



Bjergsø Holding ApS

Humletorvet 27, 3.
1799 København V
CVR No. 34696349

Annual report 2022

The Annual General Meeting adopted the
annual report on 30.06.2023

Ditte Kristine Lassen-Kahlke
Chairman of the General Meeting

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Entity details

Entity

Bjergsø Holding ApS

Humletorvet 27, 3.

1799 København V

Business Registration No.: 34696349

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Ditte Kristine Lassen-Kahlke, Chair

Mikkel Bjergsø

Executive Board

Mikkel Bjergsø

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

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 01.01.2022 - 31.12.2022.

The annual report is presented 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 30.06.2023

Executive Board

Mikkel Bjergsø

Board of Directors

Ditte Kristine Lassen-Kahlke
Chair

Mikkel 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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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.

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 Entity'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 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 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 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 Entity'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 Entity'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.

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, 30.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	247,087	237,065	212,856	293,442	249,234
Gross profit/loss	52,193	56,621	49,639	83,842	78,622
EBITDA	(50,475)	(32,610)	(38,087)	(10,837)	6,184
Operating profit/loss	(63,810)	(51,719)	(64,826)	(30,994)	(8,652)
Net financials	(743)	1,246	(5,244)	454	(528)
Profit/loss for the year	(106,494)	(52,541)	(72,101)	(30,100)	(11,563)
Profit for the year excl. minority interests	(106,980)	(50,786)	(69,372)	(28,218)	(9,490)
Balance sheet total	117,639	198,703	190,893	195,149	165,830
Investments in property, plant and equipment	6,540	24,666	14,970	26,088	23,239
Equity	62,054	131,075	139,984	95,883	123,065
Equity excl. minority interests	62,936	132,387	140,177	94,739	122,428
Average number of employees	226	239	244	250	198

Ratios

Gross margin (%)	21.12	23.88	23.32	28.57	31.55
Net margin (%)	(43.10)	(22.16)	(33.87)	(10.26)	(4.64)
Return on equity (%)	(109.54)	(37.27)	(59.06)	(25.99)	(7.42)
Equity ratio (%)	53.50	66.63	73.43	48.55	73.83

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

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year excl. minority interests * 100

Average equity excl. minority interests

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

The Group's activities comprise of the development, manufacturing and sale of high-quality craft beers under the "Mikkeller" and "WarPigs" brands but also through various partnerships such as "Ramen To Biiru", "La Neta" and "Selma".

The Group operates both own bars and restaurants as well as partner/licensed establishments (referred to as retail activities). The production of beer takes place at the Group's own breweries and in cooperation with leading breweries primarily in Europe.

Development in activities and finances

In 2022 the Group recorded a total revenue of TDKK 247,087 corresponding to an increase in revenue of 4% compared to 2021. The income statement for the period 01.01.22 - 31.12.22 shows a net loss of TDKK 106,494 and the balance sheet shows a total equity of TDKK 62,054.

The Group faced significant challenges throughout 2022 due to a difficult market environment, which tested its ability to effectively deliver products to the right markets at the right time. Consequently, obsolete inventory has been destroyed which had a significant impact on the financial results for the year.

Additionally, the Group was adversely affected by 1-2 months of lockdown measures in Europe and the United States, as well as 3-6+ months of restrictions in Japan and China.

Despite these obstacles, the Group proactively focused on the following key areas:

- Strengthening marketing efforts through expanded activities, including increased investments in trade marketing, paid social advertising, and other e-commerce initiatives.
- Implementing process improvements across all organizational departments. The management team recognized that many of the challenges encountered, both presently and historically, were a direct result of insufficient processes. Therefore, they have undertaken a comprehensive assessment to identify and prioritize areas for improvement, with ongoing efforts throughout 2023.
- Conducting targeted recruitment efforts to ensure the Group possesses the necessary capabilities to drive profitability by prioritizing profitable markets and products, rather than solely pursuing top-line expansion.

