BEIERHOLM
VI SKABER BALANCE

Junta Holding ApS

Slotsgade 2, 1., 2200 København N

CVR no. 39 71 50 15

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.07.23

Tore Gynther
Dirigent

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Group 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
Æblerov ApS, Copenhagen
Kapital Goldcup, Sweden

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Junta Holding ApS.

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

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 31.12.22 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

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, July 14, 2023

Executive Board

Tore Gynther

Independent auditor's report

To the capital owners of Junta Holding ApS

Opinion

We have audited the consolidated financial statements and parent company financial statements of Junta Holding ApS for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of 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 parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the 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 audit of the consolidated financial statements and parent company 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.

Emphasis of matter

We draw attention to the information in note 1 in which management accounts for the group's ability to continue as a going concern, We agree with the management as to the description and the choice of accounting policies. Our opinion is not modified in respect of this matter.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, 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 management's review is in accordance with the consolidated financial statements and parent company 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.

Management's responsibility for the consolidated financial statements and parent company financial statements

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 parent company 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 parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 parent 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 parent company 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 parent 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 parent company 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 parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 per-formance 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 14, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen

State Authorized Public Accountant
MNE-no. mne42896

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2022	2021	2020	2019
Profit/loss				
Total net financials	-1,330	-1,182	-1,722	-641
Loss for the year	-19,611	-1,564	-10,795	-10,161
Balance				
Total assets	132,375	146,841	125,732	111,182
Investments in property, plant and equipment	6,461	10,107	8,853	50,009
Equity	32,094	51,766	53,330	53,779

Ratios

	2022	2021	2020	2019
Profitability				
Return on equity	-47%	-3%	-19%	-38%
Equity ratio				
Solvency ratio	24%	35%	42%	48%

Ratios definitions

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

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

Primary activities

The group's activities comprise in brewing and sale of beer and cocktails

Development in activities and financial affairs

The income statement for the period 01.01.22 - 31.12.22 shows a loss of DKK -19,611,190 against DKK -1,564,140 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 32,094,003.

Year 2022 proved to be very challenging for the Group. Already early in the year our production costs increased significantly in respect to raw materials, transportation, electricity and natural gas.

In 2022 we also experienced that the craft beer market fluctuated significant. In the first half of 2022, we couldn't produce enough to meet demand and had a total revenue 40% higher compared to LYTD, while we in the second half of 2022 were faced with a market that slowed down severely mainly due to higher inflation and reduced consumer confidence. Finally, the Group was locked into annual pricing contracts for main customers.

On the event side the Group planned for a Craft Beer festival but finally had to cancel as the overall interest proved to be less than anticipated.

During Fall the Group took corrective actions where a round of layoffs were initiated resulting in a significant number of employees leaving the Group. The management team implemented working capital initiatives including inventory and accounts receivables optimization. Furthermore, budgetary scrutiny resulted in removing all non-critical projects and purchases.

The earnings expectations for 2022 were not possible to set out for the year due the group did faced a price hikes on raw materials, packaging materials and utilities due to the war in Ukraine and world wide inflation.

Information on going concern

For information on going concern see note 1

Outlook

The market for craft has once again picked up during 2023 as we in 1st half of 2023 have seen sales rise to an all-time high. Production prices are back at reasonable levels compared to last year and we also see inflation in Denmark drop to normalized levels. The positive financial effects of the cost savings initiated last year materialized in 2nd quarter of 2023. Furthermore, the company has been shutting down loss generating units during 1st HYR. The result is that after a loss making 1st Quarter of 2023 where we still saw high inflation, reduced consumer confidence and our cost saving initiatives slowly come to effect, the company once again operated profitably in the 2nd quarter of 2023. The result of 1st Quarter 2023 means we expect to come out of 2023 with a loss between DKK 3 to 6 mil., but expect to be profitable the next running 12 months. We expect to come out of 2023 with a positive EBITDA between DKK 4 to 7 mil.

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 15.179.559,18.

