

COMPANY ANNOUNCEMENT



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INTERIM REPORT OF HARBOES BRYGGERI A/S

For the period 1 May - 31 October 2018

To

NASDAQ OMX Copenhagen

The Board of Directors of Harboes Bryggeri A/S has today considered and approved the interim report for the period 1 May - 31 October 2018.

The report is described on the following pages.

Skælskør, 13 December 2018

Søren Stampe
Chairman of the Board

Bernhard Griese
CEO

COMPANY ANNOUNCEMENT

INTERIM REPORT OF HARBOES BRYGGERI A/S

For the period 1 May - 31 October 2018

CEO Bernhard Griese on the interim report:

“In H1, we received further confirmation that our strategic focus on own brands is the way to achieve sustainable results. We have intensified our sales and marketing efforts and sharpened our market focus in order to maximise the value creation of our products and brands. Markets are responding favourably, enabling us to establish and cement our position in higher price segments that generate attractive earnings margins. We want to build on this development by further consolidating our business around our own brands over the coming years. Our private-label segment has also seen positive developments based on successful partnerships

with major retail customers – underpinned by a long, hot summer. We expect the positive developments to continue for the rest of the year, and we will continue to invest in the marketing of own brands. Therefore, our outlook for the year as a whole is unchanged.”

Bernhard Griese
CEO

COMPANY ANNOUNCEMENT

INTERIM REPORT OF HARBOES BRYGGERI A/S

For the period 1 May - 31 October 2018

PERIOD IN OUTLINE:

Strategic focus on own brands is driving revenue growth and earnings

- In H1, revenue increased by 4.2% to DKK 725.4 million against DKK 696.4 million in the prior-year period. The main driver of this growth was increased own brand sales, but private-label revenue also rose, including, in particular, from soft drinks and water sales due to the hot summer.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 3.10 million hectolitres compared with 2.99 million hectolitres in the same period last year.
- Profit before depreciation, amortisation, net financials and tax (EBITDA) was up 11.1% at DKK 67.0 million, corresponding to an EBITDA margin of 9.2% relative to 8.7% in the year-earlier period. Higher own brand sales were the main drivers of this increase. The group's own brands are marketed in higher price segments with higher earnings margins.
- Operating profit (EBIT) amounted to DKK 17.3 million against DKK 12.8 million last year.
- Consolidated profit before tax was DKK 14.3 million against DKK 10.1 million the year before.
- The group's investments during the financial year totalled DKK 39.4 million, attributable primarily to optimisation of existing production plant and the impact of the recognition of leases for land and buildings, totalling DKK 20.0 million.
- Cash flows from operating activities and free cash flows (changes in cash and cash equivalents) amounted to DKK 52.8 million and DKK 17.7 million, respectively.

OUTLOOK FOR THE FULL YEAR IS MAINTAINED

Harboe maintains its outlook for the full year. Harboe expects the positive developments to continue in H2 and, as part of the strategy of increasing own brand sales, the group will continue to underpin sales with targeted marketing activities that will influence the cost level. Thus, the group expects EBITDA in the range of DKK 100-110 million and profit before tax in the range of DKK 0-10 million. The outlook is sensitive, among other things, to developments in raw material prices and the annual renegotiation of large contracts, and the developments in certain international markets with unstable market conditions may also affect the outlook.

