

Harboes Bryggeri A/S
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HARBOES BRYGGERI A/S – INTERIM REPORT FOR H1 2021/22

For the period 1 May – 31 October 2021

To
NASDAQ OMX Copenhagen

Today, the Board of Directors of Harboes Bryggeri A/S has discussed and approved the following interim report for the first half of 2021/22.

Skælskør, 2 December 2021

Bernhard Griese
Chairman

Claus Christian Bayer
Deputy chairman

In this connection, CEO Søren Malling states:

"We are pleased that our sales continue to develop positively – driven in particular by export markets, where targeted sales efforts ensure progress with both existing and new customers in all regions. But we also note that the current challenges of raw material shortages, rising commodity prices and freight capacity constraints are affecting both sales and earnings in Q2. We are fully focused on operating as efficiently as possible under the given market conditions, and implemented optimisations of both fixed and unit costs in our product range in Q2 as well. At the same time, we are in close dialogue with customers on the implementation of necessary price increases due to general commodity price increases and price inflation across markets. We expect these conditions to continue to affect the company for the remainder of the year and, taking this into account, we are maintaining our expectations for the year.

We continue to work hard to create a new positive momentum, and have invested in forward-looking marketing initiatives and continued efficiency improvements in both production and supply chain during the quarter, the results of which we will see gradually. We therefore have positive expectations in terms of future developments, and are pleased to have an organisation that delivers solid efforts to achieve the desired results every day."

For further information:

CFO Michael Møller Jensen
Tel.: +45 22 10 05 94

Continued progress in H1 2021/22 despite challenges:

- **Net turnover up 7% to DKK 747 million**
- **EBITDA increases by 17% to DKK 68 million**
- **Profit before tax of DKK 17.2 million, compared to DKK 8.5 million in H1 2020/21**

Growth is driven by export markets, where net turnover increases by 47% or DKK 95 million.

In Denmark, turnover declined by 6%, mainly because the first half of the comparative year 2020/21 was positively impacted by closures in the restaurant sector and cross-border trade, which led to a significant increase in domestic retail sales. Considering the intense competition on the Danish market, the development is satisfactory and agreements have been concluded which ensure the overall level of activity for the remainder of the year.

Turnover in Germany decreased by 12%, driven by the same trend as well as a general decline in turnover from private-label products, where Harboe primarily is exposed on the German market.

In Beverages, turnover increased by 9%, while Ingredients decreased by 10%, the latter mainly due to the loss of a major customer last year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for H1 2021/2022 amounted to DKK 68 million, compared to DKK 59 million for the same period last year. The result includes increased costs of DKK 4 million for prospective sales and marketing activities compared to last year, and last year's EBITDA includes other operating income of DKK 1.8 million from the sale of real estate.

Depreciation and amortisation of DKK 48 million for the period is in line with H1 last year, while financial expenses amount to DKK 3.4 million compared to DKK 3.0 million in the same period last year.

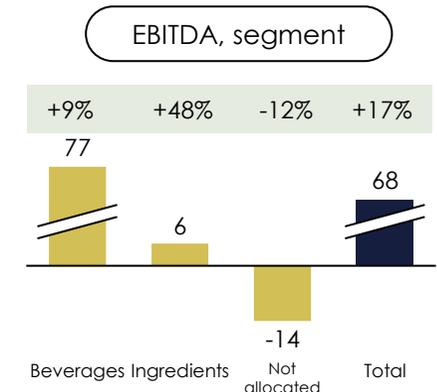
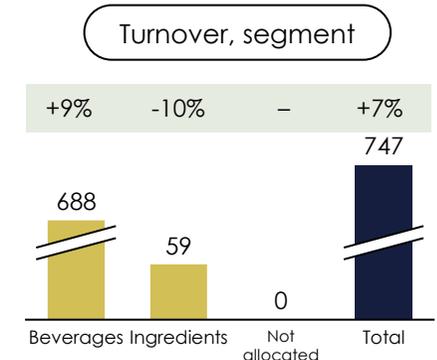
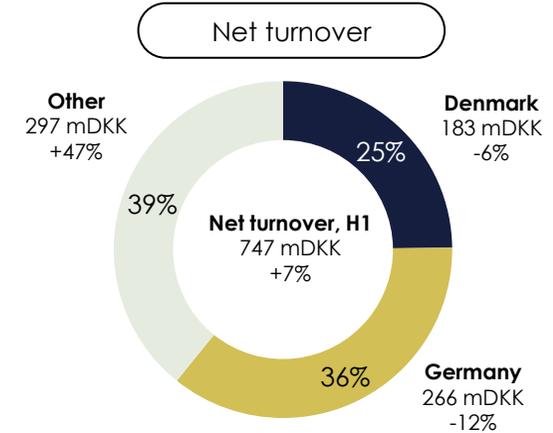
Profit before tax from continuing operations for the period amounts to DKK 17.2 million compared to DKK 8.5 million last year.

