

Junta Holding ApS

H.C. Ørsteds Vej 30, 1879 Frederiksberg C
CVR no. 39 71 50 15

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 04.07.24

Tore Gynther
Dirigent

Group information etc.	3
Statement by the Executive Board on the annual report	4
Independent auditor's report	5 - 8
Management's review	9 - 11
Income statement	12
Balance sheet	13 - 14
Statement of changes in equity	15
Consolidated cash flow statement	16
Notes	17 - 35

The company

Junta Holding ApS
c/o To Øl ApS
H.C. Ørsteds Vej 30
1879 Frederiksberg C
Registered office: Frederiksberg
CVR no.: 39 71 50 15
Financial year: 01.01 - 31.12

Executive Board

Tore Gynther

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Junta Holding ApS.

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

In my opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Frederiksberg C, July 4, 2024

Executive Board

Tore Gynther

To the capital owners of Junta Holding ApS**Opinion**

We have audited the consolidated financial statements and financial statements of Junta Holding ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 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 financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty regarding going concern

We refer to note 1 in which management states the conditions for the company continuing as a going concern and thus sets out the reasons why the company's financial statements have been presented on a going concern assumption. We agree with management as to the description of uncertainties and the choice of accounting policies. Our opinion is not modified in respect of this matter.

Statement on the management's review

Management is responsible for the management's review.

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

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

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

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and 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's review.

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

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and financial statements unless management either intends to liquidate the group and the company 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Soeborg, Copenhagen, July 4, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenberg Petersen
State Authorized Public Accountant
MNE-no. mne42896

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
<i>Profit/loss</i>					
Profit/loss before depreciation, amortisation, write-downs and impairment losses	1,423	-15,883	5,923	-6,627	-10,570
Operating loss	-7,518	-23,891	-789	-12,040	-12,096
Total net financials	-4,171	-1,330	-1,182	-1,722	-641
Loss for the year	-9,396	-19,611	-1,564	-10,795	-10,161

Balance

Total assets	122,453	133,161	146,841	125,732	111,182
Investments in property, plant and equipment	2,687	6,461	14,049	8,853	50,009
Equity	37,477	32,094	51,766	53,330	53,779

Ratios

	2023	2022	2021	2020	2019
<i>Profitability</i>					
Return on equity	-27%	-47%	-3%	-19%	-38%

Equity ratio

Solvency ratio	31%	24%	35%	42%	48%
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Ratios definitions

Return on equity:
$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

Solvency ratio:
$$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$$

Primary activities

The group's activities comprise of brewing and selling of beer.

Uncertainty concerning recognition and measurement

For information on uncertainty concerning recognition and measurement see note 2.

In the financial statements for the financial year 01.01.23 - 31.12.23, it is important to note the following uncertainty with regard to recognition and measurement, as it has had a significant influence on the assets and liabilities recognised in the financial statements:

As at 31.12.23, the group has recognised a deferred tax asset of DKK 13.282k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive earnings before tax for the coming years. The deferred tax asset is calculated and recognized based on budgets for the period 2024 – 2026. In relation to the expected tax results for the next 3 years, the tax asset is expected to be utilized at the present time. If the actual results for the next 3 years deviate from the expected, this can correspondingly affect the valuation of the tax asset.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a loss of DKK -9,396,397 against DKK -19,611,190 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 37,477,168.

Year 2023 was an improvement compared to the prior year as the company operated profitably with an EBITDA of 1,423 mil. This result was obtained as we saw the positive top-line effects of our brand- and territorial focus strategy and cost-efficiency effects of our streamlined portfolio strategy and our increased B2B focus. These initiatives gradually had an effect as they were rolled out throughout the year.

The earnings expectations for 2023 were a net loss between DKK 3 to 6 mil. The objective was not met primarily due to increased interest expense, changing partners in key export markets and costs related to closing down our subscription based B2C Beer Club.

