

## The head brewers story

Nøgne Ø was started by two home brewers. Unable to stay at home we started Norway's first microbrewery for creative brewing. The whole concept seemed like a good idea at the time but has ever since been described as an example of seriously bad or impaired judgment. Nobody in their right mind would work for free 5 years leaving their beautiful wives and wonderful kids for long laborious days in a homemade and ridiculously labour demanding brewery. There have been partners leaving and new partners coming in Nøgne Ø. If there is anything good to be said about working hard for free for many years, it is that natural selection works well in this way. Nøgne Ø now only consists of hard working and reliable stayers, with devout families.

Some times, when we get a momentary glimpse of sanity, we ask ourselves what we have achieved. It is quick to establish that there has been no wealth or fortune to this point, but we still think that we have achieved something. For ourselves, we have achieved some level of fame, at least locally, but also nationally in Norway.

What is more important though, is that we have been able to introduce beer culture to Norway. There was no India Pale Ale here before we brewed it. No Porters, Imperial Stouts, Pale ales etc. etc. Most Norwegians simply did not know that these beer styles existed. When we started Nøgne Ø, everyone thought we did not have a chance to succeed; after all how can you sell products nobody had ever heard of in a market where it is banned to even inform about the existence of these products. (Commercials for alcoholic beverages are banned in Norway).

But things have changed. Magazines and newspapers are starting to write about beers, restaurants are increasingly more focused on matching beer with food, and people have started to care about beer. We at Nøgne Ø feel strongly that we have been one of the factors in making this shift in trends. We are proud to say that we have contributed to what you can call a renaissance of Norwegian beer-culture.

Kjetil Jikiun

## The story behind- part 1

This is a personal story, written by me, Kjetil Jikiun.

I am guilty of starting Nøgne Ø. My wife knew all the time that this was a bad idea. She even told me. But I was too busy focusing on my bad judgement, to realize that she was right. We are still married. What a woman!

I think this story should be divided into three sections:

1. Before Anne, our investor, became part of the company in 2005.
2. After Anne joined, but before Kjell Einar, our General Manager joined in 2006.
3. After Kjell Einar joined.

These two persons have been very significant to Nøgne Ø.

This part is about the time before Anne:

In 1997 I started home brewing. I quickly became wildly obsessed with my new found hobby. At the time, I was flying long haul flights for Scandinavian Airlines as a pilot, and I did all my purchases for homebrewing in the US. I packed 50lb bags of malt, fresh yeast, big pots and cornelius kegs in my bagage, and took it all home.

In this process, I was naturally influenced by the US craft brew scene.

Some people and places became very important to me at that time, both for educational and inspirational purposes. I would like to mention the following: Brew and Grow homebrew supplies in Chicago, Dick Cantwell at [Elysian Brewing Company](#) in Seattle, [Mountain Homebrew](#) in Kirkland, WA, [Hood Canal Brewery](#), WA, [Bigtime Brewing Company](#), Seattle [Maritime Pacific Brewing Company](#), Seattle, [Nynäshamn Ångbryggeri](#), Sweden, [Carlie's](#) , Copenhagen, Denmark.

Homebrewing was a lonely activity for me. For a long time I knew no other Norwegian homebrewers. Then I met **Gunnar Wiig**, who lives about 40 km away from me. We had and still have very different preferences in beer and brewing. His preferences would be Weissbier and lagers, while I would go for aggressively hopped ales.

## **THE FIRST STEPS**

I realized that I could not start a microbrewery on my own. For a while I had some discussions with a group of people who wanted to start a brewpub in Arendal, but these people had too many other activities in their lives, and did not really have time. I quickly started to persuade Gunnar in joining me in my plans.

Gunnar is a wise and sensible person, so he did not think that this was a great idea at all. But after months of listening to me, I guess he changed his mind. We agreed that we should start a brewery, but everything else was totally in the blue.

The first thing we started to discuss was name, logo and design. We approached a good friend of mine, Tor Jessen who is an industrial designer. At that time Tor was married to Cecilie Mohr, who is a graphic designer. In this story you will hear many references to Tor and his work, but bear in mind that behind every successful man, there is a very clever woman. Cecilie has done lots of the design job for Nøgne Ø, and she still does despite the fact that she and Tor regrettably are no longer married anymore. So when we approached Tor to help us out with the design work, we also had to tell him that we could not pay for it, but that he could have some shares in the brewery.