Business development

The development of both turnover and earnings in export markets is positively impacted by the restructuring of the commercial organisation which was implemented in 2020/21. This is driving a continued increase in activity with both existing and new customers in export markets.

However, turnover growth has gradually slowed over the period, mainly due to increasing constraints on freight capacity and shortages of raw materials. This has resulted in lost sales and, as expected, is also giving rise to significantly higher costs, impacting H1 results.

Yet the impact on results is partially mitigated by ongoing efforts to optimise both fixed and unit costs of the product range. This is driven, for example, by a continued focus on improving production efficiency and reducing packaging, which is also part of the Group's sustainability efforts.



Increase in net turnover in Q2 driven by exports:

- **Net turnover up 3% to DKK 366 million**
- **EBITDA down 1% to DKK 29 million**
- **Profit before tax will be DKK 4 million compared to DKK 5 million in Q2 2020/21**

Turnover growth in Q2 is also driven by export markets, where net turnover increased by 31% to 152 mDKK. However, the growth in turnover has slowed compared to the high growth in Q1, which should also be considered in the context of Q1 both being the peak season and marking the gradual normalisation of retail markets after COVID-19. At the same time, significantly higher commodity prices and freight capacity constraints negatively impacted both turnover and earnings for the quarter.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for Q2 2021/2022 amounted to DKK 29 million compared to DKK 30 million for the same period last year.

Last year's EBITDA includes other operating income of DKK 1.8 million from the sale of real estate, and adjusted for this, Q2 shows a modest profit increase.

Profit before tax from continuing operations for the period is DKK 3.8 million, compared to DKK 4.8 million last year.

Business development

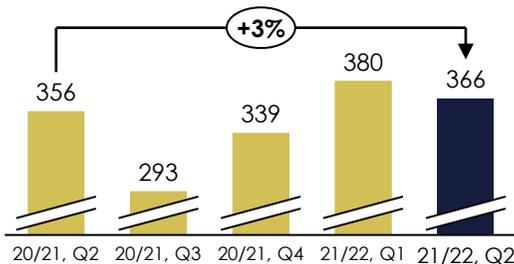
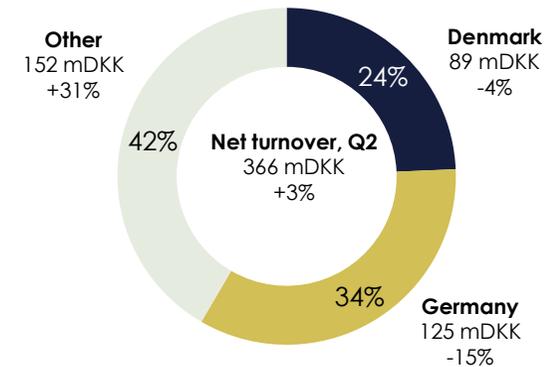
Developments in export markets continue to be positively influenced by the changed commercial approach to markets and customers, and growth continues, albeit at a slightly lower rate than in Q1.

Turnover in Denmark and Germany is lower than in the same period last year, where both markets benefited from a significant increase in retail sales as a result of the COVID closures of both the restaurant industry and cross-border trade.

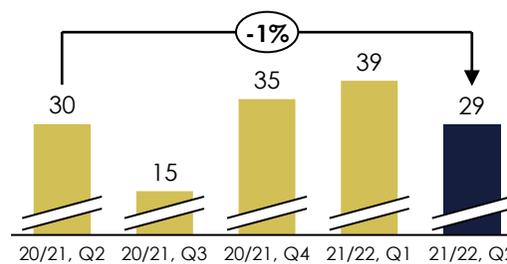
In addition to rising freight and raw material prices, the quarter's results were also affected by increased marketing costs, which will ensure a stronger positioning of Harboe's products on the Danish market going forward.

In Q2, focus has also been on continually optimising both fixed and unit costs across the product range to meet cost increases, as well as a close dialogue with customers on the implementation of necessary price increases due to general cost increases and price inflation across markets.

