BEIERHOLM
VI SKABER BALANCE

Junta Holding ApS

Slotsgade 2, 1., 2200 København N
CVR no. 39 71 50 15

Annual report for 2019

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Company information etc.

The company

Junta Holding ApS
Slotsgade 2, 1.
2200 København N
Registered office: København
CVR no.: 39 71 50 15
Financial year: 01.01 - 31.12

Executive Board

Tore Gynther

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Subsidiaries

To Øl ApS, Copenhagen
Brus ApS, Copenhagen
29F ApS, Copenhagen
Junta Spirits ApS, Copenhagen
Mikropolis Cocktails ApS, Copenhagen

Statement of the Board of Directors on the annual report

I have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 for Junta Holding ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.19 and of the results of the company's activities for the financial year 01.01.19 - 31.12.19.

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.

Copenhagen, August 31, 2020

Executive Board

Tore Gynther

Independent auditor's report

To the capital owners of Junta Holding ApS

Opinion

We have audited the financial statements of Junta Holding ApS for the financial year 01.01.19 - 31.12.19, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven)

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.19 and of the results of the company's operations for the financial year 01.01.19 - 31.12.19 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 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 financial statements unless management either intends to liquidate the company 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 objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 regarding the management's review

Management is responsible for management's review.

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

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the 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 management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Soeborg, Copenhagen, August 31, 2020

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

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

Primary activities

The company's activities comprise in equity and other investments.

Development in activities and financial affairs

The income statement for the period 01.01.19 - 31.12.19 shows a profit/loss of DKK -10,185,371. The balance sheet shows equity of DKK 53,653,435.

In 2019 the group initiated the proces of building a fully automated state of the art brewing facility called "To Øl City" in Denmark. 26.000 sqm food sanitary production area and cold storage warehousing on 150.000 sqm land. This was done in order to secure a cost efficient and environmental friendly future production, to have capacity for future growth and to secure that our production of craft beverages continually is living up to our high quality requirements. We took over the site 1st of January 2019 and has spent the year building, installing and commisioning the equipment, training staff, implementing a new ERP and preparing the organisation in order to be ready to start production from the site primo 2020. This was done while investing heavily on a new E-commerce platform launched primo 2020, changing business partners in key markets to professionalize and prepare our sales channels for the new increase in capacity and quality.
Our net loss in 2019 is a direct consequence of our investment in our future growth opportunities.

Outlook

In 2020 our new brewery was installed and operational by the beginning of the year. As we were ramping up production Covid-19 spread across the globe closing most of our export and national sales channels, why we had to slow down production in Q1 and Q2. Both the lack of sales and the ineffiecient production has created an negative impact of the result of H1. In Q2 we secured another capital increase to provide as solid a foundation for our groups continuous growth as possible despite the negative effect of Covid-19. Throughout ultimo Q2 we saw our markets opening up again after Covid-19. Our sales volume has since increased to an all time high and our production facility is fully operational, why we are very confident in the future.

Also see under section subsequent events.

Subsequent events

Important events occurred after the end of the financial year are described in the Annual Report note 1.

Income statement

Note		2019 DKK	28.06.18 31.12.18 DKK
	Gross result	**777,035**	**-423,381**
2	Income from equity investments in group enterprises	-10,740,398	4,417,460
	Financial income	494,357	0
	Financial expenses	-559,835	0
	Profit/loss before tax	**-10,028,841**	**3,994,079**
	Tax on profit or loss for the year	-156,530	11,000
	Profit/loss for the year	**-10,185,371**	**4,005,079**

Proposed appropriation account

Reserve for net revaluation according to the equity method	-4,541,522	4,417,460
Retained earnings	-5,643,849	-412,381
Total	**-10,185,371**	**4,005,079**

Balance sheet

ASSETS

Note		31.12.19 DKK	31.12.18 DKK
	Land and buildings	14,110,000	0
	Property, plant and equipment under construction	0	14,110,000
	Total property, plant and equipment	**14,110,000**	**14,110,000**
3	Equity investments in group enterprises	4,764,124	15,428,522
	Total investments	**4,764,124**	**15,428,522**
	Total non-current assets	**18,874,124**	**29,538,522**
	Receivables from group enterprises	43,185,750	3,516,619
	Income tax receivable	0	11,000
	Other receivables	4,000	0
4	**Total receivables**	**43,189,750**	**3,527,619**
	Cash	**4,979,455**	**0**
	Total current assets	**48,169,205**	**3,527,619**
	Total assets	**67,043,329**	**33,066,141**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.19 DKK	31.12.18 DKK
	Share capital	62,500	50,000
	Reserve for net revaluation according to the equity method	0	4,541,522
	Retained earnings	53,590,935	10,424,619
	Total equity	**53,653,435**	**15,016,141**
5	Mortgage debt	12,962,195	0
5	Other payables	0	18,000,000
	Total long-term payables	**12,962,195**	**18,000,000**
	Trade payables	81,470	50,000
	Income taxes	145,530	0
	Other payables	200,699	0
	Total short-term payables	**427,699**	**50,000**
	Total payables	**13,389,894**	**18,050,000**
	Total equity and liabilities	**67,043,329**	**33,066,141**

