Joe & The Juice A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2020

CVR No 26 58 93 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/7 2021

Sebastian Christmas Poulsen
Chairman of the General Meeting

Sebastian Christmas Poulsen

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Joe & The Juice A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 16 July 2021

Executive Board

Thomas Kusk Nørøxe	Allan Auning-Hansen

Board of Directors

Kaspar Basse Chairman	Tue Mantoni Deputy Chairman	Morten Nødgaard Albæk
Melis Zeynep Kahya	Per Forsberg	LAURIE ANN GOLDMAN Laurie Ann Goldman
Andrew William Crawford	Björn Lundgren	

Independent Auditor's Report

To the Shareholders of Joe & The Juice A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Joe & The Juice A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 16 July 2021
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Bjørn Winkler Jakobsen

Bjørn Winkler Jakobsen	Hans Tauby
State Authorised Public Accountant	State Authorised Public Accountant
mne32127	mne44339

Company Information

The Company	Joe & The Juice A/S Østergade 26 DK-1100 København K CVR No: 26 58 93 55 Financial period: 1 January - 31 December Municipality of reg. office: København K
Board of Directors	Kaspar Basse, Chairman Tue Mantoni, Deputy Chairman Morten Nødgaard Albæk Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Björn Lundgren
Executive Board	Thomas Kusk Nørøxe Allan Auning-Hansen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 København S

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	221.053	280.826	269.049	261.081	247.680
Gross profit/loss	194.463	244.835	239.155	261.295	167.411
Result before depreciations (EBITDA)	40.412	39.759	62.113	79.971	76.466
Profit/loss before financial income and expenses	-19.732	104	28.382	49.512	43.917
Net financials	-435.268	-313.267	-39.401	3.574	-1.393
Net profit/loss for the year	-455.000	-313.163	-16.518	38.702	34.922
Balance sheet					
Balance sheet total	786.938	512.839	776.497	565.965	296.119
Equity	-130.955	-338.249	156.416	174.379	137.971
Investment in property, plant and equipment	25.042	23.348	47.928	24.880	46.149
Number of average employees	271	312	318	315	274
Ratios					
Gross margin	88,0%	87,2%	88,9%	99,1%	98,8%
EBITDA margin	18,3%	14,2%	23,1%	30,7%	30,9%
Solvency ratio	-16,6%	-66,0%	20,1%	30,8%	46,6%

*The figures for the years 2016 - 2018 have not been updated to reflect the adjustments described in the 'Accounting Policies' section. IFRS 16 has been applied per 1 January 2020. As described in the 'Accounting Policies' section, the application of IFRS 16 has not affected comparative figures.

Management's Review

Key activities

The objective of the Company is to operate Joe & The Juice stores and related activities.

Development in the year

By end the end of 2020 the Company had 62 stores in Denmark which is the same level as in 2019.

From early March 2020 and the rest of the year, COVID-19 has had a negative impact on the Company's activities and financial results due to forced store closures and restrictions on retail activity in general. Because of the decline in revenue, operations were adjusted to partly absorb the impact from COVID-19. The result is negatively impacted by rent costs on leases that were closed during the year and salary to employees on furlough.

The Company has received salary compensations from the Danish government as a consequence of COVID-19. The Company has received 8.9 mDKK in salary compensation, which primarily has been accounted for under "Other operating income". The cost compensated are recognized within the financial statement line 'Staff expenses'.

In April 2020, the Group raised 200 mDKK in equity and 100mDKK in additional debt to ensure sufficient liquidity resources were available.

During 2020, several mid- and long-term strategic initiatives have been implemented to strengthen the Company's position even further in the future. Several digital initiatives have been launched resulting in rapid growth in the number of digital users and sales. The Company has high expectations for the digital transformation and expects a further increase in sales through digital channels.

As expected in the management report from 2019, revenue is negatively impacted by COVID-19 and declined 21% from 281 mDKK in 2019 to 222 mDKK in 2020.

The Company's earnings before interest, tax, depreciations, and amortizations (EBITDA) for 2020 amounted to 47 mDKK compared to 59 mDKK in 2019. A decrease of 20%. The decrease is a result of COVID-19 partly offset from the conversion to IFRS 16 accounting.

Referring to paragraph 22 in the accounting policies, a number of adjustments to the historical figures have been identified and adjusted in the opening equity and the comparison figures for 2019. These adjustments primarily relate to capitalizations and depreciations.

Capital resources

The Company's capital resources are considered adequate to support the future growth.

For further description refer to note 1.

