

CzechitØl IVS

Møllevangs Allé 142, st
8200 Aarhus N

Annual report
1 November 2016 - 31 October 2017

**The annual report has been presented and
approved on the company's general meeting the**

31/03/2018

Michal Ján Sallem
Chairman of general meeting

Content**Company informations**

Company informations	3
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Reports

Statement by Management	4
-------------------------------	---

Management's Review

Management's Review	5
---------------------------	---

Financial statement

Accounting Policies	6
---------------------------	---

Income statement	7
------------------------	---

Balance sheet	8
---------------------	---

Disclosures	10
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Company information

Reporting company CzechitØ1 IVS
Møllevangs Allé 142, st
8200 Aarhus N

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CVR-nr: 37214566
Reporting period: 01/11/2016 - 31/10/2017

Main financial institution Danske Bank A/S
Holmens Kanal 2-12
1092 København
DK Denmark

Statement by Management

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Management

Michal Jan Sallem
CEO

Board of directors

Michal Ján Sallem
Chairman of the board

Opting out of auditing financial statements in next reporting period due to exemption

It has been decided that the company is opting out of financial audit after meeting the three out of three conditions for such an opt-out.

Management's Review

Main activities

CzechitØl IVS is a company operating two business models:

- importing craft beers from microbreweries in the Czech Republic and selling these products to businesses in Denmark,
- catering craft beer to public and private events, co-organizing events, and building a community with the vision to promote the potential of craft beer

Development in activities and economic conditions

1Q - 11.2016-1.2017

This period was focused on developing sales materials and strategies, supplier relationships connected to introducing new lines of products based on previous market research. In retrospect, the market research was not satisfactory, and the introduction strategy was accompanied by a large extent of risk.

2Q - 2.2017-4.2017

New products from new suppliers were introduced to the market but turned out not competitive with the present products on the market. A plan with a new supplier was executed, as being one of the most innovative breweries in the Czech Republic - Pivovar Raven. The pre-order strategy proved that neither these products were attractive - considered not attractive enough relative to their price. Several loans were taken to fund these activities.

A new business model - The Good Beer Catering - was developed and tested with positive results. Several sales followed from this activity. And it was decided to be the main focus for the upcoming season. A presence at a beer festival in CPH was booked in order to promote the new business model and the product from the import.

Basic promotion materials were created for the TGBC.

3Q - 5.2017-7.2017

The company presented itself at a beer festival in CPH.

Activities and sales regarding the TGBC happened. New loans were taken on to fund these activities. One public event in July was preceded by a considerable loan and the deal carried a lot of risk and uncertainty. This was protected by a supplier agreement. The event's result was a loss and the conditions of the agreement were breached. The customer after a while stopped cooperating in resolving the issue. The whole damage was estimated to be about 9000DKK.

4Q - 8.2017-10.2017

In the last quarter, the company entered into a student entrepreneurship incubator programme. This meant getting an office space, business mentorship and business development tools to work with. It also meant relocating the company. Several partnerships and sales were closed toward building up the brand of TGBC.

Opting out of a financial audit

The company meets all three conditions to opt out of the financial audit.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

Generally

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Income statement

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Balance sheet

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Income statement 1 Nov 2016 - 31 Oct 2017

	Disclosure	2016/17	2015/16
		kr.	kr.
Revenue		112,318	16,824
External expenses		-168,765	-15,261
Gross Result		-56,447	1,563
Employee expense		0	0
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		0	0
Profit (loss) from ordinary operating activities		-56,447	1,563
Income from other investments and receivables that are fixed assets		0	0
Other finance income		0	0
Impairment of financial assets		0	0
Other finance expenses		0	0
Profit (loss) from ordinary activities before tax		-56,447	1,563
Tax expense		155	-344
Other tax expenses		-1,679	-2,555
Profit (loss)		-57,971	-1,336
Proposed distribution of results			
Proposed dividend recognised in equity			0
Reserve for net revaluation according to equity method			0
Retained earnings		-57,971	-1,336
Proposed distribution of profit (loss)		-57,971	-1,336

Balance sheet 31 October 2017

Assets

	Disclosure	2016/17 kr.	2015/16 kr.
Plant and machinery		17,695	
Property, plant and equipment	1	17,695	
Non-current assets		17,695	
Manufactured goods and goods for resale		0	
Inventories		0	
Trade receivables		0	11,000
Receivables		0	11,000
Other investments		0	
Investments		0	
Cash and cash equivalents		8,589	7,665
Current assets		8,589	18,665
Total assets		26,284	18,665

Balance sheet 31 October 2017

Liabilities and equity

	Disclosure	2016/17 kr.	2015/16 kr.
Contributed capital			20,000
Retained earnings		-37,694	-1,335
Total equity		-37,694	18,665
Deferred tax		0	
Mortgage debt		0	
Debt to banks		0	
Tax payables		0	
Long-term liabilities		0	
Payables to associates		24,175	
Other payables	2	39,803	
Short-term liabilities		63,978	
Liabilities		63,978	
Liabilities and equity, gross		26,284	18,665

Disclosures

1. Property, plant and equipment

	Land and buildings kr.	Plants and machinery kr.	Fixtures, fittings, tools and equipment kr.
Cost, beginning of year	xxx.xxx	0	xxx.xxx
Increase	xxx.xxx	20276	xxx.xxx
Decrease	-xxx.xxx	-2581	-xxx.xxx
Cost, end of year	xxx.xxx	17695	xxx.xxx
Revaluations, beginning of year	xxx.xxx	xxx.xxx	xxx.xxx
Revaluation, this year	xxx.xxx	xxx.xxx	xxx.xxx
Revaluations, end of year	xxx.xxx	0	xxx.xxx
Impairment losses and amortisation, beginning of year	-xxx.xxx	-xxx.xxx	-xxx.xxx
Impairment losses, this year	-xxx.xxx	-xxx.xxx	-xxx.xxx
Reversal on disposal	xxx.xxx	xxx.xxx	xxx.xxx
Impairment losses and amortisation, end of year	-xxx.xxx	0	-xxx.xxx
Carrying value, end of year	xxx.xxx	17695	xxx.xxx

2. Other payables

Loans provided by external private persons.