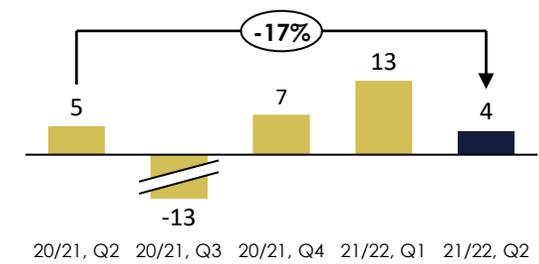
Net turnover



Net turnover, mDKK



EBITDA, mDKK



Results before tax, mDKK

SELECTED KEY FIGURES AND RATIOS

DKK THOUSANDS	2. quarter		1. half		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Shareholdings (continued activities)					
Net turnover	366,257	356,156	746,664	696,938	1,328,184
EBITDA	29,455	29,551	68,370	58,569	107,786
Primary operation / EBIT	6,057	6,059	20,565	11,473	10,026
Result before tax	3,779	4,826	17,170	8,491	3,243
Result for the period	2,630	3,678	12,326	6,464	1,659
Balance sheet					
Non-current assets	679,580	734,458	679,580	734,458	706,954
Current assets	454,451	429,300	454,451	429,300	434,115
Equity	692,904	679,796	692,904	679,796	679,792
Long-term liabilities	185,286	192,059	185,286	192,059	191,687
Current liabilities	255,841	291,903	255,841	291,903	269,590
Total assets	1,134,031	1,163,758	1,134,031	1,163,758	1,141,069
Net interest bearing debt	154,592	102,171	154,592	102,171	135,761
Working capital	317,474	219,116	317,474	219,116	291,214
Investments					
Purchase of intangible assets	1,104	(13)	1,104	(13)	756
Purchase of tangible assets	8,427	2,655	18,933	8,258	35,856
Depreciation and write-downs	23,398	23,492	47,805	47,096	97,760
Cash flow					
Cash flows from operations	(21,664)	95,589	1,663	33,068	21,402
Cash flows from investment	(9,885)	(3,106)	(20,391)	(8,675)	(36,256)
Cash flows from financing	(6,524)	(3,541)	(13,037)	(8,490)	(14,179)
Change in cash and cash equivalents	(38,073)	88,942	(31,765)	15,903	(29,033)
Key ratios					
EBITDA-margin	8.0%	8.3%	9.2%	8.4%	8.1%
Operating margin	1.7%	1.7%	2.8%	1.6%	0.8%
Solvency ratio	61.1%	58.4%	61.1%	58.4%	59.6%
Return on invested capital	0.9%	0.9%	3.0%	1.7%	1.5%
Avg. NIDB / LTM EBITDA	1.3	1.6	1.3	1.6	1.26
Full Time Equivalent (FTE)	482	502	486	514	517
Kg CO2/hl	3	3	3	3	3

Development affected by increased costs

Q2 is traditionally slightly lower in both turnover and earnings compared to Q1, which is the Harboe Group's peak season, but rising costs in the quarter impact earnings.

Investments of DKK 20 million were made in H1, the most significant of which relate to efficiency improvements at the brewery in Skælskør.

The Group's net interest-bearing debt amounts to DKK 155 million as of 31 October 2021, representing an increase of DKK 32 million in the quarter and an increase of DKK 52 million compared to the same period last year.

Working capital increases by 98 mDKK. This development is the result of a focused effort to ensure an efficient balance of working capital and liquidity – including the best possible placement of free cash in an interest-free environment

Considering this, operations in H1 generated positive cash flows of DKK 1.7 million compared to a positive cash flow of DKK 33.1 million in the same period last year.

In addition to the above, the Group continues to have a strong liquidity position consisting of cash and undrawn credit facilities amounting to DKK 85 million at the end of H1. This development is in line with expectations for the period and supports the Group's ambition to maintain a solid financial base for an expected increasing level of investment in the coming years.

Expectations for 2021/22 are maintained

EXPECTATIONS FOR 2021/22 DKKm	Realized results 2021/22	Expectations for 2021/22. (annual report 2020/21)	Expectations for 2021/22 Current update
EBITDA	108 DKKm	115 - 125 DKKm	115 - 125 DKKm
Profit before taxes from continued activities	3 DKKm	10 - 20 DKKm	10 - 20 DKKm
Profits from discontinued activities	4 DKKm	3 - 5 DKKm	3 - 5 DKKm

ASSUMPTIONS (Annual Report 2020/21 and Q1 21/22)

- Continued intense competition and pressure on prices, especially in Danish and German retail
- Uncertainty about the continued impact of COVID-19 and current challenges with lack of freight capacity and scarcity of raw materials
- Increasing turnover driven by export markets
- Investing in strengthened supply chain and efficiency improvements
- Expected significant further commodity price increases in a number of areas, starting to take effect in Q2
- In addition to the expected pre-tax result, the divestment of the last of the activities in Estonia is expected to have a positive impact of 3-5 mDKK as a result of discontinued operations

ASSUMPTIONS (updated)

- The above assumptions remain valid, and the increasing COVID-19 wave causes increased uncertainty.
- As expected, significant commodity price increases are seen, which will further increase in the 2nd half of the year and continue into the financial year of 2022/23
- Supply chains are currently under pressure in terms of both raw materials and logistics, leading to capacity constraints and lost sales. Constraints are expected to gradually decrease during the 2nd half of the year

EXPECTATIONS FOR 2021/22 ARE MAINTAINED

- The above expected conditions are now included in the expectations for the full year 2021/22, and maintained at the same level as previously announced, taking into account i.a. the realised results.