FINANCIAL HIGHLIGHTS

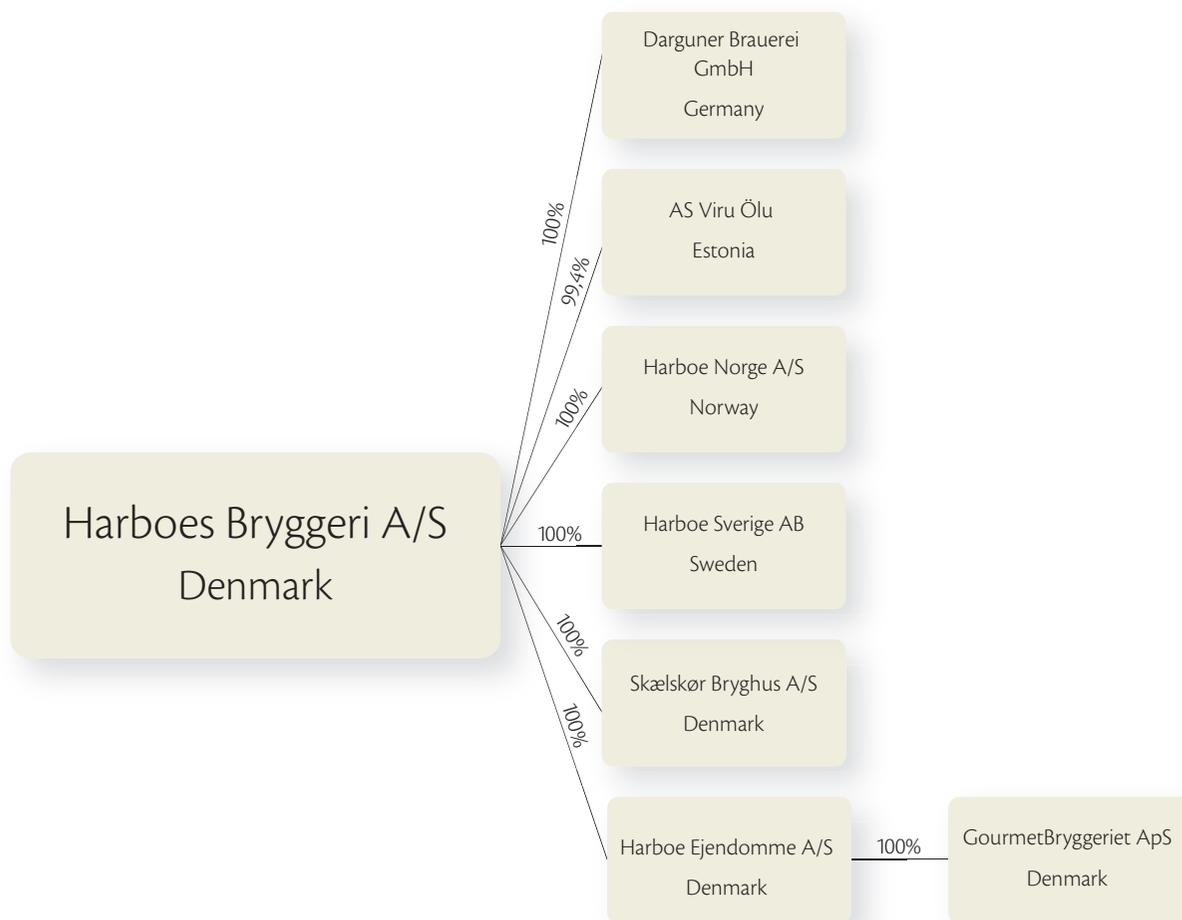
GROUP (DKK '000)	H1 2018/2019	H1 2017/2018	FY 2017/2018
Earnings			
Revenue	725,351	696,370	1,337,736
EBITDA	67,027	60,299	105,429
Operating profit/(loss)	17,326	12,810	10,138
Profit/(loss) before tax	14,346	10,068	4,505
Net profit/(loss) for the period	10,167	6,871	234
Balance sheet			
Non-current assets	859,838	873,162	854,379
Current assets	420,386	390,627	449,930
Equity	757,563	756,667	750,908
Non-current liabilities	230,095	234,335	217,572
Current liabilities	522,663	272,787	335,829
Balance sheet total	1,280,224	1,263,789	1,304,309
Net interest-bearing debt	189,528	182,783	185,211
Investments etc.			
Investments in intangible assets	928	406	2,161
Investments in property, plant and equipment	33,309	83,642	160,797
Depreciation, amortisation, impairment losses and write-downs	49,701	47,489	95,291
Cash flows			
Cash flows from operating activities	52,832	12,360	39,572
Cash flows from investing activities	(38,548)	(49,997)	(79,198)
Cash flows from financing activities	3,397	(17,342)	(25,430)
Change in cash and cash equivalents (free cash flow)	17,680	(54,979)	(65,443)
Ratios (in %)			
Profit margin	2.4	1.8	0.8
Solvency ratio	59.2	59.9	57.6
EBITDA margin	9.2	8.7	7.9
Gearing	25.0	24.2	24.7

GROUP CHART

CORE BUSINESS

Harboes Bryggeri A/S is listed on the stock exchange and is the parent of the Harboe group.