Management's Review

Market conditions

There is still a high degree of uncertainty related to COVID-19. Future "waves" resulting in store closures will negatively impact retail activity. Management monitors the situation closely and has taken actions to adjust the operation to reflect the impact of COVID-19.

Currency exposure

The Group operates in several markets and is therefore exposed to a natural currency risk, mainly in USD, NOK, SEK and GBP.

Strategy and objectives

The Group's strategy is to continue expanding the successful and proven Joe & The Juice experience by focusing exclusively on healthy food and beverage offerings in attractive retail locations in combination with a digital platform that supports customer convenience and operational effectiveness.

In 2021, the Group will continue to optimise and expand the store network and continue investing in digital intiatives, the Joe App and delivery platforms.

Targets and expectations for the year ahead

2021 will be impacted by COVID-19 and is subject to uncertainty. The lockdown starting in December 2020 and ending in April 2021 gave Joe & The Juice a challenging start to the year compared to the first two months of 2020. On the other hand, due to vaccine roll-out and continuing impact from digital initiatives, Management has a positive outlook on the second half of 2021 and expect revenue and EBITDA in line with 2020 levels.

Knowledge resources

It is key for Joe & The Juice to continuously develop and retain its employees. It is also important for the continued growth of the Group to attract and retain new, talented employees.

Management's Review

Report on the Gender Composition in Management, Cf. Section 99 b of the Danish Financial Statements Act

In accordance with section 99 a (6) of the Danish Financial Statements Act, the reporting on corporate social responsibility has been omitted as the parent company Joe & The Juice Holding A/S has prepared a corporate social responsibility report for the entire group.

The corporate social responsibility report is included in the Annual Report for Joe & The Juice Holding A/S for 2020.

The Management and the Board of Directors aim to follow the recommendations of the Danish Business Authority concerning the underrepresented gender.The Group is actively working on increasing the number of representatives of the underrepresented gender.

The gender composition of the Board of Directors did not change during 2020, and the percentage of women is 25%, meaning that two out of eight Board of Directors members are women. The Group had previously in 2017 set a target for a number of women on the Board of Directors to be two out of eight by 2022. As the goal is achieved, the Group aims to review the set target in 2021.

The Group recognizes the importance of attracting, developing, and retaining the right talent of all genders, nationalities, and races, which are chosen solely because of their professional qualifications. In 2020, the Group's focus was on attracting and hiring employees of all genders equally to increase employee diversity and consequently has increased the percentage of female employees from 31% at the beginning of the year to 35% at year-end and is one of the HR KPIs.

The same hiring principles apply to all organizational levels, including Management. The percentage of women in managerial roles in 2020 was around 4%. In 2021, the Group will continue focusing on attracting and hiring employees of all genders equally with a focus on increasing underrepresented gender percentage up to 40% and will be particularly focusing on increasing the percentage of women in managerial roles. In 2021, the Group aims to increase awareness about career opportunities for all employees, with a particular focus on the underrepresented gender, and encourage female candidates to pursue their career goals within the Group.

Uncertainty relating to recognition and measurement

The Company has implemented IFRS 16 as of 1 January 2020, including right-of-use assets of DKK 371 mDKK and lease liabilities of DKK 383 mDKK as of 31 December 2020. Determination of right-of-use assets and lease liabilities is subject to uncertainty related mainly to lease terms for open-ended leases as well as the applied incremental borrowing rate.

Besides the area above, recognition and measurement in the Annual Report have not been subject to any uncertainty.

Management's Review

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities and cash flows of the Company for the financial year 2020 have been affected by COVID-19.

Events after the balance sheet date

In February 2021, the Group raised 300 mDKK in additional equity to ensure sufficient liquidity resources are available and support the future growth.

The Company continued to be impacted by COVID-19 during the first half of 2021. As government restrictions are reduced and the Danish market is opening up, revenue is increasing towards 2019 levels.