Tor's response was that that was OK, as long as he had a good name to work with, and that we accepted that he had his bottom line and would have to be trusted as an authority on design matters. That sounded alright we thought, but we quickly ran into some challenges just by trying to find a name for the brewery. All suggestions were scrapped by Tor, until we suggested Nøgne Ø and Det Kompromissløse Bryggeri. «I can work with both» he said. «Which one do you choose?» Gunnar is not a quick decision maker and I did not want to offend him in any way, by pushing for one or the other. A decision had to be taken, and I suggested that we should use both. In Januar 2002 we registered «Nøgne Ø Det Kompromissløse Bryggeri AS».

So there we were, Gunnar and I with a brewery by name, and nothing else. We then started looking for a place to start brewing. We had already decided that we should have our brewery in Grimstad because that was between Lillesand, where Gunnar lived and Arendal, where I lived. After a couple of months we found an old garage at Bergemoen for rent. The place was really run down but it was cheap. In May 2002 we started working on turning this garage or storage into a brewery.

First of all, we had no money. We realized that we had to build the brewery ourselves. Actually that was Gunnar's idea. I was the one who wanted to get a big mortgage and buy whatever we needed. There was no doubt in my mind that there was a big market for our beers, and that we would have instant and immense success the moment our beers became available on the market. Well, Gunnar was successful in persuading me to go along with his financially careful approach. In hindsight I can conclude that if we had spent a lot of money on the brewery as I wanted, we would have gone bankrupt really quickly.

So how do one go along when you build a brewery? For starters you need to get the building right. We had to make new interior walls and rooms. Cover windows, install «burglar bars». Make our own simple ventilation system. Make drains in the floor. Make sure that all walls, ceiling and floors were decent and sanitary. This took quite a while.

## **BREWHOUSE AND FERMENTERS**

Then how about the brewhouse and fermenters? We had to get in touch with someone who could weld stainless steel. Gunnar was able to find Roger Evensen. At this point I cannot remember how, but the fact is that Gunnar found Roger, and Roger thought that this could be an interesting project.

I think we presented the project like this: «Roger, we want to build a brewery, for brewing beers which there are no markets for in Norway.

We need you to build it for us, but we have no money, and cannot pay you, but we think that this is a great idea, and our intentions are to pay you later.» Roger agreed to help us out. He probably regrets this decision sorely.

Big books could be written about Roger Evensen. He is a really colourful guy, with lots of talents. If he is set to do something, then he is the most creative and energetic person on the planet. I thoroughly enjoyed working with him.

Our brewery was supposed to be a micro brewery. Both Gunnar and I wanted it to be small. We thought 3-4 hl would be suitable. Then I got an advice from Dick Cantwell at Elysian in Seattle. He said: «Make sure you get a big enough brewery to generate enough income to enable you to grow and take the next ». This proved to be a very valuable piece of advice. We then planned to go for a 6-8 hl system.

One day Roger found a large tank for sale. It was a 5000 l milk tank, about 120 cm in diameter. We bought it and cut in three sections. One end would be mash and lauter vessel, the other end would be the brew kettle. And the mid section would end up as whirlpool. The technical solutions to make this, was all governed by what equipment we were able to find on the scrap yard.

All these processes were actually progressing rather slowly.

Then in January 2003, I decided to cancel my family's annual trip to Malaysia, and instead use the 6 week holiday on building the brewery. From that day and onwards there has been no time for rest or time off in my life.

## **THE BREWKETTLE**

The brewkettle was also used as hot water tank.

We put a cylinder through the vessel. This was about 50 cm in diameter, and was closed off in both ends. In one end there were 7x6 kw electric heaters. The cylinder was filled with used transformer oil. There was a thermostat to prevent the oil from overheating, and an expansion tank so that the oil could expand as temperature increased.

This cylinder was located about 30 cm above the bottom of the brewkettle, and to prevent cold pockets below, we put an electric motor on top of the kettle with a long axle and a propeller at the end of it to circulate the wort during the boil. Now, you may want to know about our experiences with this brewkettle.