The group's core business is brewery activities, comprising the production and sale of beer, soft drinks, malt beverages and malt wort products.



THE GROUP'S BUSINESS DEVELOPMENT

Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 3.10 million hectolitres in H1 2018/2019 against 2.99 million hectolitres in the same period last year.

REVENUE

The group's revenue in H1 2018/2019 was DKK 725.4 million against DKK 696.4 million, up 4.2%.

Own brand revenue was the primary driver of developments, with healthy growth underpinned by continued marketing activities and positioning. Growth was based on increased sales of beer, soft and energy drinks and water. While both the Nordic markets and Latin America realised strong growth rates, a number of other markets were in line with or slightly lower than in the prior-year period. Private-label revenue also increased – although growth rates were more modest. In Ingredients, sales showed stable growth in H1, based on successful partnerships with existing customers and a number of new contracts with customers looking for specialised ingredients products.

Read more about developments in the business units in the relevant sections in this report.

EARNINGS

Profit before depreciation, amortisation, net financials and tax (EBITDA) for H1 totalled DKK 67.0 million against DKK 60.3 million in the prior-year period, an increase of 11.1%, corresponding to an EBITDA margin of 9.2%.

This development is driven by higher revenue and continued growth in sales of own brands, which are generally marketed in higher price segments, thus generating higher earnings margins. The improve-

ment has been achieved in the face of continued high marketing costs and investments in sales and marketing in the organisation to support the development and international positioning of the group's own brands and products. The group continues to focus on implementing efficiency initiatives and cost reductions and in H1 further streamlined the organisation in Estonia, which was restructured in the previous financial year.

Depreciation, amortisation, impairment losses and write-downs amounted to DKK 49.7 million in H1 against DKK 47.5 million in H1 last year.

An operating profit (EBIT) of DKK 17.3 million was returned for H1 against DKK 12.8 million in the prior-year period.

Profit before tax was DKK 14.3 million in H1 against DKK 10.1 million in the prior-year period. Net profit amounted to DKK 11.2 million against DKK 6.9 million in the same period last year.

INVESTMENTS

Investments in intangible assets and property, plant and equipment amounted to a total addition of DKK 39.4 million in H1. The investments were applied to the optimisation of production plant, and DKK 20 million was attributable to the recognition of leases for land and buildings (see IFRS 16).

EQUITY

As at 31 October 2018, equity amounted to DKK 757.6 million against DKK 750.9 million as at 1 May 2018.

Equity was affected by the results for the period,

foreign currency translation adjustments in respect of foreign subsidiaries and distribution of dividend.

TREASURY SHARES

As at 31 October 2018, the group's holding of treasury shares totalled 1,434,403 class B shares, corresponding to 23.91% of the share capital. No treasury shares were acquired during the accounting period.

The acquisition of treasury shares was effected in pursuance of a resolution adopted at the general meeting held on 27 August 2015, at which the Board of Directors was authorised to acquire up to 50% of the share capital. The authorisation is valid for five years.

DIVIDEND

In accordance with a resolution adopted at the company's annual general meeting held on 21 August 2018, dividend corresponding to DKK 1.00 per share or a total of DKK 6 million was paid in the accounting period.

LIQUIDITY AND NET INTEREST-BEARING DEBT

Harboe maintains a consistent focus on optimising the group's working capital through the strict management of procurement and trade payables etc. and has in recent years realised continuous improvements in liquidity. As part of the efforts, Harboe has entered into supply chain finance agreements with major customers.

Cash flows from operating activities amounted to DKK 52.8 million in H1 compared with DKK 12.4 million in the same period last year.

Free cash flow (changes in cash and cash equivalents) amounted to DKK 17.7 million against DKK -55.0

million in the prior-year period. This development was positively impacted by the earnings improvement, while the liquidity effect of investment activities was equivalent to DKK -17.1 million.

Cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 184.2 million as at 31 October 2018.

To this should be added the holding of treasury shares amounting to DKK 112.5 million stated at the share market value as at 31 October 2018.

As at 31 October 2018, the group's interest-bearing debt totalled DKK 201.3 million, while its net interest-bearing debt amounted to DKK 189.5 million. The increase is due to the recognition of lease liabilities.

THE OUTLOOK FOR 2018/2019 IS MAINTAINED

Market conditions are expected to remain challenging with pressure on prices, especially in the private-label segment, but Harboe will focus on maintaining its position as an attractive and flexible supplier and strategic business partner to major customers in the retail sector based on a targeted and dynamic product range that supports a positive perception of Harboe's own brands and products.

Marketing and growth of own brand sales remain a high strategic priority. Based on the positive results achieved in H1, additional resources will be earmarked for strengthening sales and marketing activities for the rest of the year.

The activities within malt-based ingredients are expected to develop positively in continuation of the strategic development projects. Development

THE GROUP'S BUSINESS DEVELOPMENT

HARBOE BEVERAGES

HARBOE BEVERAGES IN BRIEF

Harboe's drinks are increasingly marketed under the group's own brands in selected markets in Europe, the Middle East, Asia, Africa and the Americas – and as private-label products, primarily for large customers in the retail sector in the markets in Northern Europe. Harboe's strategy is to increase the relative share of the group's own brand revenue.

Bear Beer is the leading brand of the beer category, but Darguner, Harboe, Puls and speciality products under the 'GB' brand also feature in marketing. In addition, Harboe also markets a range of soft drinks and energy drinks, i.a. under the group's own brand X-Ray and juice variants under the brand Pure.

The portfolio also comprises a number of other non-alcoholic products and malt beverages, which, among other things, are marketed as Hyper Malt.

Harboe's own brands are marketed mainly in higher price segments in international growth markets with increasing demand for imported brands. The group's international quality certifications, Nordic tradition and history are key elements in the creation of brand value.

The private-label activities are based on the supply of high volumes of an attractive range of drinks products, particularly to major retail chains in Northern Europe, where Harboe has established a strong position. Harboe maintains this position by providing customers with high-quality products, reliable deliveries and a flexible response to fluctuations in demand.

activities remain a priority, and development costs will continue to impact earnings in H2.

As a result, Harboe maintains its outlook for the full year, expecting profit before depreciation, amortisation, net financials and tax (EBITDA) in the

range of DKK 100-110 million and profit before tax in the range of DKK 0-10 million.

The outlook is sensitive to the fierce competition and the pressure on prices, the development in raw material prices and the annual renegotiation of large

contracts, and the developments in certain international markets with unstable market conditions may also affect the outlook.

STRATEGIC MEASURES AND RESULTS IN H1 2018/2019

The group's own brand sales showed a positive trend in H1 2018/2019, driven especially by sales growth in Northern European markets and in Latin America. Soft and energy drinks and water were the main drivers of growth, but beer sales were also up on the same period last year. In Denmark, sales of speciality beer under Harboe's own brands increased further, including sales of GB. Harboe also saw growth in sales of several types of beer under own brands, including Bear Beer, Darguner and Puls, in other Northern European markets.

The positive development in own brand sales confirms the group's strategic focus. This development is a direct result of the intensified marketing support, which is received well by the markets and supports consumer preferences, enabling marketing of the products in attractive price segments. These activities also help to further strengthen the strategic partnership with regional and international distributors, and targeted investments in the development of the group's brands will continue over the coming years. Organisational support is also

provided for these activities in the form of dedicated brand managers and regional sales teams, and customer services are now managed by a centralised international customer service function, located in Copenhagen along with the sales organisation.

In H1, the group continued its work on developing and strengthening both existing and new brands. New product varieties and new own brand product series were launched.

Overall, these activities were reflected in higher sales and marketing costs in H1. Based on the positive results achieved in H1, the group will further intensify its sales and marketing activities in H2.