Discontinued operations

The group has conducted a thorough analysis of profitability across the organization. Considering the results thereof in combination with future strategic goals, several unprofitable retail locations/initiatives have been wound down during the year.

The work continues throughout 2023 with the purpose of streamlining the organization to achieve its financial and organizational objectives.

Further, the planned divestment of the subsidiary, Stella Polly Inc., in which the Group will cease its brewery- and retail activities in the US, has had significant financial impact amounting to a net loss of TDKK 42,251 in 2022.

Management acknowledges that the net loss for the year is unsatisfactory. However, the Group remains committed to addressing these challenges head-on and is dedicated to charting a path towards a prosperous future.

Profit/loss for the year in relation to expected developments

Guidance for the year was an improvement of the operating profit (EBITDA) to a range between negative TDKK 1,000 and positive TDKK 5,000. Management finds the performance to be unsatisfactory. The lower than expected performance is related to lower than expected performance in key markets and investments in a shift of the strategic direction of the group. Moreover, provisions for expected losses have been considerably higher than expected.

Uncertainty relating to recognition and measurement

The Group's financial position at 31 December 2022 and the results of its operations for the financial year ended 31 December 2022 are not affected by any unusual matters.

Outlook

The Group's outlook for 2023 is expected to be significantly better than the previous year, despite the challenges posed by high inflation and widespread financial uncertainties. While the economic landscape remains volatile, the Group is proactively navigating through these complexities to maintain stability and drive growth.

Consumer trends continue to show promising signs, with footfall remaining resilient amidst the prevailing uncertainties. This indicates the Group's ability to adapt to evolving consumer preferences and maintain a strong customer base. By staying attuned to market demands, the Group can capitalize on opportunities and deliver products and services that meet customer needs.

The Group has acknowledged the impact of inflation on its production costs, resulting in increased expenses for raw materials, transportation, and operational activities. However, through careful cost management and optimization strategies, the Group is taking proactive measures to mitigate these effects and maintain its financial performance.

By adopting a laser-focused approach, the Group aims to drive profitability and achieve sustainable growth in 2023. Strategic market analysis and optimization cost structures will be key factors in achieving this objective. The Group's management team remains dedicated to making informed decisions and implementing measures to ensure financial stability and long-term success.

While challenges persist, the Group remains cautiously optimistic about its outlook for 2023. By striking a balance between addressing uncertainties and seizing opportunities, the Group is well-positioned to improve its net profits. The projected consolidated net profit for 2023 is TDKK 3,000 showcasing the Group's commitment to mitigating risks and achieving a strong financial position.

With a resilient management team and a focus on sustainable growth, the Group is confident in its ability to overcome challenges and achieve positive outcomes in 2023.

Knowledge resources

The Group continues focusing and investing in work environment development of all the workplaces within the Group. The Group has begun a group-wide project, which is focusing on development and maintenance of healthy work environments. The project focuses on both the physical and psychological wellbeing of all employees at all the Groups locations.

The Group continues prioritization of expanding the education- and training opportunities for employees in the Group in order to include extended opportunities for leadership-, management-, diversity & inclusion training. It is essential for the Group's continued growth to attract and maintain talented employees. Through branding, working environment policies, employee benefits, education and development of employees, the Group strives to be an attractive, inclusive and safe workplace.

Environmental performance

The Group remains dedicated in its commitment to conducting business operations in a responsible and sustainable manner. An inherent consideration of the Company's activities is the reduction of its environmental footprint, as it consistently seeks opportunities to enhance its efforts in this regard.

In 2022, the group successfully introduced an innovative sustainable cleaning system across all bars and restaurants, revolutionizing the way tap systems are maintained. This solution completely eliminates the need for harmful chemicals, benefiting both customers and the environment.