Overall positive development in Beverages in H1 2021/22

- Net turnover up 9% to DKK 688 million
- EBITDA of DKK 77 million compared to DKK 71 million in the same period last year, corresponding to an EBITDA margin of 11,2%
- EBIT margin increases from 5,2% to 6,1%

Q2 delivers continued growth, but at a lower level than Q1

- Sales in Q2 are on a par with the same period last year
- Net turnover up 5% to DKK 336 million
- Net turnover per hectolitre up 5%

Receding turnover in key markets in Q2

In the Danish market, turnover decreased by 5% in Q2, mainly due to higher turnover in the same period last year, when closures of the border trade and the restaurant industry shifted some turnover to the Danish retail sector, where Harboe is primarily exposed.

Germany also saw a fall in turnover, partly driven by the same trend as in the Danish market

and a general decline in the market, including falling sales of water products. In addition, turnover to German-based but international private-label distributors is lower, leading to a 14% decrease in turnover in Germany in Q2.

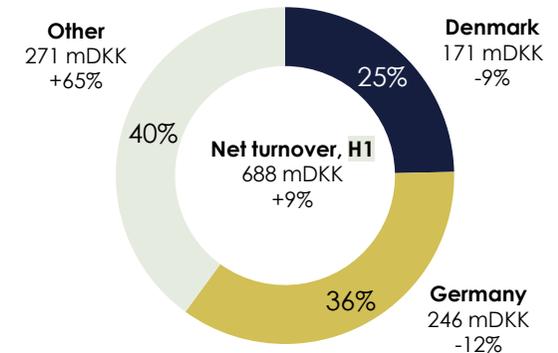
Continued growth and rising earnings driven by exports

In export markets, turnover increased by 33% in Q2, driven by positive developments in all regions with continually increasing activity levels and growth with both new and existing customers.

In export markets, Harboe's products are primarily marketed under its own brands and in higher price segments. The restructuring of the international sales organisation and a targeted effort to position the Group's brands and develop sales efforts towards customers and distributors drive the positive development and increasing turnover per hectolitre.

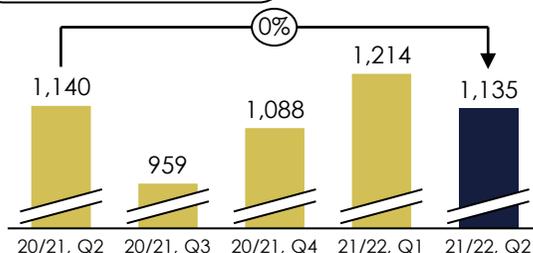
However, during Q2 both growth and earnings have been increasingly affected by rising commodity prices and freight capacity constraints, which are expected to continue to dampen growth for the remainder of the year.

H1 2021/22

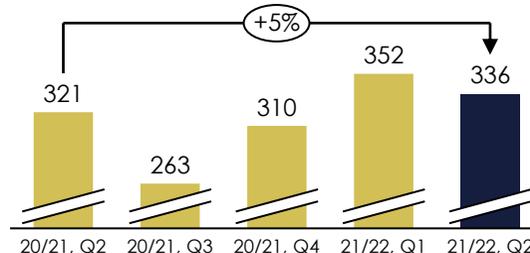


mDKK	1. halvår 2021/22	2020/21	Hele året 2020/21
Afsætning (k.hl)	2.349	2.323	4.351
Nettoomsætning	688	632	1.205
Totale omkostninger	(611)	(562)	(1.081)
EBITDA	77	71	125
Af- og nedskrivninger	(35)	(38)	(73)
Primært resultat (EBIT)	42	33	51

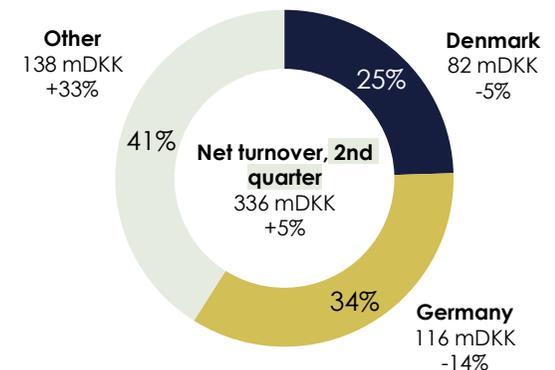
Q2 2021/22



Sales, hectolitres ('000)