Private-label activities also showed a positive trend in H1, not least due to the long, hot summer in the Northern European markets, generating extraordinary demand for water and soft drinks, in particular. Thanks to the group's efficient and flexible production facilities, Harboe was able to accommodate this demand, further boosting the partnerships with retail customers. Harboe is also cooperating with international partners on private-label contracts for sales in Africa, among other places. However, activities under these contracts faced the same market challenges as those faced by Harboe's own brands in these markets.

THE GROUP'S BUSINESS DEVELOPMENT

HARBOE INGREDIENTS

HARBOE INGREDIENTS IN BRIEF

For more than 60 years, Harboe has been producing and marketing malt-based ingredients for the European food industry. Today, Harboe is one of Europe's leading producers of malt-based ingredients, and the product portfolio has undergone constant development, adding a number of targeted product variants which are marketed under the group's own Barlex brand. By continued innovation and further processing, Harboe seeks to maintain and strengthen its market position with targeted solutions that create added value for customers.

Malt-based ingredients are used as natural alternatives to flavourings and colourings used

in the production of many different foods, including bread, cereal and chocolate. In addition to the natural colourings and sweeteners, malt extract has a number of good properties in terms of nutrition and quality, and the attractive product profile is an important asset in marketing. The customers are a large number of European food companies, including some of Europe's largest bakery groups.

An international sales organisation markets and advises on the use of Harboe's portfolio of malt-based ingredients to existing and new customers – primarily in the European neighbouring markets – but also in selected markets outside Europe where interesting business opportunities have been identified.

to a knowledge-based supplier of value-adding ingredients, and in H1 new customer agreements were entered into on more advanced ingredients. Agreements are regularly concluded with new customers with special needs for specialised ingredients products.

Harboe is working closely with customers, the focus being on ongoing advice and continued business development of individual customer relationships.

Once again in H1, Harboe carried out collaboration and test procedures with customers in the food industry on the use of Harboe's ingredients as alternatives to existing flavouring and colouring ingredients in, for example, bread, biscuits, waffles, chocolate and other confectionery products. Testing and advisory activities are conducted in collaboration with the development team to ensure that the functionality and properties that should be included in the development of new ingredients and applications are continuously tailored to customer requirements. This is supported by the new Harboe test bakery facility.

Marketing efforts were continued with participation in international food fairs, and increased sales activities are to contribute to identifying new customers and market opportunities for Harboe's ingredients products.

The development organisation, boasting specialist and research-based skills in food ingredients, helps to accelerate ongoing development activities towards commercialisation. In other words, development activities and optimisation of quality standards continued during the period. In the previous financial year, Harboe invested in a new high-tech production plant with the capacity for large-scale production of the new products. Development activities, test procedures carried out in collaboration with customers and depreciation of the investments made negatively affected results in H1, and the commercialisation of new products is a lengthy and complex process. However, these activities are

expected to make positive contributions to earnings within the next two or three years.

RISKS

Harboe is constantly analysing and considering the business and financial risks affecting the company's development and results.

In all the group's main markets, the beer and soft drinks segments are characterised by fierce competition, leading to constant pressure on prices. Harboe is therefore very sensitive to seasonal fluctuations and market increases in the prices of raw materials and consumables, as increasing costs cannot simply be added to the selling prices. This is true, in particular, of those of the group's products which are marketed to the discount chains. The group's strategic focus on continued strengthening of the international sale of targeted product ranges under its own brands, which can be marketed in more attractive price segments, provides an ever-increasing contribution to reducing this risk.

The current political turmoil and conflicts in parts of the Middle East and in a number of markets in Africa have resulted in special precautions and risk assessments. The exposure to business risks in these areas is continuously monitored by the group's Board of Executives and Board of Directors, which assess the specific framework and criteria for business activities, the conclusion of contracts, monetary transactions etc.

The group's risk exposure is described in further detail in the annual report for 2017/2018.