It actually worked ok. But it had its hitches: When we pumped the wort from brewkettle to whirlpool there would always be problems with the wort whirlpooling in the kettle because the outlet was in the middle. Putting a shovel at the bottom fixed it, by breaking the whirl.

Because of the design of the whirlpool, we had to use whole hops. When the transfer of wort to the whirlpool had taken place, there would be lots of hops left in the kettle. The only way to get this out was to climb into the kettle, and stand at the bottom with the 200° C cylinder between ones legs, and hose, spray and shovel the hops out through the one inch hole.

That would typically take 10 minutes and the brewer would come out looking like a boiled lobster, often with some burns from the cylinder. The cylinder would very often build a layer of burnt wort. Then the brewer would have to scrub it.

This would take time, and very often involved sores from the caustic wash, as one would have to lie down below with dripping caustic from the cylinder. Initially the temperature control of the cylinder worked very well. But after some time the boil was less rigorous and we had to take away the thermostat for the oil in the cylinder to obtain a proper boil.

This resulted in very high temperatures, and whenever we used the brewkettle, the whole brewery would smell like burning oil, and if the doors were not open it would be hard to breathe. The insulation on the pipes running to the expansion tank would also melt and burn with resulting odours and smoke.

### **THE WHIRLPOOL**

The whirlpool was somewhat more successful, though it had its hitches.

For one we did not insulate it. As such the brewer got frequent burns from inadvertently touching it. It did not function as good as it should, and as such we had to sieve the wort as it came out through the whirlpool.

The mesh which it sieved through would be boiled with the wort to make sure it would be sanitary. For some odd reason there was also a lot of steam associated with the use of the whirlpool. Some times the whole brewery would be packed in steam.

Almost as if there was a thick fog in there.

### **THE MASHING**

The mashing/lauter tun was a nightmare. First it was a nightmare to build, then it was horrible to use. I actually cut every slot in the false bottom by hand using an angle cutter. It took me 10 dusty and noisy hours.

But let me describe the mashing process: It all starts with milling the malt. The malt would be up on the attic, and one would start by carrying it down to the mill. The mill was initially a homebrew mill, but we quickly wore it out.

We then bought a cattle feed mill. It was cheap, but felt expensive for us who at the time had no money. This mill actually worked alright, but it was very dusty.

If we did not have a fresh dust mask, we would cough for days after using it. The mask had to be fairly new, because the combination of sweat and dust would gum it up, making it impossible to breathe through it. The milled malt, typically 2-300 kg, would then have to be carried over to the brewhouse, carried up a 2 meter staircase and dumped in with the water.

Water would be either cold or hot, so mashing in would typically be too hot/too cold/too hot/too cold/too hot/too cold. We had a mixer, but it did not work very well. High levels of activity with a shovel was therefore required. Runoff was certainly a challenge when brewing 17° Plato beers or stronger. Countless were our stuck mashes. But when the spent grains were going out, we had to take it out by shovel, put it in buckets and take every bucket down the stairs and carry it outside. That brewery really kept us fit!

The process of making these components was mainly taken care of by Roger and me.

In principle it worked like this:

- I told what I wanted
- Roger told what he thought could be done based on available parts
- I came up with a revised solution
- Roger made the final adjustments and lined out how the parts were going to be cut
- I cut out and adjusted the parts
- Roger welded it
- I polished and made the final finish

## **NO MONEY**

In the middle of all this, we had no money, so all parts had to be virtually free! We realized that we had to buy a pump. We got one unit from Alfa Laval. At 10 000 kr we thought it was prohibitively expensive. We could only buy one, so we put it on wheels and moved it to the area where it was required.

I tell you: that thing was working hard! Oh! There were more hard working units there too. Like our wort chiller/heat exchanger. That was an old pasteurizing unit from a dairy. That thing clogged up with hops every second time we used it, and had to be dismantled and reassembled. As we did this frequently, the gaskets were falling apart, and we very often had to glue it all back on. We had fermenters too. 5 x 8 hl fermenters.

These were old milk tanks with cooling units and agitators.