Outlook

Throughout 2024 the company has continued to see the positive effects as home market B2B sales are up with 28,1% the first 5 months of the year, the B2B Gross Margin% are up with 3,4% and overall fixed costs are down with 16,3%. Despite closing down high revenue sales B2C channels due to the increased B2B focus, the topline of the first 5 months has never been higher than of 2024. Over the next 12 months the company expect to continue to see the effect of the renewed strategies and a more stable and forecastable market than what the company has faced the prior years. The Company expects to come out of 2024 with a positive EBITDA between DKK 13 to 15 mil, and a break-even to

DKK 2 mil net result.

We continuously have a Shareholder Group that is committed and supports the operation fully. This was confirmed in May 2023 when shareholders converted loans to equity for a total of DKK 15.179.559.

Significant uncertainty as regards going concern

The company has realized a loss in 2023 of DKK -9,396k while the company's equity per 31.12.23 is positive with DKK 37,477k. The company's result for the first 5 month of 2024 shows a positive EBT and improved earnings of DKK 5,49 mil compared to LYTD EBT 2023. Despite the positive bottom-line development, the company's cash flow is still affected by the global covid-19, supply shortage, inflation, energy and interest challenges the company faced from 2020-2023. The company's liquidity budget for 2024 shows a liquidity need within the group's credit facility, however, it is a significant prerequisite for continued operation that the company's bank continues to make the credit facilities available. It is however the management's assessment that the group's financial resources are sufficient to carry out planed operations for the coming year and thus sets out the reasons why the company's financial statements have been presented on a going concern assumption.

Subsequent events

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

Income statement

Note	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
	44,062,551	32,824,888	238,828	910,725
3	-42,640,020	-48,708,381	-762,997	-654,962
	1,422,531	-15,883,493	-524,169	255,763
	-8,940,262	-8,007,487	-265,200	-265,200
	-7,517,731	-23,890,980	-789,369	-9,437
4	0	0	-8,235,443	-19,176,621
	249,665	539,495	0	399,380
	-4,420,663	-1,869,718	-237,723	-282,120
	-11,688,729	-25,221,203	-9,262,535	-19,068,798
	2,292,332	5,610,013	268,534	33,636
	-9,396,397	-19,611,190	-8,994,001	-19,035,162
Proposed appropriation account				
	-402,396	-637,082	0	0
	-8,994,001	-18,974,108	-8,994,001	-19,035,162
	-9,396,397	-19,611,190	-8,994,001	-19,035,162

ASSETS		Group		Parent	
		31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK
Note					
	Acquired rights	580,833	716,241	0	0
	Goodwill	0	621,364	0	0
6	Total intangible assets	580,833	1,337,605	0	0
	Land and buildings	22,107,320	22,664,093	13,049,200	13,314,400
	Leasehold improvements	1,648,092	1,434,438	0	0
	Plant and machinery	44,760,294	48,846,468	0	0
	Other fixtures and fittings, tools and equipment	6,875,317	8,274,423	0	0
7	Total property, plant and equipment	75,391,023	81,219,422	13,049,200	13,314,400
8	Equity investments in group enterprises	0	0	25,192,858	12,346,951
9	Deposits	301,000	301,000	0	0
	Total investments	301,000	301,000	25,192,858	12,346,951
	Total non-current assets	76,272,856	82,858,027	38,242,058	25,661,351
	Raw materials and consumables	8,089,576	10,176,871	0	0
	Work in progress	1,434,878	1,096,701	0	0
	Manufactured goods and goods for resale	12,003,140	15,174,374	0	0
	Prepayments for goods	906,036	1,269,341	0	0
	Total inventories	22,433,630	27,717,287	0	0
	Trade receivables	9,807,504	10,396,122	0	0
	Receivables from group enterprises	0	0	14,422,724	36,729,125
	Deferred tax asset	13,282,128	10,989,796	222,581	1,273
	Other receivables	43,513	50,000	0	0
10	Total receivables	23,133,145	21,435,918	14,645,305	36,730,398
	Cash	612,961	1,150,002	0	305,631
	Total current assets	46,179,736	50,303,207	14,645,305	37,036,029
	Total assets	122,452,592	133,161,234	52,887,363	62,697,380