Research and development activities

The Group maintains a relentless pursuit of innovation, consistently evolving its concepts and products to uphold its position as a leading trendsetter in the market. In the upcoming year of 2023, the Group will persistently invest in advancing both its existing and new concepts and products, firmly entrenching product innovation within its very DNA.

Of notable significance is the Company's unwavering commitment to nonalcoholic craft beers, as it continues to allocate substantial resources towards product development and brand activation in this thriving category. By prioritizing this area, the Company strives to meet the evolving demands and preferences of consumers, ensuring a compelling and captivating experience with its offerings.

Foreign branches

The Group has a foreign branch in Sweden and UK.

Events after the balance sheet date

In January 2023 the Group's shareholder have contributed DKK 18.5m in capital to support the continued execution of the Group's strategy plan and to strengthen the Group's capital position.

Other than the above, no events have occurred after the balance sheet date to this date, which would have influence on the annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		247,086,571	237,064,556
Other operating income		2,252,842	11,907,352
Cost of sales		(121,881,503)	(123,395,068)
Other external expenses		(75,265,327)	(68,956,102)
Gross profit/loss		52,192,583	56,620,738
Staff costs	2	(102,667,952)	(89,231,301)
Depreciation, amortisation and impairment losses	3	(13,334,210)	(19,005,862)
Writedowns of non-financial current assets		0	(102,075)
Operating profit/loss		(63,809,579)	(51,718,500)
Income from investments in associates		0	(266,022)
Other financial income	4	1,747,657	2,541,159
Impairment losses on financial assets		0	(631,102)
Other financial expenses	5	(2,491,061)	(663,936)
Profit/loss before tax		(64,552,983)	(50,738,401)
Tax on profit/loss for the year	6	309,631	(1,802,189)
Profit/loss from continuing operations		(64,243,352)	(52,540,590)
Profit/loss from discontinued operations	7	(42,250,528)	0
Profit/loss for the year	8	(106,493,880)	(52,540,590)

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		3,857,101	5,221,075
Goodwill		0	322,800
Intangible assets	9	3,857,101	5,543,875
Plant and machinery		0	8,789,239
Other fixtures and fittings, tools and equipment		12,051,639	14,702,866
Leasehold improvements		17,352,958	29,449,452
Property, plant and equipment	10	29,404,597	52,941,557
Investments in associates		0	0
Deposits		6,277,228	8,161,222
Financial assets	11	6,277,228	8,161,222
Fixed assets		39,538,926	66,646,654

Raw materials and consumables		0	939,380
Work in progress		0	1,664,786
Manufactured goods and goods for resale		26,712,126	51,585,664
Prepayments for goods		0	1,065,611
Inventories		26,712,126	55,255,441
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Trade receivables		8,324,111	15,326,574
Receivables from associates		2,311,659	4,274,745
Other receivables		5,325,299	7,107,293
Prepayments	12	3,849,288	5,086,460
Receivables		19,810,357	31,795,072
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Cash		17,944,232	45,005,524
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Current assets		64,466,715	132,056,037
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Assets regarding discontinued operations	7	13,633,806	0
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Assets		117,639,447	198,702,691
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Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		128,951	123,043
Translation reserve		(2,152,700)	(2,582,118)
Retained earnings		64,960,092	134,846,328
Equity belonging to Parent's shareholders		62,936,343	132,387,253
Equity belonging to minority interests		(882,691)	(1,311,919)
Equity		62,053,652	131,075,334
Deferred tax	13	18,711	424,896
Other provisions	14	0	2,100,000
Provisions		18,711	2,524,896
Other payables		3,891,203	5,614,198
Non-current liabilities other than provisions	15	3,891,203	5,614,198
Current portion of non-current liabilities other than provisions	15	0	216,986
Bank loans		381,237	895,912
Trade payables		11,080,063	22,699,773
Payables to associates		0	11,128
Tax payable		497,005	2,352,452
Other payables		27,483,850	32,632,064
Deferred income	16	4,546,244	679,948
Current liabilities other than provisions		43,988,399	59,488,263
Liabilities other than provisions		47,879,602	65,102,461
Liabilities regarding discontinued operations	7	7,687,482	0
Equity and liabilities		117,639,447	198,702,691
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Equity belonging to Parent's shareholders DKK
Equity beginning of year	123,043	0	(2,582,118)	134,846,328	132,387,253
Increase of capital	5,908	37,976,238	0	0	37,982,146
Transferred from share premium	0	(37,976,238)	0	37,976,238	0
Exchange rate adjustments	0	0	429,418	0	429,418
Value adjustments	0	0	0	0	0
Other entries on equity	0	0	0	(882,042)	(882,042)
Profit/loss for the year	0	0	0	(106,980,432)	(106,980,432)
Equity end of year	128,951	0	(2,152,700)	64,960,092	62,936,343