Income Statement 1 January - 31 December

	Note	2020	2019
		TDKK	TDKK
Revenue	2	**221.053**	**280.826**
Work on own account recognised in assets		3.996	3.793
Other operating income	3	11.862	7.026
Expenses for raw materials and consumables		-42.448	-46.810
Gross profit/loss		**194.463**	**244.835**
Other external expenses		-53.532	-99.843
Staff expenses	4	-100.519	-105.233
Result before depreciations (EBITDA)		**40.412**	**39.759**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-60.144	-39.655
Profit/loss before financial income and expenses		**-19.732**	**104**
Result from investments in subsidiaries	5	-402.694	-306.876
Financial income	6	29.161	17.213
Financial expenses	7	-61.735	-23.604
Profit/loss before tax		**-455.000**	**-313.163**
Tax on profit/loss for the year	8	0	0
Net profit/loss for the year		**-455.000**	**-313.163**

Balance Sheet 31 December

Assets

	Note	2020	2019
		TDKK	TDKK
Completed development projects		29.664	26.942
Trademarks and rights		5.497	6.549
Goodwill		770	1.283
Intangible assets in progress		732	0
Intangible assets	9	**36.663**	**34.774**
Other fixtures and fittings, tools and equipment		15.351	24.114
Leasehold improvements		26.451	30.128
Property, plant and equipment in progress		105	342
Rights of use assets		371.213	0
Property, plant and equipment	10	**413.120**	**54.584**
Investments in subsidiaries	11	128.682	102.762
Receivables from group enterprises	12	139.449	289.515
Deposits	12	1.092	1.245
Fixed asset investments		**269.223**	**393.522**
Fixed assets		**719.006**	**482.880**
Inventories		**4.881**	**4.864**
Trade receivables		3.771	14.451
Other receivables		0	691
Prepayments	13	2.498	8.762
Receivables		**6.269**	**23.904**
Cash at bank and in hand		**56.782**	**1.191**
Currents assets		**67.932**	**29.959**
Assets		**786.938**	**512.839**

Balance Sheet 31 December

Liabilities and equity

	Note	2020	2019
		TDKK	TDKK
Share capital		618	618
Reserve for development costs		23.709	21.014
Other statutory reserves		29.799	0
Retained earnings		-185.081	-359.881
Equity		**-130.955**	**-338.249**
Other provisions	16	17.650	6.820
Provisions		**17.650**	**6.820**
Credit institutions		309.901	297.900
Lease obligations		338.220	9.735
Payables to group enterprises		28.401	366.291
Other payables		2.308	0
Long-term debt	17	**678.830**	**673.926**
Credit institutions	17	0	62.278
Lease obligations	17	44.458	7.652
Trade payables		47.002	69.251
Payables to group enterprises	17	106.769	6.216
Payables to group enterprises relating to corporation tax		0	723
Other payables	17	19.223	22.875
Deferred income	18	3.961	1.347
Short-term debt		**221.413**	**170.342**
Debt		**900.243**	**844.268**
Liabilities and equity		**786.938**	**512.839**

Going concern	1
Distribution of profit	14
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Statement of Changes in Equity

	Share capital	Reserve for development costs	Other statutory reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	618	45.404	0	-136.574	-90.552
Net effect of correction of material misstatements	0	-24.389	0	-223.309	-247.698
Net effect from change of accounting policy	0	0	-1.737	1.737	0
Adjusted equity at 1 January	618	21.015	-1.737	-358.146	-338.250
Exchange adjustments, relating to foreign entities	0	0	30.679	0	30.679
Capital contribution	0	0	0	630.759	630.759
Amortization / Fair value adjustment of hedging instruments	0	0	857	0	857
Development costs for the year	0	8.018	0	-8.018	0
Depreciation, amortisation and impairment for the year	0	-5.324	0	5.324	0
Net profit/loss for the year	0	0	0	-455.000	-455.000
Equity at 31 December	**618**	**23.709**	**29.799**	**-185.081**	**-130.955**

Notes to the Financial Statements

1 Going concern

The implications of COVID-19 have continued in the first half of 2021. As government restrictions are reduced and the Danish market is reopening, revenue is increasing towards 2019 levels.

In April 2020, the Group raised 200 mDKK in equity and 100mDKK in additional debt to ensure sufficient liquidity resources were available under the Danish economic stimulus package on government guaranteed loans.

In February 2021, the Group raised 300 mDKK in additional equity to ensure sufficient liquidity resources are available and support the future growth.

The Group has entered into a new bank agreement by the end of 2020. During 2020 certain covenants have been waived.

With the funding obtained in 2020 and 2021 it is Management's assessment that the Group's cash position is sufficient for the whole financial year 2021. The assessment is based on the business plans prepared in the Fall 2020 and the current trading taking into effect the current and future expectations from COVID-19.

Based on this the Annual Report is presented under the going concern assumption.

2 Revenue

	2020	2019
	TDKK	TDKK
Geographical segments		
Revenue, Denmark	221.053	280.826
	221.053	**280.826**

3 Other operating income

	2020	2019
Other income	11.862	7.026
	11.862	**7.026**

Other operating income consist of franchise fee and government grants.
The Company has applied for and received DKK 8.9 mDKK in salary compensation via Government granted aid packages, to compensate for salary paid to employees on furlough during lock downs. The cost compensated are recognized within the financial statement line ‘Staff expenses’.