EQUITY AND LIABILITIES		Group		Parent	
		31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK
Note					
11	Share capital	82,243	65,167	82,243	65,167
	Retained earnings	38,559,083	32,721,947	38,559,083	32,721,945
	Equity attributable to owners of the parent	38,641,326	32,787,114	38,641,326	32,787,112
12	Non-controlling interests	-1,164,158	-693,109	0	0
	Total equity	37,477,168	32,094,005	38,641,326	32,787,112
14	Mortgage debt	9,687,597	10,303,265	9,687,597	10,303,265
14	Payables to other credit institutions	4,976,874	5,739,427	0	0
14	Lease commitments	30,439,489	32,770,952	0	0
14	Other payables	6,001,679	20,480,954	3,470,972	18,422,300
	Total long-term payables	51,105,639	69,294,598	13,158,569	28,725,565
14	Short-term part of long-term payables	4,975,289	5,516,930	628,645	622,244
	Payables to other credit institutions	9,030,424	7,385,980	185,522	0
	Trade payables	6,564,428	11,601,611	182,501	295,310
	Payables to group enterprises	0	0	58	0
	Other payables	13,299,644	7,268,110	90,742	267,149
	Total short-term payables	33,869,785	31,772,631	1,087,468	1,184,703
	Total payables	84,975,424	101,067,229	14,246,037	29,910,268
	Total equity and liabilities	122,452,592	133,161,234	52,887,363	62,697,380
15	Contingent liabilities				
16	Charges and security				
17	Related parties				

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:					
Statement of changes in equity for 01.01.23 - 31.12.23					
Balance as at 01.01.23	65,167	32,721,947	32,787,114	-693,109	32,094,005
Capital increase	17,076	15,162,483	15,179,559	0	15,179,559
Purchase of non-controlling interests	0	-331,344	-331,344	-68,653	-399,997
Other changes in equity	0	-2	-2	0	-2
Net profit/loss for the year	0	-8,994,001	-8,994,001	-402,396	-9,396,397
Balance as at 31.12.23	82,243	38,559,083	38,641,326	-1,164,158	37,477,168

Parent:

Statement of changes in equity for 01.01.23 - 31.12.23

Balance as at 01.01.23	65,167	32,721,945	32,787,112	0	32,787,112
Capital increase	17,076	15,162,483	15,179,559	0	15,179,559
Purchase of non-controlling interests	0	-331,344	-331,344	0	-331,344
Net profit/loss for the year	0	-8,994,001	-8,994,001	0	-8,994,001
Balance as at 31.12.23	82,243	38,559,083	38,641,326	0	38,641,326

Consolidated cash flow statement

Note	Group	
	2023 DKK	2022 DKK
	-9,396,397	-19,611,190
Loss for the year		
18 Adjustments	10,839,647	3,547,705
Change in working capital:		
Inventories	5,283,657	-18,839
Receivables	595,104	5,646,915
Trade payables	-5,037,183	-596,720
Other payables relating to operating activities	6,031,534	-4,262,326
Cash flows from operating activities before net financials	8,316,362	-15,294,455
Interest income and similar income received	249,665	539,495
Interest expenses and similar expenses paid	-4,404,563	-1,856,740
Cash flows from operating activities	4,161,464	-16,611,700
Purchase of intangible assets	0	-397,795
Purchase of property, plant and equipment	-2,687,014	-6,460,727
Sale of property, plant and equipment	595,390	0
Cash flows from investing activities	-2,091,624	-6,858,522
Repayment of mortgage debt	-609,267	-602,936
Arrangement of payables to credit institutions	1,644,444	6,048,917
Repayment of payables to credit institutions	-1,077,553	2,236,996
Repayment of lease commitments	-2,564,505	-990,738
Arrangement of other long-term payables	0	4,159,556
Cash flows from financing activities	-2,606,881	10,851,795
Total cash flows for the year	-537,041	-12,618,427
Cash, beginning of year	1,150,002	13,768,429
Cash, end of year	612,961	1,150,002
Cash, end of year, comprises:		
Cash	612,961	1,150,002
Total	612,961	1,150,002