6 Contingent liabilities
7 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings
Statement of changes in equity for 28.06.18 - 31.12.18			
Capital contributed on establishment	50,000	0	10,837,000
Other changes in equity	0	124,062	0
Net profit/loss for the year	0	4,417,460	-412,381
Balance as at 31.12.18	50,000	4,541,522	10,424,619
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance pr. 01.01.19	50,000	4,541,522	10,424,619
Capital increase	12,500	0	48,810,165
Net profit/loss for the year	0	-4,541,522	-5,643,849
Balance as at 31.12.19	62,500	0	53,590,935

1. Subsequent events

The group's operations and liquidity have been negatively affected by the spread of coronavirus (COVID-19) from March 2020, as many of its customers have fully or partly shut down operations. It remains uncertain how the current outbreak of corona-virus will affect the total revenue in 2020, as the group's products are sold in several countries and through several different sales channels.

With the existing cash resources, the estimated effect of the Government's aid schemes and the already decided reductions of fixed costs, the Management assess that the group’s financial position and cash resources are sufficient to get through the COVID-19 crisis and continue its investments in growth.

2. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	-10,740,398	4,417,460
Total	-10,740,398	4,417,460

3. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost pr. 01.01.19	10,887,404
Additions during the year	75,597
Cost as at 31.12.19	10,963,001
Revaluations pr. 01.01.19	4,541,522
Net profit/loss from equity investments	-10,740,399
Revaluations as at 31.12.19	-6,198,877
Carrying amount as at 31.12.19	4,764,124
Goodwill on initial recognition of equity investments measured at equity value	0

Name and Registered office:	Ownership interest
Group enterprises:	
To Øl ApS, Copenhagen	100%
Brus ApS, Copenhagen	100%
29F ApS, Copenhagen	80%
Junta Spirits ApS, Copenhagen	95%
Mikropolis Cocktails ApS, Copenhagen	95%

	31.12.19 DKK	31.12.18 DKK

4. Receivables

Receivables which fall due for payment more than 1 year after the end of the financial year	40,000,000	0

5. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.19	Total payables at 31.12.18
Mortgage debt	0	0	12,962,195	0
Other payables	0	0	0	18,000,000
Total	0	0	12,962,195	18,000,000

6. Contingent liabilities

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises did not have net debt to the credit institutions concerned at the balance sheet date.

Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 0k at the balance sheet date. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Charges and security

Land and buildings with a carrying amount of DKK 14,110k have been provided as security for mortgage debt.

The company has issued mortgage deeds registered to the mortgagor secured upon land and buildings as security for group enterprises' debt to credit institutions. The group enterprises did not have net debt to the credit institutions concerned at the balance sheet date.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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.

8. **Accounting policies** - continued -

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Newly acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the subsidiaries' net assets at the date of the establishment of the group relationship.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment 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.

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 and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

8. Accounting policies - continued -

INCOME STATEMENT

Gross result

Gross result comprises other operating income and other external expenses.

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.

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.

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 life, year	Residual value, per cent
Buildings	50	70

Land is not depreciated.

Income from equity investments in group entreprises

For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

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

8. Accounting policies - continued -

of equity investments.

Other net financials

Interest income and interest expenses, 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

Property, plant and equipment

Property, plant and equipment comprise land and buildings.

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

8. Accounting policies - continued -

useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

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 entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that these 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 positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Accounting policies for the acquisition of new enterprises are stated in the 'Business combinations' section.

The proportionate share of the equity value of subsidiaries is determined according to the accounting policies of the enterprise, which are stated in the other sections and also comprise the following significant accounting policies:

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.

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.

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the 3-15 year expected useful lives and residual values of 0; Acquired

8. Accounting policies - continued -

rights, Leasehold improvements and Other plant, fixtures and fittings, tools and equipment.

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

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

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

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.

Impairment losses are reversed when the reasons for the impairment no longer exist.

8. Accounting policies - continued -

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.

Equity

The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

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

8. Accounting policies - continued -

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 payables are measured at amortised cost, normally corresponding to the nominal value of such payables.