We removed the coolers and agitators, and made new cooling jackets on the side. Originally the cooling was in the bottom. These tanks were insulated. The insulation (a yellow and hard foamy substance) was vicious.

When you cut it with angle cutter, it emitted a very poisonous smoke and when welding near it, it caught fire and would be very hard to extinguish. These tanks were connected to our homemade glycol system. It would take too much time describing it here, but it was a terrible system which froze up frequently.

I need to mention the control panel for the cooling of the individual tank though. It was designed and made by one of Gunnar's friends. It worked very well, and carries the name «Jalmar». The residual heat from the glycol system were emitted inside the brewery. During summer the temperature would easily hit 40° degrees C.

## **BOTTLES & DESIGN**

While we were working on building on this brewery (which now makes me sick to my stomach but at the time made me really proud and happy). Tor started to come up with ideas for the labels and bottles. When Tor showed us the suggested label design for the first time, Gunnar and I were both shocked. We both thought it was ugly. How can we sell beer looking like that?» we thought. But we allowed him to carry on. After all he did not interfere with the flavour of the beers!

Tor was the one who chose the bottle too. But at this point we all agreed. We wanted the half liter bottle because it is not big nor small. Small bottles become expensive and carries a higher tax compared to the volume of beer. Large bottles can scare away the customer as it seems too large to drink alone. The shape seemed like a good idea because it had the same shape as a wine bottle. We liked the idea of being compared to wine and not average light lager beer. The bottle also resembled the old 0,7 l beer

bottle which was commonly called «murer» or «maison» because the maisons had reputation of consuming them in high numbers.

In April 2003 we were close to finishing the building process of the brewery, and we applied for a permit to brew. We got the permit some time in May, and quickly made two brews. I think it was one pale ale and one amber. The two brews were put on casks. We had about 30 which we bought second hand from the UK.

These brews were then taken to Copenhagen Beer Festival where we were part of Charlie's stand.

I remember very well Iain Russel's response when we got to his stand (Iain is the owner of Charlie's). We had made some really nice (we thought) pump clips for the occasion, an Iain's response was: You've got to be kidding. This is not a tractor, it is beer. We're not selling earth moving equipment you know!»

I guess Tor found it really provoking. Heck, we all did! But we did not change it. And Iain has never had our beers on ever again!!

I actually had my homebrews for sale on Iain's pub, Charlie's, in Copenhagen a couple of times before Nøgne Ø became reality. It was fun and satisfying. Iain is a person of good intentions. There has been a couple of homebrewers and small microbrewers who has had their beers on at Charlie's.

It is funny though that when things are starting to materialize for these small brewers, then Iain all of a sudden was not interested.

I guess Iain likes British Beer, and that is of course totally OK.

## **THE FIRST BREW**

The first brew, I believe it was a pale ale, was the first time we used our brewhouse. Looking back, I realize that so many things could have gone wrong. We did not focus much about it at the time; I guess we were high on our future success which we were so sure of.

We did not know whether the mash/lauter tun would work, or if we would have a proper boil in the kettle, or how hop utilization would be or if the whirlpool would actually work or if the pasteurizer would actually cool the wort, or if the temperature control on the fermenters would work or if our standpipe system would be sufficient to get clear beer out of the fermenters. There were so many individual things that could have gone wrong. But it did not!

After we got back from Copenhagen Beer Festival in May 2003, we had some 10-12 casks of amber and pale ale. I thought that these casks would sell out really quickly, but to my surprise there were no customers for cask conditioned ale in Norway. It was time to rethink the business concept really quickly, because we were about to run out of cash. We realized that we had to go for bottled beers right away, and got a three head manual bottle filler and a manual crowner.

The process of bottling would take 4 persons 6 hours for a 7 hl/1400 bottle brew. It is really important for me to emphasize that it would have been impossible to keep Nøgne Ø going without countless helpers who worked a countless number of unpaid hours out of pure enthusiasm and good will. Many thanks to all family members, friends and enthusiasts!!!

From there on we went from 2 beer types to 8 in a couple of months. By the end of the summer, we were doing Bitter, Brown Ale, Porter, IPA, Pale Ale, Amber Ale, Wit and Weiss. I guess we thought that the wide portefolio would make us more interesting on the market.