1. Significant uncertainty as regards going concern

The company has realized a loss in 2023 of DKK -9,396k while the company's equity per 31.12.23 is positive with DKK 37,477k. The company's result for the first 5 month of 2024 shows a positive EBT and improved earnings of DKK 5,49 mil compared to LYTD EBT 2023. Despite the positive bottom-line development, the company's cash flow is still affected by the global covid-19, supply shortage, inflation, energy and interest challenges the company faced from 2020-2023. The company's liquidity budget for 2024 shows a liquidity need within the group's credit facility, however, it is a significant prerequisite for continued operation that the company's bank continues to make the credit facilities available. It is however the management's assessment that the group's financial resources are sufficient to carry out planed operations for the coming year and thus sets out the reasons why the company's financial statements have been presented on a going concern assumption.

2. Uncertainty concerning recognition and measurement

In the financial statements for the financial year 01.01.23 - 31.12.23, it is important to note the following uncertainty with regard to recognition and measurement, as it has had a significant influence on the assets and liabilities recognised in the financial statements:

As at 31.12.23, the group has recognised a deferred tax asset of DKK 13.282k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive earnings before tax for the coming years. The deferred tax asset is calculated and recognized based on budgets for the period 2024 – 2026. In relation to the expected tax results for the next 3 years, the tax asset is expected to be utilized at the present time. If the actual results for the next 3 years deviate from the expected, this can correspondingly affect the valuation of the tax asset.

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK

3. Staff costs

Wages and salaries	38,602,171	44,370,924	731,315	588,864
Pensions	2,082,587	1,919,153	24,750	64,096
Other social security costs	582,725	509,135	3,976	1,988
Other staff costs	1,372,537	1,909,169	2,956	14
Total	42,640,020	48,708,381	762,997	654,962

Average number of employees during the year	86	120	1	1
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4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	-8,235,443	-19,108,930
Amortisation of goodwill	0	0	0	-67,691
Total	0	0	-8,235,443	-19,176,621

5. Proposed appropriation account

Non-controlling interests	-402,396	-637,082	0	0
Retained earnings	-8,994,001	-18,974,108	-8,994,001	-19,035,162
Total	-9,396,397	-19,611,190	-8,994,001	-19,035,162

6. Intangible assets

Figures in DKK	Acquired rights	Goodwill
Group:		
Cost as at 01.01.23	947,431	784,881
Cost as at 31.12.23	947,431	784,881
Amortisation and impairment losses as at 01.01.23	-231,190	-163,517
Impairment losses during the year	0	-621,364
Amortisation during the year	-135,408	0
Amortisation and impairment losses as at 31.12.23	-366,598	-784,881
Carrying amount as at 31.12.23	580,833	0

7. Property, plant and equipment

Figures in DKK	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:				
Cost as at 01.01.23	23,168,120	5,399,196	62,819,450	14,185,733
Additions during the year	0	760,302	556,164	1,370,548
Disposals during the year	0	0	0	-595,390
Cost as at 31.12.23	23,168,120	6,159,498	63,375,614	14,960,891
Depreciation and impairment losses as at 01.01.23	-795,600	-3,673,184	-13,972,982	-5,911,309
Depreciation during the year	-265,200	-838,222	-4,642,338	-2,174,265
Depreciation and impairment losses as at 31.12.23	-1,060,800	-4,511,406	-18,615,320	-8,085,574
Carrying amount as at 31.12.23	22,107,320	1,648,092	44,760,294	6,875,317
Parent:				
Cost as at 01.01.23	14,110,000	0	0	0
Cost as at 31.12.23	14,110,000	0	0	0
Depreciation and impairment losses as at 01.01.23	-795,600	0	0	0
Depreciation during the year	-265,200	0	0	0
Depreciation and impairment losses as at 31.12.23	-1,060,800	0	0	0
Carrying amount as at 31.12.23	13,049,200	0	0	0
Carrying amount of assets held under finance leases as at 31.12.23	0	0	0	0

