of property, plant and equipment	10.360.573	7.721.869
Profit/loss from sale of intangible assets and property, plant and equipment	898.805	213.405
	<b>14.836.608</b>	<b>11.220.145</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>3. Other financial income</b>		
Other interest income	408.778	194.134
Exchange rate adjustments	144.150	181.119
	<b>552.928</b>	<b>375.253</b>



## Notes to consolidated financial statements

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>4. Other financial expenses</b>		
Financial expenses from associates	72.412	0
Other interest expenses	554.661	489.576
Exchange rate adjustments	38.629	355.086
	<b>665.702</b>	<b>844.662</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	1.864.179	2.919.720
Change in deferred tax	518.477	(1.428.839)
	<b>2.382.656</b>	<b>1.490.881</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	(9.490.192)	1.718.944
Minority interests' share of profit/loss	(2.072.785)	581.274
	<b>(11.562.977)</b>	<b>2.300.218</b>
	<b>Acquired intangible assets DKK</b>	<b>Goodwill DKK</b>
<b>7. Intangible assets</b>		
Cost beginning of year	5.117.122	26.809.272
Exchange rate adjustments	(67.124)	0
Additions	3.275.516	0
<b>Cost end of year</b>	<b>8.325.514</b>	<b>26.809.272</b>
Amortisation and impairment losses beginning of year	(1.026.174)	(10.224.463)
Exchange rate adjustments	11.030	0
Amortisation for the year	(896.303)	(2.680.927)
<b>Amortisation and impairment losses end of year</b>	<b>(1.911.447)</b>	<b>(12.905.390)</b>
<b>Carrying amount end of year</b>	<b>6.414.067</b>	<b>13.903.882</b>

### Goodwill

Management estimates the goodwill to have a long-term useful life, given that the goodwill is tied to markets where the Company has a strong market position and where investments are continuously made to address the market potential. Consequently, Management considers the earnings profile to be of a longer duration. Based on the above, Management has assessed that an amortisation period for the goodwill of 10 years

## Notes to consolidated financial statements

would be the most accurate. Moreover, Management will reassess the useful life annually to reflect the current market position and earnings profile.

	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>	<b>Property, plant and equipment in progress DKK</b>
<b>8. Property, plant and equipment</b>				
Cost beginning of year	11.528.456	16.136.452	25.502.544	2.200.831
Exchange rate adjustments	(607.931)	(109.694)	36.170	(39.599)
Transfers	1.842.780	595.410	1.382.950	(1.978.359)
Additions	2.337.790	3.793.010	16.637.841	470.505
Disposals	(833.082)	(41.456)	(333.090)	0
<b>Cost end of year</b>	<b>14.268.013</b>	<b>20.373.722</b>	<b>43.226.415</b>	<b>653.378</b>
Depreciation and impairment losses beginning of year	(3.327.748)	(4.374.875)	(9.245.888)	0
Exchange rate adjustments	175.483	10.584	24.736	0
Depreciation for the year	(1.864.322)	(3.178.385)	(5.317.866)	0
Reversal regarding disposals	399.864	0	18.193	0
<b>Depreciation and impairment losses end of year</b>	<b>(4.616.723)</b>	<b>(7.542.676)</b>	<b>(14.520.825)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>9.651.290</b>	<b>12.831.046</b>	<b>28.705.590</b>	<b>653.378</b>