COMPANY ANNOUNCEMENT

DISCLAIMER

The interim report contains forward-looking statements, including such as relate to the future earnings performance. Such statements are subject to risks and uncertainties concerning a number of factors, many of which are outside the Harboe group's control. This may cause the actual results to deviate significantly from the outlook described in the interim report. Factors which may impact the outlook include general economic and commercial conditions, price development of raw materials, new taxes and regulation, political conditions, demand, exchange rate fluctuations and competition.

The interim report is published in Danish and English. In the event of discrepancies between the Danish and the English text, the Danish text will prevail.

EVENTS OCCURRING AFTER THE END OF THE PERIOD

No events have occurred after the end of the period which materially affect the earnings and financial position of the company.

FINANCIAL CALENDAR

Harboes Bryggeri A/S expects to publish preliminary announcements of financial statements as follows:

DATE	ANNOUNCEMENT
25 June 2019	Annual report 2018/2019

COMPANY ANNOUNCEMENTS

In the period from 1 May to 31 October 2018, the company submitted the following announcements to NASDAQ OMX Copenhagen, which may be found at the company's website, www.harboes.dk.

DATE	ANNOUNCEMENT
1 May 2018	Financial calendar 2018/2019
19 June 2018	Notice of annual general meeting 2018
26 June 2018	Annual report 2017/2018
21 August 2018	Minutes of annual general meeting 2018
21 August 2018	First meeting of new Board of Directors
3 September 2018	Notice of extraordinary general meeting 2018
4 October 2018	Minutes of extraordinary general meeting 2018

MANAGEMENT'S STATEMENT

Today, we have reviewed and approved the interim report of Harboes Bryggeri A/S for the period 1 May - 31 October 2018.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for the interim reporting of listed companies.

In our opinion, the interim report provides a true and fair view of the group's assets and liabilities and financial position as at 31 October 2018 and of the results of its activities and cash flows for H1 2018/2019.

We also believe that the management's review gives a fair presentation of the development in the group's activities and financial affairs, its results for the period and general financial position as well as a description of the most important risks and uncertainty factors to which the group is exposed.

Skælskør, 13 December 2018

Board of Executives

Bernhard Griese
CEO

Board of Directors

Søren Stampe, Chairman
Bernhard Griese
Mads Ole Krage
Poul Calmer Møller
Karina Harboe Laursen
Søren Malling
Jens Bjarne Søndergaard Jensen*

*Elected by the employees

INCOME STATEMENT

1 MAY - 31 OCTOBER 2018

DKK '000	H1 2018/19	H1 2017/18	FY 2017/18
Revenue	725,351	696,370	1,337,736
Production costs	(575,371)	(557,810)	(1,076,928)
Gross profit/(loss)	149,980	138,560	260,808
Other operating income	7,116	7,646	15,266
Selling and distribution costs	(108,216)	(102,085)	(202,867)
Administrative expenses	(27,360)	(26,662)	(52,651)
Other operating expenses	(4,193)	(4,649)	(10,418)
Operating profit/(loss) (EBIT)	17,326	12,810	10,138
Financial income	256	319	399
Financial expenses	(3,237)	(3,061)	(6,032)
Profit/(loss) before tax	14,346	10,068	4,505
Calculated tax on profit/(loss) for the period	(4,179)	(3,197)	(7,723)
Adjustment of tax, previous years	0	0	3,452
Net profit/(loss) for the period	10,167	6,871	234
Distribution of net profit/(loss) for the year:			
Shareholders of the parent	10,168	6,875	256
Minority interests	(1)	(4)	(22)
Earnings per share and diluted earnings per share (continuing activities)	2.23	1.51	0.06

STATEMENT OF COMPREHENSIVE INCOME

1 MAY - 31 OCTOBER 2018

DKK '000	H1 2018/19	H1 2017/18	FY 2017/18
Net profit/(loss) for the period	10,167	6,871	234
Other comprehensive income			
<i>Items which may be reclassified to the income statement:</i>			
Foreign currency translation adjustment regarding foreign enterprises	988	251	1,001
Fair value adjustment of other investments and securities	84	0	160
Tax on other comprehensive income	(19)	0	(35)
Other comprehensive income	1,053	251	1,126
Total comprehensive income	11,220	7,122	1,360
Distribution of comprehensive income for the period:			
Shareholders of the parent	11,221	7,126	1,382
Minority interests	(1)	(4)	(22)