	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	(1,311,919)	131,075,334
Increase of capital	0	37,982,146
Transferred from share premium	0	0
Exchange rate adjustments	0	429,418
Value adjustments	(57,324)	(57,324)
Other entries on equity	0	(882,042)
Profit/loss for the year	486,552	(106,493,880)
Equity end of year	(882,691)	62,053,652

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		(63,809,579)	(51,718,500)
Operating profit/loss from discontinued operations		(48,196,852)	0
Amortisation, depreciation and impairment losses		27,409,342	19,005,862
Other provisions		(2,982,042)	2,100,000
Working capital changes	17	25,686,421	(5,094,879)
Cash flow from ordinary operating activities		(61,892,710)	(35,707,517)
Financial income received		1,747,657	2,541,159
Financial expenses paid		(2,491,061)	(663,936)
Taxes refunded/(paid)		(1,952,001)	(405,482)
Other cash flows from operating activities		418,182	0
Cash flows from operating activities		(64,169,933)	(34,235,776)
Acquisition etc. of intangible assets		0	(808,751)
Sale of intangible assets		699,556	0
Acquisition etc. of property, plant and equipment		(5,267,506)	(11,913,265)
Sale of property, plant and equipment		2,336,254	0
Sale of fixed asset investments		1,883,994	0
Net payment of loans to associates and group enterprises		0	190,593
Cash flows from investing activities		(347,702)	(12,531,423)
Free cash flows generated from operations and investments before financing		(64,517,635)	(46,767,199)

Loans raised	0	525,317
Repayments of loans etc.	(525,803)	0
Cash capital increase	37,982,146	39,365,988
Cash flows from financing activities	37,456,343	39,891,305
<hr/>		
Increase/decrease in cash and cash equivalents	(27,061,292)	(6,875,894)
Cash and cash equivalents beginning of year	45,005,524	51,881,418
Cash and cash equivalents end of year	17,944,232	45,005,524
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Cash and cash equivalents at year-end are composed of:		
Cash	17,944,232	45,005,524
Cash and cash equivalents end of year	17,944,232	45,005,524
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Notes to consolidated financial statements

1 Events after the balance sheet date

In January 2023 the Group's shareholder have contributed DKK 18.6m in capital to support the continued execution of the Group's strategy plan and to strengthen the Group's capital position.

The Group's profitability has shown improvements in 2023 through a strong focus on cost optimization and streamlining of its business operations.

Other than the above, no events have occurred after the balance sheet date to this date, which would have influence on the annual report.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	96,206,324	82,309,311
Pension costs	5,015,261	3,691,198
Other social security costs	1,395,613	1,047,505
Other staff costs	50,754	2,183,287
	102,667,952	89,231,301
Average number of full-time employees	226	239

	Remuneration of management 2022 DKK	Remuneration of management 2021 DKK
Total amount for management categories	8,744,000	6,899,492
	8,744,000	6,899,492

Special incentive programmes

The Company has issued warrants to management. As of 31 December 2022, the participants have subscribed for a number of warrants, entitling the holders to collectively buy 3,807,659 warrants of a nominal value of DKK 38,076.59 for which 2,323,347 warrants of a nominal value of DKK 23,233.47 were issued at 31 December 2021.