Net turnover, mDKK



Earnings improve despite lower turnover in H1 2021/22

- Net turnover down 11% to DKK 58 million
- EBITDA will be DKK 5.7 million compared to DKK 3.8 million in the same period last year, corresponding to an EBITDA margin of 9,8% compared to 6,0% last year.
- EBIT margin increases from -2,9% to -1,7%

Declining turnover but improved profit margin

- Q2 sales down 18% compared to the same period last year
- Q2 turnover down 17% to 29mDKK
- However, better product mix increases net turnover per kilo by 2%

Increasing turnover in Denmark

The turnover decline in Ingredients is mainly driven by the loss of a major international customer in the last financial year and, to a lesser extent, the exit from a number of low-margin businesses, which is driving the turnover decline in Germany.

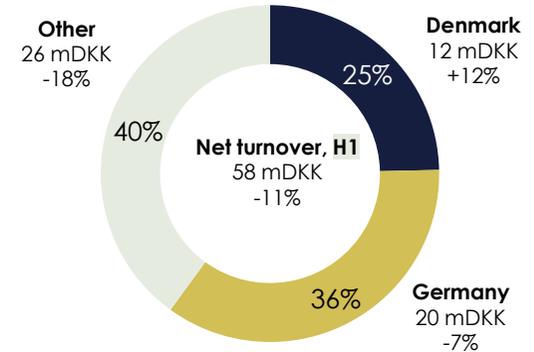
However, there is still strong demand for ingredients that meet sustainability and clean label requirements

for food, and Harboe has continued to work closely with customers to develop and implement new uses for malt-based ingredients.

Several of these products are being incorporated and continue to be rolled out in production at a number of customers, and this is expected to drive a stable and positive sales development.

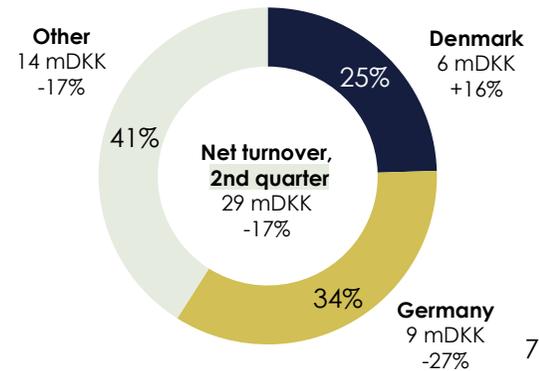
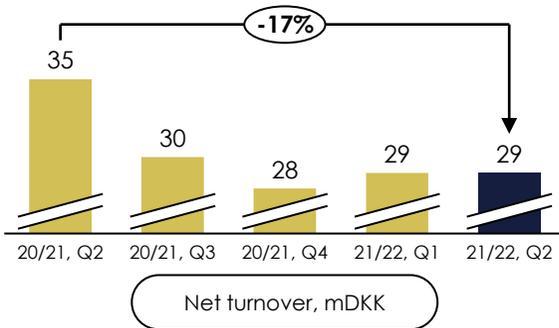
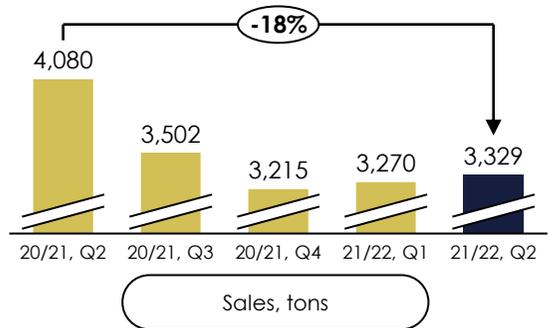
At the same time, a targeted focus on product and cost optimisation, in addition to fixed cost reduction and an improved product mix, has contributed to an overall improvement in earnings per kilo.

H1 2021/22



mDKK	1. halvår 2021/22	2020/21	Hele året 2020/21
Afsætning (ton)	6.599	7.618	14.335
Nettoomsætning	58,5	64,7	122,8
Totale omkostninger	(52,8)	(60,8)	(111,5)
EBITDA	5,7	3,8	11,2
Af- og nedskrivninger	(6,7)	(5,7)	(13,8)
Primært resultat (EBIT)	(1,0)	(1,9)	(2,6)

Q2 2021/22



Risk factors and events after the balance sheet date

RISK MANAGEMENT

Harboe analyses and considers the business and financial risks that affect the company's development and performance on an ongoing basis. The market for beer and soft drinks in all the Group's main markets is characterised by intense competition, which puts constant pressure on prices.