BALANCE SHEET

ASSETS

DKK '000	31 October 2018	31 October 2017	30 April 2018
Intangible assets	22,813	21,027	21,794
Property, plant and equipment	798,747	776,827	797,508
Investment properties	23,381	62,150	22,990
Other investments and securities	7,923	5,138	5,235
Deposits, leases	2,612	2,490	2,490
Deferred tax assets	4,362	5,530	4,362
Non-current assets	859,838	873,162	854,379
Inventories	157,369	163,747	149,976
Receivables	241,937	203,184	272,582
Prepayments	9,941	13,540	11,769
Cash	11,139	10,156	15,603
Current assets	420,386	390,627	449,930
Assets	1,280,224	1,263,789	1,304,309

EQUITY AND LIABILITIES

DKK '000	31 October 2018	31 October 2017	30 April 2018
Share capital	60,000	60,000	60,000
Other reserves	(1,009)	(2,937)	555
Retained earnings	698,505	699,518	690,285
Equity owned by shareholders of the parent	757,496	756,581	750,840
Equity owned by minority interests	67	86	68
Equity	757,563	756,667	750,908
Mortgage debt	127,192	143,738	135,392
Finance lease liabilities	22,960	0	0
Deferred tax liabilities	47,622	52,169	47,583
Deferred recognition of income	32,321	38,428	34,597
Non-current liabilities	230,095	234,335	217,572
Bank debt and mortgage debt	43,357	49,936	66,093
Finance lease liabilities	7,764	0	0
Trade payables	125,717	111,556	152,409
Other short-term payables and other liabilities	102,831	89,431	102,441
Deferred recognition of income	5,941	7,150	7,217
Income tax	6,956	14,714	7,669
Current liabilities	292,566	272,787	335,829
Liabilities	522,661	507,122	553,401
Equity and liabilities	1,280,224	1,263,789	1,304,309

CASH FLOW STATEMENT

1 MAY - 31 OCTOBER 2018

DKK '000	H1 2018/19	H1 2017/18	FY 2017/18
Operating profit/(loss)	17,326	12,810	10,138
Depreciation, amortisation, impairment losses and write-downs	49,657	47,487	94,960
Grants recognised as income	(3,613)	(3,812)	(7,629)
Other adjustments	(847)	1,085	566
Change in net working capital	(1,222)	(30,037)	(29,557)
Cash flows from primary operating activities	61,301	27,533	68,478
Financial income received	267	365	358
Financial expenses paid	(3,250)	(3,061)	(5,163)
Income tax paid	(5,486)	(12,477)	(24,101)
Cash flows from operating activities	52,832	12,360	39,572