The price of the warrants are agreed in advance and on the term set out in appendices 1 to 8 of the articles of association of the Company.

The Board of Directors and the Executive Board consists of the same persons.

Average number of employees in pro rate-consolidated enterprises

Average number of employees above contains an average number of employees in prorated consolidated enterprises: 10 in 2022 and 11 in 2021.

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	987,218	2,490,944
Depreciation on property, plant and equipment	10,855,328	16,551,414
Impairment losses on property, plant and equipment	1,415,148	(36,496)
Profit/loss from sale of intangible assets and property, plant and equipment	76,516	0
	13,334,210	19,005,862

4 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	(2,133,382)	0
Other interest income	1,650,145	1,692,769
Exchange rate adjustments	1,956,246	846,418
Other financial income	274,648	1,972
	1,747,657	2,541,159

5 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	785,296	544,883
Exchange rate adjustments	1,680,075	106,193
Other financial expenses	25,690	12,860
	2,491,061	663,936

6 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	4,631	2,452,836
Change in deferred tax	(406,185)	(650,647)
Adjustment concerning previous years	91,923	0
	(309,631)	1,802,189

7 Discontinued operations

	2022
	DKK
Revenue	24,287,888
Cost of sales	(19,290,871)
Other external expenses	(21,663,520)
Staff cost	(13,178,773)
Depreciation, amortisation and impairment losses	(12,405,252)
Post-tax profit/loss from discontinued operations	(42,250,528)
Plant and machinery	3,134,741
Other fixtures and fittings, tools and equipment	351,360
Deposits	1,321,828
Inventory	4,120,614
Trade receivables	983,961
Prepayments	2,394,306
Cash	1,326,996
Assets related to discontinued operations	13,633,806
Trade payables	2,967,357
Other payables	729,656
Deferred Income	504,369
Other Provisions	3,486,100
Liabilities related to discontinued operations	7,687,482

The discontinued operations pertain to the subsidiary, Stella Polly Inc., which is currently undergoing planned divestment. As part of this process, the Group will cease its brewery- and retail activities in the US.

8 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Retained earnings	(106,980,432)	(50,786,228)
Minority interests' share of profit/loss	486,552	(1,754,362)
	(106,493,880)	(52,540,590)

9 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	9,433,690	27,366,217
Disposals	(3,001,805)	0
Cost end of year	6,431,885	27,366,217
Amortisation and impairment losses beginning of year	(4,212,615)	(27,043,417)
Amortisation for the year	(664,418)	(322,800)
Reversal regarding disposals	2,302,249	0
Amortisation and impairment losses end of year	(2,574,784)	(27,366,217)
Carrying amount end of year	3,857,101	0

10 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	20,589,085	35,482,169	71,519,171
Transfers	(21,861,380)	(872,075)	(9,666,924)
Additions	1,272,295	2,946,036	2,321,470
Disposals	0	(2,428,542)	(3,769,992)
Cost end of year	0	35,127,588	60,403,725
Depreciation and impairment losses beginning of year	(11,799,846)	(20,779,303)	(42,069,719)
Exchange rate adjustments	0	0	(46,090)
Transfers	18,726,639	520,716	9,666,924
Impairment losses for the year	(5,469,837)	0	(4,503,277)
Reversal of impairment losses	0	588,964	2,180,267
Depreciation for the year	(1,456,956)	(4,830,403)	(8,299,204)
Reversal regarding disposals	0	1,424,077	20,332
Depreciation and impairment losses end of year	0	(23,075,949)	(43,050,767)
Carrying amount end of year	0	12,051,639	17,352,958

Transfers on Property, plant and equipment comprise of Discontinued operations amounting to DKK 3,486.101.