## Notes to consolidated financial statements

	<b>Prepay- ments for property, plant and equipment DKK</b>		
<b>8. Property, plant and equipment</b>			
Cost beginning of year			1.754.673
Exchange rate adjustments			88.107
Transfers			(1.842.780)
Additions			0
Disposals			0
<b>Cost end of year</b>			<b>0</b>
Depreciation and impairment losses beginning of year			0
Exchange rate adjustments			0
Depreciation for the year			0
Reversal regarding disposals			0
<b>Depreciation and impairment losses end of year</b>			<b>0</b>
<b>Carrying amount end of year</b>			<b>0</b>
	<b>Investments in associates DKK</b>	<b>Deposits DKK</b>	<b>Deferred tax DKK</b>
<b>9. Fixed asset investments</b>			
Cost beginning of year	768.860	4.615.960	1.309.134
Additions	74.000	859.685	241.909
Disposals	(268.273)	0	(868.377)
<b>Cost end of year</b>	<b>574.587</b>	<b>5.475.645</b>	<b>682.666</b>
Revaluations beginning of year	(94.084)	0	0
Exchange rate adjustments	(13.783)	0	0
Share of profit/loss for the year	(415.266)	0	0
<b>Revaluations end of year</b>	<b>(523.133)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>51.454</b>	<b>5.475.645</b>	<b>682.666</b>

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
<b>10. Associates</b>		
Warpigs USA Brewing, LLC	Indiana, USA	50,0
Mexican Ranger ApS	Copenhagen, Denmark	50,0
Kødbyen Brygpub ApS	Copenhagen, Denmark	50,0
Open Faced ApS	Copenhagen, Denmark	49,0
Bean Geeks Chocolate ApS	Copenhagen, Denmark	50,0
Haven Bar ApS	Copenhagen, Denmark	33,3
Mikkeller Bangkok Co., Ltd.	Bangkok, Thailand	49,0

Associates for which the Parent holds a controlling interest of exactly 50 % are recognised in the consolidated financial statements with a pro-rata share line-by-line.

### 11. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	<u>2018 DKK</u>
<b>12. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	601.199
Recognised in the income statement	280.174
<b>End of year</b>	<u><b>881.373</b></u>

### 13. Liabilities other than provisions

Payables to shareholders and management falls due within 5 years.

### 14. Short-term deferred income

Deferred income comprise revenue relating to subsequent financial years.

	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>15. Change in working capital</b>		
Increase/decrease in inventories	(10.625.943)	(4.265.595)
Increase/decrease in receivables	(10.428.729)	(5.247.406)
Increase/decrease in trade payables etc	4.334.572	3.524.358
	<u><b>(16.720.100)</b></u>	<u><b>(5.988.643)</b></u>

## Notes to consolidated financial statements

	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK</u>
<b>16. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b><u>26.666.000</u></b>	<b><u>24.273.000</u></b>

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
<b>17. Subsidiaries</b>		
Craft Brewery Holding ApS	Copenhagen, Denmark	100,0
Mikkeller ApS	Copenhagen, Denmark	100,0
StellaPolly Craft Beer ApS	Copenhagen, Denmark	100,0
Stella Polly Inc.	San Diego, USA	97,1
Mikkeller US Holding Inc.	Delaware, USA	100,0
Craft Beer Bar Holding ApS	Copenhagen, Denmark	100,0
Ramen Copenhagen ApS	Copenhagen, Denmark	61,0
Björk Craft Beer ApS	Copenhagen, Denmark	100,0
Stefansgade Bar ApS	Copenhagen, Denmark	100,0
Viktoriagade Smørrebrød ApS	Copenhagen, Denmark	100,0
Refshaleøen Barrel Room ApS	Copenhagen, Denmark	100,0
Jægergårdsgade Bar ApS	Copenhagen, Denmark	100,0
Mikkellerbar Årsdale ApS	Copenhagen, Denmark	100,0
Mile High Club ApS	Copenhagen, Denmark	100,0
Mikeller Meatpacking ApS	Copenhagen, Denmark	100,0
Viktoriagade Bar ApS	Copenhagen, Denmark	100,0
Mikkeller Bar Warsaw sp. Z.o.o.	Warsaw, Poland	51,0
Mikkeller Bar Korea	Seoul, South Korea	51,0
Sp/f Mikkeller Torshavn	Torshavn, Faroe Islands	51,0
Mikkeller Taipei Ltd	Taipei, Taiwan	51,0
Mikkeller Romania SRL	Bucharest, Romania	51,0
Mikkeller Japan KK	Tokyo, Japan	70,0
Danish Craft Beer Spain S.L	Madrid, Spain	75,0
Mikkeller Brill Östermalm AB	Stockholm, Sweden	80,0
Mikkeller Craft Beer Germany GmbH	Berlin, Germany	90,0
TheGoodOIDays Limited	London, United Kingdom	100,0
You are a funny man AS	Oslo, Norway	100,0
Mikkeller Bar Paris SAS	Paris, France	100,0

## Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Revenue		6.089.130	1.257.996
Other external expenses		(929.420)	(1.896.591)
<b>Gross profit/loss</b>		<b>5.159.710</b>	<b>(638.595)</b>
Staff costs	1	(6.161.770)	0
<b>Operating profit/loss</b>		<b>(1.002.060)</b>	<b>(638.595)</b>
Income from investments in group enterprises		(6.555.703)	3.666.171
Income from investments in associates		(268.273)	(34.996)
Other financial income	2	27.071	2.453
Other financial expenses	3	(57.601)	(171.451)
<b>Profit/loss before tax</b>		<b>(7.856.566)</b>	<b>2.823.582</b>
Tax on profit/loss for the year	4	227.000	57.911
<b>Profit/loss for the year</b>	5	<b>(7.629.566)</b>	<b>2.881.493</b>

## Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Investments in group enterprises		35.235.957	42.172.567
Investments in associates		0	268.274
<b>Fixed asset investments</b>	6	<b>35.235.957</b>	<b>42.440.841</b>
<b>Fixed assets</b>		<b>35.235.957</b>	<b>42.440.841</b>
Trade receivables		285.592	316.192
Receivables from group enterprises		86.820.574	76.822.923
Other receivables		802.908	250.108
Joint taxation contribution receivable		1.898.000	57.911
<b>Receivables</b>		<b>89.807.074</b>	<b>77.447.134</b>
<b>Cash</b>		<b>665.054</b>	<b>13.693.613</b>
<b>Current assets</b>		<b>90.472.128</b>	<b>91.140.747</b>
<b>Assets</b>		<b>125.708.085</b>	<b>133.581.588</b>



## Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital	7	102.488	102.488
Reserve for net revaluation according to the equity method		14.948.498	21.885.108
Retained earnings		107.377.151	108.451.014
Proposed dividend		0	2.876.000
<b>Equity</b>		<b><u>122.428.137</u></b>	<b><u>133.314.610</u></b>
Bank loans		8.751	0
Trade payables		25.000	266.978
Income tax payable		132.000	0
Joint taxation contribution payable		1.539.000	0
Other payables		1.575.197	0
<b>Current liabilities other than provisions</b>		<b><u>3.279.948</u></b>	<b><u>266.978</u></b>
<b>Liabilities other than provisions</b>		<b><u>3.279.948</u></b>	<b><u>266.978</u></b>
<b>Equity and liabilities</b>		<b><u>125.708.085</u></b>	<b><u>133.581.588</u></b>
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		

## Parent statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>
Equity beginning of year	102.488	21.885.108	108.451.014
Ordinary dividend paid	0	0	0
Exchange rate adjustments	0	1.169.842	0
Other entries on equity	0	(1.550.749)	0
Profit/loss for the year	0	(6.555.703)	(1.073.863)
<b>Equity end of year</b>	<b>102.488</b>	<b>14.948.498</b>	<b>107.377.151</b>

  

	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	2.876.000	133.314.610
Ordinary dividend paid	(2.876.000)	(2.876.000)
Exchange rate adjustments	0	1.169.842
Other entries on equity	0	(1.550.749)
Profit/loss for the year	0	(7.629.566)
<b>Equity end of year</b>	<b>0</b>	<b>122.428.137</b>

### Warrants

On 31 May 2016 the company issued warrants for subscription of A-shares for up to nominally DKK 5.079,15 to certain senior employees of the company on the terms as set out in Exhibit 1 of the articles of association of the company. As a consequence hereof the general meeting of shareholders did at the same time approve the pertaining increase of the company's capital at one or more times with a total maximum nominal amount of DKK 5.079,15.