Harboe is therefore very sensitive to seasonal fluctuations and market-related increases in the prices of raw materials and consumables, because increased costs cannot be immediately transferred to sales prices. This is especially true for the Group's products marketed to large retail chains.

Political unrest and conflicts in a number of the Group's markets give rise to special precautions and risk assessments.

The business risk exposure in these areas is continuously coordinated with the Group's Executive Board and Board of Directors, who assess the concrete framework and criteria for business activities, contracting, monetary transactions, etc.

The Group's risk position is detailed in the 2020/21 Annual Report.

EVENTS AFTER THE END OF THE PERIOD

No events occurred after the end of the period that might affect the Group's earnings and financial position.

DISCLAIMER

The interim report contains statements about the future, including forecasts of future performance. Such statements are subject to risks and uncertainties about a number of factors, many of which are beyond the control of the Harboe Group. This may cause actual results to differ significantly from the forecasts made in the interim report.

Factors that may impact expectations include, among others, general economic and business conditions, commodity price developments, new taxes and regulations, political conditions, demand, exchange rate fluctuations and competitive conditions. The interim report is published in Danish and English. In case of discrepancies between the Danish and English texts, the Danish text shall prevail.

FINANCIAL CALENDAR

Harboes Bryggeri A/S expects to publish its financial statements according to the following calendar.

TIME	STATEMENT
10 March 2022	Interim Trading Report Q3 2021/22
17 June 2022	Annual Report 2021/22

COMPANY ANNOUNCEMENTS

During the period from 1 May to 31 October 2021, the company has submitted the following company announcements to NASDAQ OMX Copenhagen, which can be found on the company's website, www.harboes.dk

TIME	STATEMENT
21 June 2021	Notice of Annual General Meeting 2021
24 June 2021	Annual Report 2020/21
28 June 2021	Notification of executive transactions
21 July 2021	Notice of Annual General Meeting 2021
20 August 2021	Appointment of the Board
27 August 2021	Notice of Extraordinary General Meeting
8 September 2021	Interim Trading Report Q1 2021/22
16 September 2021	Notification of executive transactions
24 September 2021	Extraordinary General Meeting

Statement by the executive board and the board of director

Today, we have reviewed and approved the interim report for the period 1 May – 31 October 2021 for Harboes Bryggeri A/S.

The interim report, which has not been audited or reviewed by the company's auditors, has been prepared in accordance with IAS 34, Interim Financial Reporting, as endorsed by the EU, as well as additional Danish disclosure requirements for interim reports for listed companies.

In our opinion, the interim financial statements provide a true and fair account of the assets, liabilities and financial position of the Group as of 31 October 2021, and of the results of its operations and its cash flows for the six months ended 31 October 2021/22.

In our opinion, the Management's Review gives a true and fair account of the development of the Group's activities and of its financial position, of the results of its operations for the period and of the principal risks and uncertainties that it faces.

Skælskør, 2 December 2021

Executive board

Søren Malling
CEO

Martin Schade
COO

Michael Møller Jensen
CFO

The Board of Directors

Bernhard Griese
Chairman

Claus Christian Bayer
Deputy chairman

Sabine Disse

Ruth Schade

Jakob Skovgaard

Bettina Køhlert Larsen

Jens Bjarne Søndergaard Jensen*

* Elected by employees

INCOME STATEMENT

DKK THOUSANDS	2. quarter		1. half		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Net turnover	366,257	356,156	746,664	696,938	1,328,184
Production costs	(290,223)	(299,681)	(595,148)	(576,880)	(1,105,266)
Gross profit	76,034	56,475	151,516	120,058	222,918
Other operation income	2,387	4,631	4,820	7,157	13,323
Sales and distribution costs	(56,847)	(41,123)	(103,244)	(85,717)	(165,277)
Administrative expenses	(13,693)	(13,543)	(29,547)	(27,112)	(57,658)
Other operating costs	(1,824)	(381)	(2,980)	(2,913)	(3,280)
Operating profit (EBIT)	6,057	6,059	20,565	11,473	10,026
Financial income	75	317	117	590	138
Financial costs	(2,353)	(1,550)	(3,512)	(3,572)	(6,921)
Pre-tax profit from continuing activities	3,779	4,826	17,170	8,491	3,243
Tax on profit on continuing activities	(1,149)	(1,148)	(4,844)	(2,027)	(1,584)
The period's profit from continuing activities	2,630	3,678	12,326	6,464	1,659
The period's results from discontinued activities	(175)	0	(336)	0	3,573
Profit or loss for the period	2,455	3,678	11,990	6,464	5,232