At this time we were about to go bankrupt every day. The first battle was to sell beer for more than 50 000 kr. When that happened, we would get reimbursed the moms/vat/tax we had paid to the government so far. In June/July I drove around to all pubs and restaurants I could think of and virtually begged them to buy a carton of beer. To most pubs it was unthinkable to start selling a beer different from the ones they

already had. The fact that the beers were of beer styles they had never heard of did not help.

Initially, Gunnar and I had some discussions about what beers to make. Gunnar thought that we should be careful not to provoke anyone, while I thought that history proved that anyone who tried to make bland beer went out of business quickly, and as such we should have rather assertive flavour profiles. We agreed to have both, but Gunnar never really had much time to brew or work in the brewery, and as a result of that the only beers he was able to brew with his flavour profile was Weiss and Wit. His intention was to do a Dortmunder, and a Bock. But that never happened.

I guess it is fair to say that Gunnar and I have very different energy levels. As such, I was there much more than him. The brewhouse was extremely tiresome to work with, and I think it really drained him of energy. If he had brewed one day, he would require two to three days to recuperate afterwards. Also, if he was bottling, he needed a chair to relax while working. With me putting in a whole lot more hours than him, it ended up with Nøgne Ø being more a brewery in my spirit than Gunnars.

## **STRUGGLE TO SURVIVE**

During this summer and fall the company really struggled to survive. It was interesting to see how all the three of us had different opinions on how to survive.

«We need to brew more and have more different beer styles» I said

«We need to sell more beer» Roger said

«We need to cut costs» said Gunnar

The result was that we did all the above. The whole situation was very uncomfortable of course. I remember one day I was working in the brewery, and the forklift (a vintage Datsun with no brakes) did not want to start. I had to move a pallet of beer to get the newly delivered malt into our store. We had no pallet jack and I did not fancy moving the beer by hand – case by case, and then get the malts inside – bag by bag. Gunnar had said “No more spending money!” and I did not know what to do. I called Gunnar and said: «Now, you either accept that I will go and buy a pallet jack or you come over here and help out!» «Buy that pallet jack» he responded.

At the end of the summer, when everything was quite awful and we thought we were not going to make it, I got a phone call from Jon Bertelsen, a representative from Moestue Grape Selections who imports quality wines and liquors. «I have heard that you make good beers» he said. «May I come and visit you?» To cut a long story short, he came, he tasted, he brought with him some beers back to Moestue Grape Selections, and were able to get some of our beers accepted by Vinmonopolet, the government owned outlet system for alcoholic beverages above 4,75% v/v.

This was really a turning point. Initially I think they took the IPA and Amber, followed by Porter and Pale ale. At this time the newspapers were starting to write about us. It was the first time Vinmonopolet sold craft beer, and the first time any Norwegian newspaper wrote about beer outside of Christmas beer season.

In September Jon Bertelsen called again. «Could you make us a Christmas beer» he asked. «We need some samples in two weeks» I promptly rejected the offer. There were simply not enough time. After some discussions with Gunnar we reconsidered. Gunnar brewed a Christmas beer. He had lots of experience with the style.

Unfortunately it did not work out very well, and we had to mix it with a porter which was ready for bottling in another fermenter. The next brew was then a calculation of the mix of the two beers, and it actually worked quite well).

To get the Christmas beer ready for Vinmonopolet, I had to put a small amount into a cornelius keg, then filter it over to another keg, and then shake in a lot of carbondioxide before bottling it the day after. We just made it, the beer was accepted and we got order for more. This was the largest order we had ever had. What a thrill. Lots of attention from media, and worked like mad.

## The story behind-2

Now, this was the point when I started to believe that Nøgne Ø was going to stay around for a while. With sales at the monopoly we was established as a small business and I was therefore shocked when Gunnar sent me an email where he explained that he wanted to leave Nøgne Ø. His reasons were quite clear: that he found it difficult to cooperate with me. He felt harassed by me and my behaviour.