On 18 September 2018 the company issued additional warrants for subscription of A-shares for up to nominally DKK 1.918,41 of which 54.812 warrants are issued according to certain senior employees in the company on the terms set out in Exhibit 2 of the articles of association and 137.029 warrants are issued to certain senior employees in the company on the terms as set out in Exhibit 3 of the articles of association. As a consequence hereof the general meeting of shareholders did at the same time approve the pertaining increase of the company's capital at one or more times with a total maximum nominal amount of DKK 1.918,41.

## Notes to parent financial statements

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	5.438.857	0
Pension costs	695.787	0
Other social security costs	27.126	0
	<b>6.161.770</b>	<b>0</b>
Average number of employees	<b>5</b>	<b>0</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	0	345
Other interest income	2.914	2.108
Exchange rate adjustments	24.157	0
	<b>27.071</b>	<b>2.453</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>3. Other financial expenses</b>		
Other interest expenses	39.302	76.149
Exchange rate adjustments	18.299	95.302
	<b>57.601</b>	<b>171.451</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	(227.000)	(57.911)
	<b>(227.000)</b>	<b>(57.911)</b>
	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>5. Proposed distribution of profit/loss</b>		
Retained earnings	(7.629.566)	2.881.493
	<b>(7.629.566)</b>	<b>2.881.493</b>

## Notes to parent financial statements

	<b>Investments in group enterprises DKK</b>	<b>Investments in associates DKK</b>
<b>6. Fixed asset investments</b>		
Cost beginning of year	20.287.459	303.270
Disposals	0	(303.270)
<b>Cost end of year</b>	<b>20.287.459</b>	<b>0</b>
Revaluations beginning of year	21.885.108	(34.996)
Exchange rate adjustments	1.169.842	0
Share of profit/loss for the year	(6.555.703)	0
Other adjustments	(1.550.749)	0
Reversal regarding disposals	0	34.996
<b>Revaluations end of year</b>	<b>14.948.498</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>35.235.957</b>	<b>0</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>7. Contributed capital</b>			
Class A shares	8.000.000	0,01	80.000
Class B shares	2.248.827	0,01	22.488
	<b>10.248.827</b>		<b>102.488</b>

### 8. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The Entity has issued a letter of support to the subsidiary StellaPolly Craft Beer ApS by which the Parent is irrevocably obligated to support the subsidiary in fulfilling its obligations until 31 December 2019. The support is limited to DKK 27.189 thousand.

## Notes to parent financial statements

### 9. Assets charged and collateral

#### Collateral provided for group enterprises

The Entity has provided a guarantee whereby the guarantor assumes primary liability for group enterprises and joint ventures' debt to credit institutions. The guarantee is unlimited.

### 10. Related parties with controlling interest

The company has not traded with, granted loans to, pledged collateral, provided recourse guarantees to or undertaken guarantee obligations for the Board of Directors, the Executive Board or the shareholder or any non-group enterprises in which the parties concerned have interests.

#### Transactions with related parties

It is the policy of the group to calculate and recognise interest based upon arms' length on intercompany transactions. However interests are not recognised on transactions between 100 % owned group companies within the Danish joint taxation. The receivable amounts to DKK 86.807.448 at 31 December 2018.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. There has been made few changes in classifications of the accounts and in the comparative figures.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity

## Accounting policies

at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

#### **Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

## Accounting policies

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

No residual value is used in the calculation of amortisations.

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Acquired rights	3-10 years
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Estimated useful lives and residual values are reassessed annually. No residual value is used in the calculation of amortisations.

#### Property, plant and equipment

Plant and machinery as well as leasehold improvements, other fixtures and fittings, tools and equipment are



## Accounting policies

measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	7-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-40 years

Estimated useful lives and residual values are reassessed annually. No residual value is used in the calculation of amortisations.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

## Accounting policies

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of raw materials, manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

### Deferred tax

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

## Accounting policies

asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

### Operating leases

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

### Other financial liabilities

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

### Income tax receivable or payable

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

### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.