Subsequent events

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

Income statement

Note		Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
	Gross profit	**32,573,514**	**43,900,525**	**910,725**	**904,351**
2	Staff costs	-48,457,007	-37,977,169	-654,962	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**-15,883,493**	**5,923,356**	**255,763**	**904,351**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-8,007,487	-6,711,981	-265,200	-265,200
	Operating profit/loss	**-23,890,980**	**-788,625**	**-9,437**	**639,151**
3	Income from equity investments in group enterprises	0	0	-19,176,621	-1,494,429
	Financial income	539,495	30,364	399,380	21,513
	Financial expenses	-1,869,718	-1,212,316	-282,120	-259,801
	Loss before tax	**-25,221,203**	**-1,970,577**	**-19,068,798**	**-1,093,566**
	Tax on loss for the year	5,610,013	406,437	33,636	-91,278
	Loss for the year	**-19,611,190**	**-1,564,140**	**-19,035,162**	**-1,184,844**

4 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.22 DKK	Group 31.12.21 DKK	Parent 31.12.22 DKK	Parent 31.12.21 DKK
	Acquired rights	716,241	404,917	0	0
	Goodwill	621,364	699,852	0	0
5	**Total intangible assets**	**1,337,605**	**1,104,769**	**0**	**0**
	Land and buildings	22,664,093	19,813,173	13,314,400	13,579,600
	Leasehold improvements	1,434,438	1,855,448	0	0
	Plant and machinery	48,846,468	51,682,727	0	0
	Other fixtures and fittings, tools and equipment	8,274,423	9,158,561	0	0
6	**Total property, plant and equipment**	**81,219,422**	**82,509,909**	**13,314,400**	**13,579,600**
7	Equity investments in group enterprises	0	0	12,346,951	29,106,162
8	Deposits	301,000	464,270	0	0
	Total investments	**301,000**	**464,270**	**12,346,951**	**29,106,162**
	Total non-current assets	**82,858,027**	**84,078,948**	**25,661,351**	**42,685,762**
	Raw materials and consumables	10,176,871	11,168,839	0	0
	Work in progress	1,096,701	1,664,484	0	0
	Manufactured goods and goods for resale	15,174,374	14,865,125	0	0
	Prepayments for goods	1,269,341	0	0	0
	Total inventories	**27,717,287**	**27,698,448**	**0**	**0**
	Trade receivables	10,396,123	11,631,827	0	0
	Receivables from group enterprises	0	0	36,729,125	33,483,651
	Deferred tax asset	10,989,796	5,350,135	1,273	0
	Income tax receivable	0	15,000	0	0
	Other receivables	50,000	3,873,345	0	0
	Prepayments	0	424,596	0	0
9	**Total receivables**	**21,435,919**	**21,294,903**	**36,730,398**	**33,483,651**
	Cash	**364,030**	**13,768,429**	**305,631**	**238,490**
	Total current assets	**49,517,236**	**62,761,780**	**37,036,029**	**33,722,141**
	Total assets	**132,375,263**	**146,840,728**	**62,697,380**	**76,407,903**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.22 DKK	Group 31.12.21 DKK	Parent 31.12.22 DKK	Parent 31.12.21 DKK
10	Share capital	65,167	65,167	65,167	65,167
	Retained earnings	32,721,945	51,757,106	32,721,945	51,757,107
	Equity attributable to owners of the parent	**32,787,112**	**51,822,273**	**32,787,112**	**51,822,274**
11	Non-controlling interests	-693,109	-56,027	0	0
	Total equity	**32,094,003**	**51,766,246**	**32,787,112**	**51,822,274**
12	Provisions for deferred tax	0	0	0	32,363
	Total provisions	**0**	**0**	**0**	**32,363**
13	Mortgage debt	10,303,265	10,913,445	10,303,265	10,913,445
13	Payables to other credit institutions	5,739,427	5,002,431	0	0
13	Lease commitments	32,770,952	33,040,980	0	0
13	Other payables	20,480,954	16,321,398	18,422,300	12,500,000
	Total long-term payables	**69,294,598**	**65,278,254**	**28,725,565**	**23,413,445**
13	Short-term part of long-term payables	5,516,930	3,919,348	622,244	615,000
	Payables to other credit institutions	6,600,008	1,337,063	0	0
	Lease commitments	0	811,048	0	0
	Trade payables	11,601,613	12,198,332	295,310	225,550
	Other payables	7,268,111	11,422,917	267,149	299,271
	Deferred income	0	107,520	0	0
	Total short-term payables	**30,986,662**	**29,796,228**	**1,184,703**	**1,139,821**
	Total payables	**100,281,260**	**95,074,482**	**29,910,268**	**24,553,266**
	Total equity and liabilities	**132,375,263**	**146,840,728**	**62,697,380**	**76,407,903**

14 Contingent liabilities
15 Charges and security
16 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 01.01.22 - 31.12.22					
Balance as at 01.01.22	65,167	51,757,106	51,822,273	-56,027	51,766,246
Other changes in equity	0	-61,053	-61,053	0	-61,053
Net profit/loss for the year	0	-18,974,108	-18,974,108	-637,082	-19,611,190
Balance as at 31.12.22	65,167	32,721,945	32,787,112	-693,109	32,094,003
Parent:					
Statement of changes in equity for 01.01.22 - 31.12.22					
Balance as at 01.01.22	65,167	51,757,107	51,822,274	0	51,822,274
Net profit/loss for the year	0	-19,035,162	-19,035,162	0	-19,035,162
Balance as at 31.12.22	65,167	32,721,945	32,787,112	0	32,787,112