1 MAY - 31 OCTOBER 2018

DKK '000	H1 2018/19	H1 2017/18	FY 2017/18
Purchase of intangible assets	(2,007)	(2,770)	(5,195)
Purchase of property, plant and equipment	(15,101)	(47,394)	(73,338)
Addition of finance lease assets	(20,567)	0	0
Sale of property, plant and equipment	102	16	721
Dividend received from financial assets available for sale	0	28	41
Purchase of financial assets	0	0	(19)
Change in financial assets	(974)	123	205
Cash flows from investing activities	(38,548)	(49,997)	(79,585)
Dividend paid	(4,566)	(9,131)	(9,131)
Repayment of mortgage debt	(8,466)	(8,211)	(16,299)
Recognition of lease liabilities	20,567	0	0
Repayment of finance lease liabilities	(4,138)	0	0
Cash flows from financing activities	3,397	(17,342)	(25,430)
Changes in cash and cash equivalents	17,681	(54,979)	(65,443)
Cash and cash equivalents as at 1 May	(34,027)	31,417	31,416
Translation adjustment, beginning of period	561	70	0
Cash and cash equivalents as at 31 October	(15,785)	(23,492)	(34,027)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for foreign currency translation adjustments	Reserve for value adjustment of financial assets available for sale	Other reserves total	Retained earnings	Equity owned by shareholders of the parent	Equity owned by minority interests	Total equity
Equity as at 1 May 2018	60,000	(478)	(1,584)	(2,062)	692,902	750,840	68	750,908
Changes in equity 2018/2019								
Net profit/(loss) for the year	0	0	0	0	10,168	10,168	(1)	10,167
Other comprehensive income	0	988	65	1,053	0	1,053	0	1,053
Dividend paid	0	0	0	0	(4,565)	(4,565)	0	(4,565)
Other adjustments	0	0	0	0	1	0	0	0
Comprehensive income for the financial year	0	988	65	1,053	5,603	6,656	(1)	6,655
Equity as at 31 October 2018	60,000	510	(1,519)	(1,009)	698,505	757,496	67	757,563
Equity as at 1 May 2017	60,000	510	(1,519)	(1,009)	698,505	757,496	67	757,561
Changes in equity 2017/2018								
Net profit/(loss) for the year	0	0	0	0	6,875	6,875	(4)	6,871
Other comprehensive income	0	251	0	251	0	251	0	251
Dividend paid	0	0	0	0	(9,131)	(9,131)	0	(9,131)
Other adjustments	0	0	0	0	(134)	(134)	139	5
Comprehensive income for the financial year	0	251	0	251	(2,390)	(2,139)	135	(2,004)
Equity as at 31 October 2017	60,000	(1,228)	(1,709)	(2,937)	699,518	756,581	86	756,667

NOTES

1. ACCOUNTING POLICIES

The interim financial statements are presented as compiled financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. No interim financial statements have been prepared for the parent.

The interim financial statements are presented in Danish kroner (DKK), which is the functional currency of the parent.

Except for the early application of IFRS 16, the accounting policies applied in the interim financial statements are consistent with those applied in the consolidated financial statements for 2018/2019, which are in accordance with the International Financial Reporting Standards as adopted by the EU.

Reference is made to the annual report for 2018/2019 for a more detailed description of the accounting policies applied, including the definitions of the ratios stated, which have been calculated in accordance with the definitions of the 'Recommendations and Financial Ratios 2015' issued by the Danish Society of Financial Analysts.

IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers*, are applied with effect from the 2018/2019 financial year. Recognition and

measurement under these standards have no material impact on the consolidated financial statements at the beginning and end of the period.

IFRS 16, *Leasing*, was applied early with effect from 1 May 2018. On 30 April 2018, the group had entered into leases which, according to IAS 17, are classified as operating leases. With effect from 1 May 2018, contracts that meet the criteria for recognition were recognised as assets at an amount of DKK 14.1 million and the related liability of DKK 14.1 million. Equity at the beginning of the period was not affected.

The interim report has not been reviewed by the company's auditors.

2. ESTIMATES

The preparation of interim reports requires the management to make certain accounting estimates which affect the application of the accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant estimates made by the management in applying the group's accounting policies and the considerable uncertainty associated with these estimates are the same in connection with the preparation of the compiled interim report as for the preparation of the annual report for 2017/2018.

3. SEGMENT INFORMATION

Based on the internal reporting, which is used for the allocation of profit and resources, the company has identified one operating segment, the brewery sector, which is in line with the way in which activities are organised and controlled.

REVENUE AND NON-CURRENT ASSETS DISTRIBUTED ON GEOGRAPHICAL AREAS

The group's primary basis of segmentation is geographical, with segment information being

provided for Denmark, Germany and other geographical markets.

The group's revenue from external customers and the distribution of non-current assets on these geographical areas are specified below, where revenue is distributed on the basis of the domicile of the customers, and non-current assets are distributed on the basis of the physical location and legal affiliation, respectively.

(DKK '000)	Revenue		Non-current assets	
	2018/19	2017/18	2018/19	2017/18
Denmark	174,463	155,992	397,057	392,162
Germany	281,551	273,235	371,115	384,322
Other geographical areas	269,337	267,143	20,227	21,370
	725,351	696,370	788,399	797,854

INFORMATION ABOUT IMPORTANT CUSTOMERS

Out of the group's total revenue in Denmark and Germany, sales to a single customer account for approx. 25% of revenue.