11 Financial assets

	Investments in associates DKK	Deposits DKK
Cost beginning of year	601,338	8,161,222
Transfers	0	(1,321,828)
Additions	0	538,498
Disposals	0	(1,100,664)
Cost end of year	601,338	6,277,228
Revaluations beginning of year	(601,338)	0
Revaluations end of year	(601,338)	0
Carrying amount end of year	0	6,277,228

Transfers on Deposits comprise of Discontinued operations amounting to 1,321,828 DKK.

Associates	Registered in	Ownership %
Mexican Ranger ApS	Copenhagen, Denmark	50.00
Open Faced ApS	Copenhagen, Denmark	49.00
Mikkeller Bangkok Co., Ltd.	Bangkok, Thailand	49.00
The Social Beer Shop ApS	Copenhagen, Denmark	50.00

12 Prepayments

Prepayments comprise of prepaid insurance policies and software subscriptions.

13 Deferred tax

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	424,896	(225,751)
Recognised in the income statement	(406,185)	650,647
End of year	18,711	424,896

Deferred tax relates to intangible assets, plant and equipment and other provisions.

Management has chosen not to recognize the deferred tax asset relating to carryforward losses due to uncertainty of the usage period.

14 Other provisions

Other provisions comprise anticipated costs related to ongoing legal cases.

15 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Lease liabilities	216,986	0
Other payables	0	3,891,203
	216,986	3,891,203

Other payables pertain to frozen holiday pay resulting from the implementation of the new Danish Holiday law. Payments of the frozen holiday pay is not expected within 12 months from the balance date and it therefore remains uncertain when these will be paid.

16 Deferred income

Deferred income comprises revenue relating to subsequent financial years.

17 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	11,984,715	(18,579,446)
Increase/decrease in receivables	28,543,315	(977,850)
Increase/decrease in trade payables etc.	(14,841,609)	14,462,417
	25,686,421	(5,094,879)

18 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	48,060,668	37,004,852

19 Contingent liabilities

	2021 DKK
Other contingent liabilities	516,575
Contingent liabilities	516,575

Warranties amounting to DKK 600,281 have been provided for lease commitments.

20 Subsidiaries

	Registered in	Ownership %
Craft Brewery Holding ApS	Copenhagen, Denmark	100.00
Mikkeller ApS	Copenhagen, Denmark	100.00
StellaPolly Craft Beer ApS	Copenhagen, Denmark	100.00
Stella Polly Inc.	San Diego, USA	100.00
Mikkeller US Holding Inc.	Delaware, USA	100.00
Craft Beer Bar Holding ApS	Copenhagen, Denmark	100.00
Ramen Copenhagen ApS	Copenhagen, Denmark	75.29
Viktoriagade Bar ApS	Copenhagen, Denmark	100.00
Stefansgade Bar ApS	Copenhagen, Denmark	100.00
Refshaleøen Barrel Room ApS	Copenhagen, Denmark	100.00
Jægergårdsgade Bar ApS	Copenhagen, Denmark	100.00
Mikkellerbar Årsdale ApS	Copenhagen, Denmark	100.00
Fly High Club ApS	Copenhagen, Denmark	100.00
Kødbyen Brygpub ApS	Copenhagen, Denmark	100.00
Mikkeller Bar Helsinki OY	Helsinki, Finland	65.00
Mikkeller Bar Korea	Seoul, South Korea	51.00
Sp/f Mikkeller Torshavn	Torshavn, Faroe Islands	51.00
Mikkeller Beer (Shanghai) Co., Ltd.	Shanghai, China	84.00
Mikkeller Japan KK	Tokyo, Japan	70.00
Danish Craft Beer Spain S.L	Madrid, Spain	75.00
Mikkeller Brill Östermalm AB	Stockholm, Sweden	80.00
Mikkeller Craft Beer Germany GmbH	Berlin, Germany	90.00

