



Craft Brewery Holding ApS

Humletorvet 27, 3.
1799 København V
CVR No. 37747416

Annual report 2021

The Annual General Meeting adopted the
annual report on 06.07.2022

Kenneth Bundgaard Madsen
Chairman of the General Meeting

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Entity details

Entity

Craft Brewery Holding ApS

Humletorvet 27, 3.

1799 København V

Business Registration No.: 37747416

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Mikkel Bjergsø

Kenneth Bundgaard Madsen

Ditte Kristine Lassen-Kahlke

Executive Board

Mikkel Bjergsø

Kenneth Bundgaard Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Craft Brewery Holding ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 06.07.2022

Executive Board

Mikkel Bjergsø

Kenneth Bundgaard Madsen

Board of Directors

Mikkel Bjergsø

Kenneth Bundgaard Madsen

Ditte Kristine Lassen-Kahlke

Independent auditor's extended review report

To the shareholders of Craft Brewery Holding ApS

Conclusion

We have performed an extended review of the financial statements of Craft Brewery Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review 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 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, 06.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The company's activities comprise investment in group enterprises and associates.

Description of material changes in activities and finances

The income statement for 2021 shows a loss of DKK 33,134 thousand against a loss of DKK 39,206 last year. The balance sheet shows a negative equity of DKK 56,822 thousand.

The management has found that the equity is lost per 31 December 2021. The management is working on a plan to re-establish the equity and improve the cash flow through the income from investments in group enterprises.

The management expects that it will be possible for the company to pay its liabilities as they become due and has presented the annual report based on going concern.

The company is part of the Bjergsø Group, which is a strong and well consolidated group. The company has received declaration of support from the group, which results in certainty about the company's capability of continuing operation.

Events after the balance sheet date

Management noted that the worldwide Covid-19 outbreak may still affect the Company's performance. However, it is not possible for Management at the time of financial reporting to further quantify such potential effect.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. The war in Ukraine which started at the end of February 2022 has not had and is not expected to have a significant impact on the Company's financial position and development, as the Company has no significant sales or significant suppliers in the countries concerned.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(40,180)	(20,000)
Income from investments in group enterprises		(33,390,960)	(39,337,984)
Other financial income	2	967,154	840,935
Other financial expenses	3	(598,045)	(651,634)
Profit/loss before tax		(33,062,031)	(39,168,683)
Tax on profit/loss for the year	4	(72,364)	(37,246)
Profit/loss for the year		(33,134,395)	(39,205,929)
Proposed distribution of profit and loss			
Retained earnings		(33,134,395)	(39,205,929)
Proposed distribution of profit and loss		(33,134,395)	(39,205,929)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		1,999,994	2,407,680
Receivables from group enterprises		58,931,751	48,372,251
Financial assets	5	60,931,745	50,779,931
Fixed assets		60,931,745	50,779,931
Cash		1,407,044	30,960
Current assets		1,407,044	30,960
Assets		62,338,789	50,810,891

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		50,000	50,000
Translation reserve		(1,901,130)	(3,176,729)
Retained earnings		(54,971,057)	(27,836,662)
Equity		(56,822,187)	(30,963,391)
Payables to group enterprises		119,011,366	81,717,036
Non-current liabilities other than provisions	6	119,011,366	81,717,036
Trade payables		40,000	20,000
Joint taxation contribution payable		109,610	37,246
Current liabilities other than provisions		149,610	57,246
Liabilities other than provisions		119,160,976	81,774,282
Equity and liabilities		62,338,789	50,810,891
Going concern	1		
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	(3,176,729)	(27,836,662)	(30,963,391)
Exchange rate adjustments	0	1,275,599	0	1,275,599
Group contributions etc	0		6,000,000	6,000,000
Profit/loss for the year	0	0	(33,134,395)	(33,134,395)
Equity end of year	50,000	(1,901,130)	(54,971,057)	(56,822,187)

Notes

1 Going concern

The management has found that the equity is lost per 31 December 2021. The management is working on a plan to re-establish the equity and improve the cash flow through the income from investments in group enterprises.

The management expects that it will be possible for the company to pay its liabilities as they become due and has presented the annual report based on going concern.

The company is part of the Bjergsø Group, which is a strong and well consolidated group. The company has received declaration of support from the group, which results in certainty about the company's capability of continuing operation.

2 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	967,154	840,935
	967,154	840,935

3 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	596,344	650,625
Other interest expenses	1,701	1,009
	598,045	651,634

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	72,364	37,246
	72,364	37,246

5 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	26,384,992	95,610,818
Additions	23,224,704	42,267,175
Disposals	0	(23,224,704)
Cost end of year	49,609,696	114,653,289
Impairment losses beginning of year	(23,977,312)	(47,238,567)
Exchange rate adjustments	1,275,599	0
Share of profit/loss for the year	(33,390,960)	0
Impairment losses for the year	0	(8,482,971)
Investments with negative equity value depreciated over receivables	8,482,971	0
Impairment losses end of year	(47,609,702)	(55,721,538)
Carrying amount end of year	1,999,994	58,931,751

Investments in subsidiaries	Registered in	Equity interest %
Stellapolly Craft Beer ApS	Copenhagen, Denmark	100.00
Mikkeller ApS	Copenhagen, Denmark	100.00
Stella Polly Inc.	San Diego, USA	100.00

6 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Payables to group enterprises	119,011,366
	119,011,366

Payables to group enterprises falls due within 5 years.

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Bjergsø Holding ApS serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Bjergsø Holding ApS, Copenhagen

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for external interest.

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 intra-group 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, and 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, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

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 or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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.

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

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.