I think it is fair to write a few words about me and my background. As an airline pilot, I am used to work in an environment where focus is 100% quality oriented. We pilots work together and correct each other all the time. We all know that all humans make mistakes and we check on each other to catch those mistakes as early as possible. When we started Nøgne Ø, I thought it would be a great idea to work in the same manner there too. Gunnar did not like that I always checked on his work. He was not comfortable in checking me either, because I asked him specifically to do so. We have at a later stage discussed this, Gunnar and I, and his conclusion was that when you are partners you should define area of responsibility and stay away from your partner's area. My conclusion is that partners are better off checking each other as two brains work better than one, four eyes see better than two etc. This is all about personalities I think. Maybe most people are like Gunnar? I have come to conclude that airline pilots probably are difficult to work with if you are not used to them and their strong focus on quality and performance.

So Gunnar wanted to get out. I could not buy him out. Nor could I run the brewery alone. What happened was that Roger's girlfriend or common law spouse, Kjersti Lindtveit, wanted to buy his shares. And so she did.

Roger and Kjersti worked hard. Very hard. I brewed and they bottled. Roger traveled extensively to sell the beer. Roger was to some extent paid during this time. He usually had lots of small business ideas and were always selling something or working for someone. When he dedicated all his time for the brewery, he did not have much of an income.

Roger and Kjersti also had some diverging opinions from me regarding running the company. It was quite frustrating to discuss whether or not the brewery should have a telephone or whether or not we should use email for communication. We ended up having a phone and fax at the brewery to much irritation for Kjersti and Roger. They never started using email.

### **ROGER**

I guess it is time to write a few words about Roger. He is one of the best welders I have met. Very energetic and lots of optimism. When we were finished building the brewery, he started focusing on sales. He was good at that, and without him the brewery would never have survived. But he changed from being positive and goal minded to being pessimistic and moody. I think he was afraid to lose his role in the brewery.

When he was around and worked with sales, there was a huge number of bottles which were given out as samples. Some months as much as 400. At the same time he was able to get spare parts, tools and favours for apparently no cost. Very strange, and not what you want to do in a country where laws concerning alcohol are very strict. As we had our discussions on where this brewery should be going, Roger apparently started to dislike me. He never revealed that to me, but frequently had long conversations with Tor, who was the Chairman of the board at that time. In those days Roger tried to take more and more control of the brewery. He presented himself as general manager, even in articles in newspapers or when he represented the brewery while visiting customers.

I did not really understand what was going on at that time, as I was working full time as a pilot with SAS, and brewed all the beers. That kept me very busy.

While I am at it, I might as well say something about Kjersti. She was indeed a very quiet and careful person. She did though have some extremely aggressive outburst, and to this date she is probably the only person who has accused me of lying. Not once, but numerous times! I found (and still find) this very disturbing. We could have conversations and come to conclusions together, and the next week she would claim that the conversation never took place, or that she or me had said or did not say something which was far away from how I remembered it. If I had the same kind of experience with other people, then I would seek professional help. But I only experienced this with her!

It became quite obvious that the way we were operating the brewery was no way to continue. We were all exhausted. The brewery was working at full capacity (800 hl pr year). We did not earn much money. We discussed to try to find an investor. Roger and Kjersti were against it. Kjersti and I did go to Oslo and had a meeting with Moestue Grape Selections, but this resulted in nothing. We had several conversations with potential investors, but everybody wanted thorough analysis and lofty budgets. We were just an airline pilot, a welder and a housewife with no qualifications for making budgets and analysis.

At a board meeting in April 2004 Tor and I discussed the theme "investors" with full force against Roger and Kjersti. They were so pissed off, and the day after they announced that she wanted to sell her shares, and he quit his job. This was the last time I talked to them. It is quite clear that they dislike me very thoroughly. All of a sudden the brewery was at a stand still. I contacted Tore Nybø, who had previously said that he wanted to buy shares. He got in touch with Kjersti and Roger who wanted a huge amount of money for their shares. At the same time Roger started to negotiate with Harald Berentsen at Berentsen Brygghus in Egersund. Harald wanted 51% but this didn't work out.

For a long time, I think 2-3 months the brewery was doing nothing while Tore negotiated with Roger and Kjersti. In this period I felt that everything was about to collapse. I even at one point offered all my shares to Roger and Kjersti just to make sure that Nøgne Ø would not disappear. They declined though.