8. Equity investments in group enterprises

Figures in DKK	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.01.23	47,110,308
Additions during the year	20,000,000
Cost as at 31.12.23	67,110,308
Depreciation and impairment losses as at 01.01.23	-37,710,273
Impairment losses on goodwill	-621,364
Net profit/loss from equity investments	-7,084,573
Other equity adjustments relating to equity investments	-331,344
Negative equity value impaired in receivables	3,830,104
Depreciation and impairment losses as at 31.12.23	-41,917,450
Carrying amount as at 31.12.23	25,192,858
Subsidiaries:	
Name and registered office:	Ownership interest
To Øl ApS, Copenhagen	100%
Brus ApS, Copenhagen	100%
29F ApS, Copenhagen	100%
Junta Spirits ApS, Copenhagen	95%
Mikropolis Cocktails ApS, Copenhagen	95%
Æblerov ApS, Copenhagen	60%
Kapital Goldcup, Sweden	100%

9. Other non-current financial assets

Figures in DKK	Deposits
Group:	
Cost as at 01.01.23	301,000
Cost as at 31.12.23	301,000
Carrying amount as at 31.12.23	301,000

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK

10. Receivables

Receivables which fall due for payment more than 1 year after the end of the financial year	0	0	14,422,724	36,729,125
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11. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	82,243	82,243
Capital increase during the financial year	17,076	17,076

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK
12. Non-controlling interests				
Non-controlling interests, beginning of year	-693,109	-56,027	0	0
Purchase of non-controlling interests	-68,653	0	0	0
Net profit/loss for the year (distribution of net profit)	-402,396	-637,082	0	0
Total	-1,164,158	-693,109	0	0

13. Deferred tax

Provisions for deferred tax as at 01.01.23	10,989,796	5,350,135	1,273	-32,363
Deferred tax recognised in the income statement	2,292,332	5,639,661	221,308	33,636
Provisions for deferred tax as at 31.12.23	13,282,128	10,989,796	222,581	1,273

As at 31.12.23, the group has recognised a deferred tax asset of DKK 13.282k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

14. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Mortgage debt	628,645	7,302,256	10,316,242	10,925,509
Payables to other credit institutions	1,185,000	0	6,161,874	7,239,427
Lease commitments	3,161,644	7,979,278	33,601,133	36,165,638
Other payables	0	2,474,545	6,001,679	20,480,954
Total	4,975,289	17,756,079	56,080,928	74,811,528
Parent:				
Mortgage debt	628,645	0	10,316,242	10,925,509
Other payables	0	0	3,470,972	18,422,300
Total	628,645	0	13,787,214	29,347,809

15. Contingent liabilities

Group:

Lease commitments

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

16. Charges and security

Group:

Land and buildings with a carrying amount of DKK 22,107k have been provided as security for mortgage debt.

As security for debt to credit institutions, a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials.

Parent:

Land and buildings with a carrying amount of DKK 22,107k have been provided as security for mortgage debt.

17. Related parties

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

	Group	
	2023	2022
	DKK	DKK

18. Adjustments for the cash flow statement

Other operating income	0	-250,000
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	8,940,262	8,007,487
Financial income	-249,665	-539,495
Financial expenses	4,420,663	1,869,718
Tax on profit or loss for the year	-2,292,332	-5,610,013
Other adjustments	20,719	70,008
Total	10,839,647	3,547,705

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for medium-sized groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

19. Accounting policies - continued -**Non-controlling interests**

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

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

19. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, other operating income, raw materials and consumables and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

19. Accounting policies - continued -**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Acquired rights	5	0
Goodwill	5-10	0
Buildings	50	0
Leasehold improvements	10-15	0
Plant and machinery	10-15	0
Other plant, fixtures and fittings, tools and equipment	5-10	0

Goodwill is amortised over 5-10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group enterprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of

19. Accounting policies - continued -

unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets***Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment

19. Accounting policies - continued -

losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

19. Accounting policies - continued -

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5-10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

19. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

19. Accounting policies - continued -**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

19. Accounting policies - continued -

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.