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK

4 Staff expenses

	2020	2019
Wages and salaries	96.053	101.741
Pensions	1.392	1.315
Other social security expenses	617	852
Other staff expenses	2.457	1.325
	100.519	**105.233**
Including remuneration to the Executive Board	**3.480**	**1.360**
Average number of employees	**271**	**312**

5 Result from investments in subsidiaries

	2020	2019
Share of losses of subsidiaries	-402.694	-306.876
	-402.694	**-306.876**

6 Financial income

	2020	2019
Interest received from group enterprises	27.513	17.210
Other financial income	0	3
Fair value adjustments of derivatives	1.648	0
	29.161	**17.213**

7 Financial expenses

	2020	2019
Fair value adjustments of derivatives	0	1.747
Interest paid to group enterprises	9.109	8.514
Other financial expenses	51.681	13.224
Exchange adjustments, expenses	945	119
	61.735	**23.604**

Notes to the Financial Statements

8 Tax on profit/loss for the year

	2020	2019
	TDKK	TDKK
Current tax for the year	0	0
	0	**0**

9 Intangible assets

	Completed development projects	Trademarks and rights	Goodwill	Intangible assets in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	29.518	11.680	5.133	0
Additions for the year	9.548	0	0	732
Cost at 31 December	39.066	11.680	5.133	732
Impairment losses and amortisation at 1 January	2.576	5.130	3.850	0
Amortisation for the year	6.826	1.053	513	0
Impairment losses and amortisation at 31 December	9.402	6.183	4.363	0
Carrying amount at 31 December	**29.664**	**5.497**	**770**	**732**

Development projects primarily relate to the development of new software for Joe & The Juice stores and the Joe App. Management has assessed that the projects meet the requirements for capitalisation. The remaining projects are expected to be completed in 2021. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to result in improved efficiency and also support the Company in its further expansion.

Notes to the Financial Statements

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Rights of use assets
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	99.540	35.951	342	0
Net effect from change of accounting policy	0	0	0	385.245
Additions for the year	8.221	4.521	95	12.205
Transfers for the year	-20.368	-7.357	-332	28.058
Cost at 31 December	87.393	33.115	105	425.508
Impairment losses and depreciation at 1 January	75.426	5.823	0	0
Depreciation for the year	8.614	2.982	0	40.156
Transfers for the year	-11.998	-2.141	0	14.139
Impairment losses and depreciation at 31 December	72.042	6.664	0	54.295
Carrying amount at 31 December	**15.351**	**26.451**	**105**	**371.213**

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
11 Investments in subsidiaries		
Cost at 1 January	458.019	162.760
Additions for the year	39.602	295.259
Cost at 31 December	497.621	458.019
Value adjustments at 1 January	-430.937	-129.258
Exchange adjustment	30.679	5.197
Net profit/loss for the year	-402.694	-280.933
Amortisation and impairment of goodwill	0	-25.943
Value adjustments at 31 December	-802.952	-430.937
Equity investments with negative net asset value set-off against receivables from Group enterprises	434.013	75.680
Carrying amount at 31 December	**128.682**	**102.762**

Notes to the Financial Statements

11 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
JOE & THE JUICE AG	Switzerland	100%
JOE & THE JUICE NICE SARL	France	100%
JOE & THE JUICE UK Ltd.	England	100%
JOE & THE JUICE Bleichenhof GmbH	Germany	100%
JOE & THE JUICE Finland Oy	Finland	100%
JOE & THE JUICE Netherlands B.V.	Netherlands	100%
JOE & THE JUICE Ng AB	Sweden	100%
JOE & THE JUICE Norge AS	Norway	100%
JOE & THE JUICE Sydney Pty Limited	Australia	100%
JOE & THE JUICE US HOLDING INC	USA	100%
JOE & THE JUICE LA LLC	USA	100%
JOE & THE JUICE MIAMI LLC	USA	100%
JOE & THE JUICE SFO LLC	USA	100%
JOE & THE JUICE NEW YORK LLC	USA	100%
JOE & THE JUICE WTC LLC	USA	100%
JOE & THE JUICE PITTSBURGH LLC	USA	100%
JJ-PCG MSP VENTURE, LLC	USA	83%
JOE & THE JUICE BELGIUM NV	Belgium	100%
JOE & THE JUICE VANCOUVER AIRPORT LIMITED	Canada	100%
NFB Asia Pte. Ltd.	Singapore	100%
NFB Asia (Hong Kong) Limited	Hong Kong	100%
JOE & THE JUICE Shanghai WFOE	China	100%
JOE & THE JUICE 1165 Broadway LLC	USA	100%