TheGoodOIdays Limited	London, United Kingdom	80.00
You are a funny man AS	Oslo, Norway	100.00
Mikkeller Bar Paris SAS	Paris, France	100.00
Mikkeller Taipei Ltd	Taipei, Taiwan	51.00

Despite several reminders, Management of Bjergsø Holding ApS has not received accounting records for the recognition of the subsidiaries; Mikkeller Beer Co., Ltd (Shanghai), Mikkeller Bar Korea, Mikkeller Bar Helsinki OY and Danish Craft Beer Spain S.L. as of 31 December 2022. Consequently, Management has assessed that it is not possible to recognise the companies in the consolidated financial statements of 2022 with reference to the Danish Financial Statements Act, S 114. At 31 December 2021, the companies total equity amounted to 889 TDKK which has been written down to DKK 0 at 31 Decemer 2022.

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		5,263,269	4,873,652
Other external expenses		(2,361,059)	(1,215,944)
Gross profit/loss		2,902,210	3,657,708
Staff costs	2	(8,977,550)	(7,459,890)
Operating profit/loss		(6,075,340)	(3,802,182)
Income from investments in group enterprises		(102,918,125)	(48,529,702)
Other financial income	3	2,068,566	1,701,336
Other financial expenses		(55,533)	(155,680)
Profit/loss before tax		(106,980,432)	(50,786,228)
Tax on profit/loss for the year		0	0
Profit/loss for the year	4	(106,980,432)	(50,786,228)

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		7,256,943	5,121,232
Receivables from group enterprises		58,204,878	106,093,046
Financial assets	5	65,461,821	111,214,278
Fixed assets		65,461,821	111,214,278
Trade receivables		67,595	144,668
Other receivables		369,560	944,333
Tax receivable		221,213	0
Prepayments	6	3,118	20,782
Receivables		661,486	1,109,783
Cash		263,017	21,482,041
Current assets		924,503	22,591,824
Assets		66,386,324	133,806,102

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		128,951	123,043
Translation reserve		(2,152,700)	(2,582,118)
Retained earnings		64,960,092	134,846,328
Equity		62,936,343	132,387,253
Other payables	7	277,664	0
Non-current liabilities other than provisions	8	277,664	0
Trade payables		773,000	146,823
Payables to group enterprises		360,083	735,408
Other payables		2,039,234	536,618
Current liabilities other than provisions		3,172,317	1,418,849
Liabilities other than provisions		3,449,981	1,418,849
Equity and liabilities		66,386,324	133,806,102
Events after the balance sheet date	1		
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	123,043	0	(2,582,118)	134,846,328	132,387,253
Increase of capital	5,908	37,976,238	0	0	37,982,146
Transferred from share premium	0	(37,976,238)	0	37,976,238	0
Exchange rate adjustments	0	0	429,418	0	429,418
Other entries on equity	0	0	0	(882,042)	(882,042)
Profit/loss for the year	0	0	0	(106,980,432)	(106,980,432)
Equity end of year	128,951	0	(2,152,700)	64,960,092	62,936,343

Warrants

The Company has issued warrants. As of 31 December 2022, the participants has subscribed for a number of warrants, entitling the holders to collectively buy 3,807,659 warrants of a nominal value of DKK 38,076.59 in the Group at a price agreed in advance and on the term set out in appendices 1 to 8 of the articles of association of the Company.

Notes to parent financial statements

1 Events after the balance sheet date

In January 2023 the Group's shareholder have contributed DKK 18.6m in capital to support the continued execution of the Group's strategy plan and to strengthen the Group's capital position.

Other than the above, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	8,414,110	6,901,103
Pension costs	551,958	538,500
Other social security costs	11,482	20,287
	8,977,550	7,459,890
Average number of full-time employees	5	5

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Total amount for management categories	8,744,000	6,899,492
	8,744,000	6,899,492

Special incentive programmes

The Company has issued warrants to management. As of 31 December 2022, the participants have subscribed for a number of warrants, entitling the holders to collectively buy 3,807,659 warrants of a nominal value of DKK 38,076.59 for which 2,323,347 warrants of a nominal value of DKK 23,233.47 were issued at 31 December 2021.