TOTAL INCOME STATEMENT

DKK THOUSANDS	2. quarter		1. half		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Profit or loss for the period	2,455	3,678	11,990	6,464	5,232
Other total income					
Exchange rate adjustments relating to foreign companies	114	(428)	114	(428)	(1,227)
Fair value adjustment - Other securities	1,008	0	1,008	0	2,342
Tax on other total income	0	0	0	0	(315)
Other total income	1,122	(428)	1,122	(428)	800
Total income	3,577	3,250	13,112	6,036	6,032
Distribution of the result for the period					
The parent company's shareholders	2,462	3,678	11,997	6,464	5,210
Minority interests	(7)	0	(7)	0	22
	2,455	3,678	11,990	6,464	5,232
Distribution of total income					
The parent company's shareholders	3,584	3,250	13,119	6,036	6,010
Minority interests	(7)	0	(7)	0	22
	3,577	3,250	13,112	6,036	6,032
Profit per share (EPS)					
Continuing and discontinued operations	0.58	0.87	2.84	1.53	1.24
Continuing activities	0.62	0.87	2.92	1.53	0.39

BALANCE SHEET

ASSETS DKK TUSINDE	31. october 2021	31. october 2020	30. april 2021
Intangible assets	12,002	17,364	13,421
Tangible assets	644,499	692,574	667,947
Investment properties	20,506	20,506	19,701
Other investment and securities	2,573	4,014	5,885
Non-current assets	679,580	734,458	706,954
Inventories	146,788	149,061	144,726
Receivables	295,483	209,380	264,396
Accruals and deferred income	7,641	8,152	8,351
Tax receivable	1,100	1,693	0
Cash and cash equivalents	3,439	61,014	16,642
Current assets	454,451	429,300	434,115
Assets	1,134,031	1,163,758	1,141,069

EQUITY AND LIABILITIES DKK THOUSANDS	31. october 2021	31. october 2020	30. april 2021
Share capital	60,000	60,000	60,000
Other reserves	(1,161)	(2,503)	(1,275)
Transferred total income	634,065	622,299	621,067
Equity	692,904	679,796	679,792
Minority shareholders	7	3	14
Equity included in parent company's assets	692,897	679,793	679,778
Mortgage debt	78,491	94,902	86,301
Recognised leasing obligations	36,190	36,625	39,907
Deferred tax liabilities	51,493	37,722	44,629
Deferred recognition of income	19,112	22,810	20,850
Long-term liabilities	185,286	192,059	191,687
Bank debt and mortgage debt	34,473	16,252	16,199
Recognised leasing obligations	8,877	15,406	9,996
Trade payables	124,797	139,325	117,908
Deferred recognition of income	3,156	3,767	3,443
Other debt and other liabilities	84,538	117,153	122,044
Current liabilities	255,841	291,903	269,590
Liabilities	441,127	483,962	461,277
Equity and liabilities	1,134,031	1,163,758	1,141,069

CASH FLOW STATEMENT

DKK THOUSANDS	2. quarter		1. half		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Operating profit	6,057	6,059	20,565	11,473	10,026
Depreciations, amortisation and write-down	23,398	23,492	47,805	47,096	97,760
Income-recognised investment grants	(1,025)	(1,220)	(2,034)	(2,334)	(4,457)
Other adjustments	(85)	(424)	(88)	0	(8)
Change in working capital	(47,049)	67,840	(50,923)	(20,329)	(71,190)
Discontinued activity	(107)	2,144	(233)	2,327	4,128
Cash flows from primary operations	(18,811)	97,891	15,092	38,233	36,259
Financial income	23	317	65	590	138
Financial costs	(1,295)	(1,548)	(2,458)	(3,622)	(6,921)
Corporate taxes paid	(1,581)	(1,071)	(11,036)	(2,133)	(8,074)
Cash flows from operations	(21,664)	95,589	1,663	33,068	21,402
Purchase of intangible assets	(1,104)	13	(1,104)	13	(756)
Purchase of tangible assets	(11,437)	(7,647)	(22,321)	(13,381)	(45,400)
Sale of tangible assets	3,010	4,992	3,388	5,123	9,544
Change in financial assets	(354)	(464)	(354)	(430)	356
Cash flows from investments	(9,885)	(3,106)	(20,391)	(8,675)	(36,256)
Repayments on mortgage debt	(4,179)	(4,208)	(8,198)	(8,054)	(16,697)
Incurrence of lease liabilities	0	3,907	62	3,907	12,867
Repayments of lease liabilities	(2,345)	(3,240)	(4,901)	(4,343)	(10,349)
Cash flows from financing	(6,524)	(3,541)	(13,037)	(8,490)	(14,179)
Change in cash and cash equivalents	(38,073)	88,942	(31,765)	15,903	(29,033)
Cash and cash equivalents, opening	22,950	(27,096)	16,642	45,943	45,943
FX rate adjustment	13	(832)	13	(832)	(268)
Cash and cash equivalents closing	(15,110)	61,014	(15,110)	61,014	16,642