Consolidated cash flow statement

Note		Group 2022 DKK	Group 2021 DKK
	Loss for the year	**-19,611,190**	**-1,564,140**
17	Adjustments	3,547,705	7,487,496
	Change in working capital:		
	Inventories	-18,839	-8,288,426
	Receivables	5,646,915	-4,902,019
	Trade payables	-596,720	4,231,105
	Other payables relating to operating activities	-4,262,326	4,707,530
	Cash flows from operating activities before net financials	**-15,294,455**	**1,671,546**
	Interest income and similar income received	539,495	30,364
	Interest expenses and similar expenses paid	-1,856,740	-1,199,338
	Cash flows from operating activities	**-16,611,700**	**502,572**
	Purchase of intangible assets	-397,795	-176,952
	Purchase of property, plant and equipment	-6,460,727	-14,048,945
	Cash flows from investing activities	**-6,858,522**	**-14,225,897**
	Repayment of mortgage debt	-602,936	-596,673
	Arrangement of payables to credit institutions	5,262,945	-1,407,906
	Repayment of payables to credit institutions	2,236,996	0
	Repayment of lease commitments	-990,738	-8,225
	Arrangement of other long-term payables	4,159,556	13,240,862
	Cash flows from financing activities	**10,065,823**	**11,228,058**
	Total cash flows for the year	**-13,404,399**	**-2,495,267**
	Cash, beginning of year	13,768,429	16,263,696
	Cash, end of year	**364,030**	**13,768,429**
	Cash, end of year, comprises:		
	Cash	364,030	13,768,429
	Total	**364,030**	**13,768,429**

1. Information as regards going concern

The group has realized a loss in 2022 of t.DKK 19,611 while the group's equity per 31.12.22 is positive with t.DKK 32,094. The group's result for the first half year of 2023 shows improved earnings compared to 2022. The company's liquidity budget for 2023 shows a maximum liquidity need of DKK 8m, which is within the group's credit facility, with a safety margin of about DKK 5 million. Furthermore, in June 2023 the Group's shareholder have converted debt into equity of DKK 15m. It is therefore 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.

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK

2. Staff costs

	Group 2022 DKK	Group 2021 DKK	Parent 2022 DKK	Parent 2021 DKK
Wages and salaries	44,119,550	35,173,546	588,864	0
Pensions	1,919,153	1,194,727	64,096	0
Other social security costs	509,135	457,483	1,988	0
Other staff costs	1,909,169	1,151,413	14	0
Total	48,457,007	37,977,169	654,962	0
Average number of employees during the year	120	103	1	0

3. Income from equity investments in group enterprises

	Group 2022 DKK	Group 2021 DKK	Parent 2022 DKK	Parent 2021 DKK
Share of profit or loss of group enterprises	0	0	-19,108,930	-1,081,891
Amortisation of goodwill	0	0	-67,691	-412,538
Total	0	0	-19,176,621	-1,494,429

Notes

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK

4. Proposed appropriation account

Non-controlling interests	-637,082	-379,296	0	0
Retained earnings	-18,974,108	-1,184,844	-19,035,162	-1,184,844
Total	-19,611,190	-1,564,140	-19,035,162	-1,184,844

5. Intangible assets

Figures in DKK	Acquired rights	Goodwill
Group:		
Cost as at 01.01.22	549,636	784,881
Additions during the year	397,795	0
Cost as at 31.12.22	947,431	784,881
Amortisation and impairment losses as at 01.01.22	-144,719	-78,488
Amortisation during the year	-86,471	-85,029
Amortisation and impairment losses as at 31.12.22	-231,190	-163,517
Carrying amount as at 31.12.22	716,241	621,364

6. Property, plant and equipment

Figures in DKK	Land and buildings	Leasehold improve-ments	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:				
Cost as at 01.01.22	20,885,618	4,269,668	61,230,755	12,725,729
Additions during the year	3,412,029	0	1,588,695	1,460,003
Cost as at 31.12.22	24,297,647	4,269,668	62,819,450	14,185,732
Depreciation and impairment losses as at 01.01.22	-1,072,445	-2,414,220	-9,456,714	-3,567,168
Depreciation during the year	-561,109	-421,010	-4,516,268	-2,344,141
Depreciation and impairment losses as at 31.12.22	-1,633,554	-2,835,230	-13,972,982	-5,911,309
Carrying amount as at 31.12.22	22,664,093	1,434,438	48,846,468	8,274,423
Parent:				
Cost as at 01.01.22	14,110,000	0	0	0
Cost as at 31.12.22	14,110,000	0	0	0
Depreciation and impairment losses as at 01.01.22	-530,400	0	0	0
Depreciation during the year	-265,200	0	0	0
Depreciation and impairment losses as at 31.12.22	-795,600	0	0	0
Carrying amount as at 31.12.22	13,314,400	0	0	0
Carrying amount of assets held under finance leases as at 31.12.22	0	0	0	0

7. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Parent:	
Cost as at 01.01.22	47,675,216
Disposals during the year	-35,403
Cost as at 31.12.22	47,639,813
Depreciation and impairment losses as at 01.01.22	-18,569,055
Amortisation of goodwill	-78,488
Net profit/loss from equity investments	-19,026,100
Other equity adjustments relating to equity investments	-36,629
Negative equity value impaired in receivables	2,417,410
Depreciation and impairment losses as at 31.12.22	-35,292,862
Carrying amount as at 31.12.22	12,346,951

Name and registered office:	Ownership interest
Subsidiaries:	
To Øl ApS, Copenhagen	100%
Brus ApS, Copenhagen	100%
29F ApS, Copenhagen	80%
Junta Spirits ApS, Copenhagen	95%
Mikropolis Cocktails ApS, Copenhagen	95%
Æblerov ApS, Copenhagen	60%
Kapital Goldcup, Sweden	100%

8. Other non-current financial assets

Figures in DKK	Deposits
Group:	
Cost as at 01.01.22	464,270
Disposals during the year	-163,270
Cost as at 31.12.22	301,000
Carrying amount as at 31.12.22	301,000

	Group		Parent	
	31.12.22 DKK	31.12.21 DKK	31.12.22 DKK	31.12.21 DKK
9. Receivables				
Receivables which fall due for payment more than 1 year after the end of the financial year	0	0	36,729,125	29,343,006

10. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	65,167	65,167

	Group		Parent	
	31.12.22 DKK	31.12.21 DKK	31.12.22 DKK	31.12.21 DKK

11. Non-controlling interests

	31.12.22 DKK (Group)	31.12.21 DKK (Group)	31.12.22 DKK (Parent)	31.12.21 DKK (Parent)
Non-controlling interests, beginning of year	-56,027	323,269	0	0
Net profit/loss for the year (distribution of net profit)	-637,082	-379,296	0	0
Total	-693,109	-56,027	0	0

12. Deferred tax

	31.12.22 DKK (Group)	31.12.21 DKK (Group)	31.12.22 DKK (Parent)	31.12.21 DKK (Parent)
Provisions for deferred tax as at 01.01.22	5,350,135	5,441,413	-32,363	58,915
Deferred tax recognised in the income statement	5,639,661	-91,278	33,636	-91,278
Provisions for deferred tax as at 31.12.22	10,989,796	5,350,135	1,273	-32,363

As at 31.12.22, the group has recognised a deferred tax asset of DKK 10.990k, 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.

13. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Group:				
Mortgage debt	622,244	7,957,222	10,925,509	11,528,445
Payables to other credit institutions	1,500,000	875,000	7,239,427	5,002,431
Lease commitments	3,394,686	10,474,445	36,165,638	36,345,328
Other payables	0	0	20,480,954	16,321,398
Total	5,516,930	19,306,667	74,811,528	69,197,602
Parent:				
Mortgage debt	622,244	7,957,222	10,925,509	11,528,445
Other payables	0	0	18,422,300	12,500,000
Total	622,244	7,957,222	29,347,809	24,028,445

14. 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.

Guarantee commitments

The group has provided a payment guarantee of DKK 419k to contractors.

15. Charges and security

Group:

Land and buildings with a carrying amount of DKK 22,664k 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 22,664k have been provided as security for mortgage debt.

16. Related parties

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

	Group	
	2022 DKK	2021 DKK
17. Adjustments for the cash flow statement		
Other operating income	-250,000	0
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	8,007,487	6,711,981
Financial income	-539,495	-30,364
Financial expenses	1,869,718	1,212,316
Tax on profit or loss for the year	-5,610,013	-406,437
Other adjustments	70,008	0
Total	3,547,705	7,487,496

18. 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.

18. 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.

18. 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.

18. 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 entreprises

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

18. 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

Aquired 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

18. 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 entreprises

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.

18. 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.

18. 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.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

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

18. Accounting policies - continued -

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.

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

18. Accounting policies - continued -

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

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.

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.