The price of the warrants are agreed in advance and on the term set out in appendices 1 to 8 of the articles of association of the Company.

The Board of Directors and the Executive Board consists of the same persons.

3 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	2,068,566	1,701,336
	2,068,566	1,701,336

4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(106,980,432)	(50,786,228)
	(106,980,432)	(50,786,228)

5 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	29,061,105	210,634,904
Additions	0	58,481,621
Disposals	0	(863,328)
Cost end of year	29,061,105	268,253,197
Impairment losses beginning of year	(23,939,873)	(104,541,858)
Exchange rate adjustments	429,417	0
Adjustments on equity	(882,042)	0
Share of profit/loss for the year	(104,452,241)	0
Adjustment of intra-group profits	1,534,116	0
Impairment losses for the year	0	(105,506,461)
Investments with negative equity value depreciated over receivables	105,506,461	0
Impairment losses end of year	(21,804,162)	(210,048,319)
Carrying amount end of year	7,256,943	58,204,878

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

Despite several reminders, Management of Bjergsø Holding ApS has not received accounting records for the recognition of the subsidiaries; Mikkeller Beer Co., Ltd. (Shanghai), Mikkeller Bar Korea, Mikkeller Bangkok Co. Ltd., Mikkeller Bar Helsinki OY and Danish Craft Beer Spain S.L. as at 31 December 2022. Consequently, Management has assessed that it is not possible to recognise the companies at equity value in the parent financial statements of 2022 with reference to the Danish Financial Statements Act, S 114. At 31 December 2021, the companies total equity amounted to 889 TDKK which has been written down to DKK 0 31 December 2022.

6 Prepayments

Prepayments comprise of prepaid insurance policies and software subscriptions.

7 Other payables

	2022 DKK	2021 DKK
Holiday pay obligation	277,664	0
	277,664	0

8 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Other payables	277,664
	277,664

Other payables pertain to frozen holiday pay resulting from the implementation of the new Danish Holiday law. Payments of the frozen holiday pay is not expected within 12 months from the balance date and it therefore remains uncertain when these will be paid.

9 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 subsidiaries by which the Parent is irrevocably obligated to support the subsidiary in fulfilling its obligations until 31 December 2023.

10 Assets charged and collateral

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

11 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.

Accounting policies

Reporting class

This annual report has been prepared 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.

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.

Despite several reminders, Management of Bjergsø Holding ApS has not received accounting records for the recognition of the subsidiaries; Mikkeller Beer Co., Ltd (Shanghai), and Mikkeller Bar Korea, Mikkeller Bar Helsinki OY and Danish Craft Beer Spain S.l as at 31 December 2022. Consequently, Management has assessed that it is not possible to recognise the companies in the consolidated financial statements of 2021 with reference to the Danish Financial Statements Act, S 114. At 31 December 2021, the companies total equity amounted to 889 TDKK which has been written down to DKK 0 at 31 December 2022.

Discontinued operations

Discontinued operations are material business areas or geographical areas planned, or decided, to be disposed of, discontinued or abandoned and which may be separated from the Entity's other operations.

Results from discontinued operations are presented in the income statement as a separate item consisting of profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets relating to the discontinued operations are presented separately in the balance sheet as assets related to discontinued operations. Liabilities related to the discontinued operations are presented separately in the balance sheet as liabilities related to discontinued operations.

The comparative figures in the income statement and the balance sheet are not restated.

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 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.

Writedowns of non-financial current assets

Writedowns of current assets other than current financial assets comprise writedowns in addition to ordinary writedowns.

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.

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.

Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

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 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:

	Useful life
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.

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.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Receivables

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

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.

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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 asset. 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.

Other provisions

Other provisions comprise anticipated costs related to ongoing legal cases.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the 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.

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.