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY	Share capital	Reserve for exchange rate adjustment	Reserve for value adjust- ments, other equity, inv est- ments and securities	Other reserves total	Transferred total income	Equity, total	Equity	Equity
							belonging to minority interests	belonging to the parent company's share- holders
DKK THOUSANDS								
Equity 01.05.2021	60,000	(923)	(352)	(1,275)	621,067	679,792	14	679,778
Changes in equity	0	0	0	0	0	0	0	0
Profit or loss	0	0	0	0	11,990	11,990	(7)	11,997
Other total income	0	114	0	114	1,008	1,122	0	1,122
Total income for the period	0	114	0	114	12,998	13,112	(7)	13,119
Equity 30.10.2021	60,000	(809)	(352)	(1,161)	634,065	692,904	7	692,897
Equity 01.05.2020	60,000	304	(2,379)	(2,075)	615,835	673,760	8	673,752
Changes in equity	0	0	0	0	0	0	0	0
Profit or loss	0	0	0	0	6,464	6,464	(5)	6,469
Other total income	0	(428)	0	(428)	0	(428)	0	(428)
Total income for the period	0	(428)	0	(428)	6,464	6,036	(5)	6,041
Equity 31.10.2020	60,000	(124)	(2,379)	(2,503)	622,299	679,796	3	679,793

1. ACCOUNTING POLICIES APPLIED

The interim financial statements are presented in condensed form in accordance with IAS 34, Interim Financial Reporting, as endorsed by the EU. No interim financial statements have been prepared for the parent company. The interim financial statements are presented in Danish kroner (DKK), which is the functional currency of the parent company. The accounting policies used in the interim financial statements are unchanged from those used in the consolidated financial statements for 2020/21, which are in accordance with International Financial Reporting Standards as endorsed by the EU. We refer to the Annual Report 2020/21 for a more detailed description of the accounting policies applied, including the definitions of the key figures disclosed, which have been calculated in accordance with the definitions in the Danish Financial Analysts Association's guide "Recommendations & Key Figures 2015".

2. ESTIMATES AND PROJECTIONS

The preparation of interim financial reports requires management to make accounting estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates made by

management in applying the Group's accounting policies, and the key estimation uncertainties associated with them, are the same in the preparation of the condensed interim financial statements as in the preparation of the 2020/21 annual financial statements.

3. TURNOVER AND NON-CURRENT ASSETS BY GEOGRAPHIC AREA

The Group's activities are primarily divided between Denmark, Germany and other countries (Africa, Asia, Middle East, Americas and Europe). The Group's net turnover and non-current assets by geographic area are detailed below, with net turnover broken down by customer location and non-current assets by physical location.

DKK THOUSANDS	2. quarter		1. half		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Net turnover					
Denmark	88,611	92,122	183,425	194,170	379,829
Germany	125,334	147,367	265,927	300,709	531,590
Other countries	152,312	116,667	297,312	202,059	416,765
	366,257	356,156	746,664	696,938	1,328,184
Langfristede aktiver					
Denmark	373,910	399,915	373,910	399,915	381,763
Germany	298,697	323,819	298,697	323,819	314,748
Other countries	4,400	6,709	4,400	6,709	4,558
	677,007	730,443	677,007	730,443	701,069

INFORMATION ABOUT MAIN CUSTOMERS

Of the Group's total net turnover in Denmark and Germany, sales to 3 customers represent approximately 18% (22%), 14% (15%) and 10% (11%) respectively. The corresponding period last year is indicated in brackets.

4. SEGMENTS

DKK THOUSANDS	Beverage	Ingredients	Not distributed	Total
1. half of 2021/22				
Sales (thl/ton)	2,349	6,599		
Net turnover	688,147	58,517	0	746,664
Total costs	(611,391)	(52,806)	(14,097)	(678,294)
EBITDA	76,756	5,711	(14,097)	68,370
Depreciation and write-downs	(34,997)	(6,732)	(6,076)	(47,805)
Operating profit (EBIT)	41,759	(1,021)	(20,173)	20,565
Non-current assets	446,289	107,230	123,488	677,007

DKK THOUSANDS	Beverage	Ingredients	Not distributed	Total
1. half of 2020/21				
Sales (thl/ton)	2,323	7,618		
Net turnover	632,276	64,662	0	696,938
Total costs	(561,581)	(60,813)	(15,975)	(638,369)
EBITDA	70,695	3,849	(15,975)	58,569
Depreciation and write-downs	(37,561)	(5,712)	(3,823)	(47,096)
Operating profit (EBIT)	33,134	(1,863)	(19,798)	11,473
Non-current assets	494,142	115,983	120,319	730,444