In early June they reached an agreement. Tore and his sister Anne Cecilie Nybø (Cili) bought Kjersti's shares. Now it was time to focus on the future. But what a future. The same day Kjersti sold her shares, she emptied Nøgne Ø's bank account under the pretence that it was salary for Roger. So we were back to square one with no money and hard work. Tore and Cili worked hard. And their friends worked hard. And their families worked hard. These people are stayers and I really admire their effort to try to make things work at Nøgne Ø.

I might as well reveal right now that both Tore and Cili have revealed to me that they would never had bought those shares if they knew what struggles that was lined up ahead.

## **THE SAME DIRECTION**

But now Nøgne Ø consisted of a group of people who had the same motivation and pulled in the same direction.

In the summer of 2004, after Tore and Cili became part of the brewery, Roger demanded that he should be payed for his effort of welding our brewhouse together. Personally I think that was quite fair. He had after all done a great job! But he wanted a settlement right away, which was impossible for the brewery. After all he had just emptied our bank account! This too became a lengthy discussion.

Tore took it on behalf of the brewery. After all Roger disliked me very much at that time. But despite of Tore's diplomatic negotiations, Rogers response was that «Kjetil is

behind this. Tore is just his representative.» We had no choice but to hand the whole thing over to our financial adviser and auditor, Tom Johansen, who is very clever and likeable. Now, I think Tom was really rough with Roger, but I guess he just represented his client, Nøgne Ø, to the best of his abilities. The result was that Roger got much less than he (or me, for that matter) expected. That has of course not helped in Roger's feelings for me or Nøgne Ø.

Another financial and legal struggle took place at the same time. In fall 2004 we were approached by a consultant company which offered us to register for tax refund "Skattefunn". We signed an agreement where we would pay them a certain percentage of the tax refund they were able to get for us. This was refund for hours of labour we had done for the brewery. They did a good job, and the refund was approved. But then the tax authorities made some changes to how these rules were interpreted, and we were told that we could get no tax refund until we had prepaid the personal income tax and employers tax for the person mentioned in the application for the tax refund.

We did not have any money for that, and as such we could not get the refund. "Well, the refund is technically approved" said the consultants, and claimed that we had to pay them. I think they demanded close to 100 000 kr, money which we did not have. Tore's diplomatic skills were again challenged, and again he succeeded. He was able to negotiate the sum down to something we could live with.

I need to emphasize that the government in 2006 realized that this practice regarding "Skattefunn" was unfair to small companies, and made a new rule, so these refunds could be paid out. We got it that year, and the greedy consultants got their share.

It is important to me to write a few lines about Tor and Cecilie and their work. Through the existence of the brewery, they have always been there to do new labels, signs, posters, letterheads and such. They have done a fantastic job. A job of brand building. The label is clearly different from other breweries. It has been used by «Innovasjon Norge» as a good example of successful modern Norwegian design, and students have done papers on Nøgne Ø as a good example of Norwegian brand building. This would not have been possible without them.

## **MAX CAPACITY AND NEW INVESTOR**

After Tore and Cili became partners the company gradually turned profitable. The only reason for this is of course hard work and tough control with expenses. The brewery was working at max capacity and it became evident that the place was subject to heavy wear and tear. It became really ugly and run down, and it was quite evident that the place and equipment would not last. At this time we were desperately looking for investors. We could not raise enough money in a new brewery ourselves. In January 2005 we made a deal with local investor Anne Hestness Trommestad. This was certainly a turning point, and from then and onwards we have looked at the future with new eyes.

I guess that pretty much sums up the period before Anne, the way I see it.

From then on, things started to happen quite quickly:

March 2005: ordered new brewhouse and fermenters

April 2005: Employed brewer David Dudek. Bought bottle filler from Meheen

May 2005: Started leasing a building for our new brewery

June 2005: New brewhouse delivered

July 2005: New fermenters delivered

August 2005: Employed new general manager

November 2005: David Dudek resigns

December 2005: Fired general manager

February 2006: First brew in new brewery

August 2006: New General Manager employed

This general manager was Kjell Einar and is the start of the period after Kjell Einar was employed. But that is the story «before Anne» how I remember it. The other parts of this story need to be told some other time!

***Kjetil***