All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

12 Other fixed asset investments

	Receivables from group enterprises	Deposits
	TDKK	TDKK
Cost at 1 January	365.195	1.245
Additions for the year	208.266	0
Disposals for the year	0	-153
Cost at 31 December	573.461	1.092
Impairment losses at 1 January	75.680	0
Adjustment for negative equity values for the year	358.332	0
Impairment losses at 31 December	434.012	0
Carrying amount at 31 December	**139.449**	**1.092**

13 Prepayments

Prepayments consist of prepaid expenses concerning utilities, insurance premiums and subscriptions as well.

14 Distribution of profit

	2020	2019
	TDKK	TDKK
Retained earnings	-455.000	-313.163
	-455.000	**-313.163**

15 Provision for deferred tax

	2020	2019
Provision for deferred tax at 1 January	0	9.892
Adjustment of deferred tax concerning previous years	0	-9.892
Provision for deferred tax at 31 December	**0**	**0**

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
16 Other provisions		
Provision for restoration obligations on leases	13.640	6.820
Other provisions	4.010	0
	17.650	**6.820**

Joe &The Juice A/S has applied for and received fixed-cost compensation under the relevant government granted covid-19 compensation package of DKK 4 million. However, It is Management's opinion that some uncertainty exists whether the company qualify for these compensations, and consequently they have not been recognized in the profit and loss statement for 2020.

17 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020	2019
Credit institutions		
Between 1 and 5 years	309.901	297.900
Long-term part	309.901	297.900
Other short-term debt to credit institutions	0	62.278
	309.901	**360.178**
Lease obligations		
After 5 years	212.727	0
Between 1 and 5 years	125.493	9.735
Long-term part	338.220	9.735
Within 1 year	44.458	7.652
	382.678	**17.387**
Payables to group enterprises		
Between 1 and 5 years	28.401	366.291
Long-term part	28.401	366.291
Other short-term debt to group enterprises	106.769	6.216
	135.170	**372.507**

Notes to the Financial Statements

17 Long-term debt (continued)

	2020	2019
	TDKK	TDKK
Other payables		
Between 1 and 5 years	2.308	0
Long-term part	2.308	0
Other short-term payables	19.223	22.875
	21.531	**22.875**

Short term debt to group enterprises relates to the cash pool arrangement, where Joe & The Juice A/S is the legal owner.

18 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

19 Contingent liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bank and credit institutions:
Shares in the companies Joe & The Juice US Holdings Inc., Joe & The Juice New York LLC, Joe & The Juice SFO LLC, Joe & The Juice Bleichenhof GmbH, Joe & The Juice Norge AS, Joe & The Juice NG AB, Joe and The Juice UK Ltd., Joe & The Juice Sydney Pty Ltd., Joe & The Juice Nice SARL, Joe & The Juice (Switzerland) AG, Joe & The Juice SFO LLC and Joe & The Juice Netherlands B.V., with a booked value of DKK 106 million at 31 December 2020, have been provided as security under certain circumstances for all accounts with SEB.

Other contingent liabilities

The Company has provided guarantee of payments for subsidiaries' outstanding balances with Skandinaviska Enskilda Banken,

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of Joe & The Juice Holding A/S. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

20 Related parties

	Basis
Controlling interest	
Joe & The Juice Holding A/S	Ultimate Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There are no related party transactions that have not been carried through on market terms.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company Joe & Juice Holding A/S.

Name	Place of registered office
Joe & The Juice Holding A/S	Copenhagen, Denmark

21 Fee to auditors appointed at the general meeting

Referring to the Danish Statements Act § 96, sub section 3, information on fees to Auditors elected on a general meeting, has been omitted. We refer to the financial statement of Joe & The Juice Holding A/S.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Joe & The Juice A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Financial Statements for 2020 are presented in TDKK.

The accounting policies applied remain unchanged from last year, except from the changes described below.

Changes in accounting policies

Leases

The Company has applied IFRS 16 as the basis for recognition and measurement of leases previously classified as operating leases. The new accounting policy has been applied retrospectively as of 1 January 2020. Comparative figures have not been changed. As of 1 January 2020, a lease liability equal to the future lease payments, discounted at relevant incremental borrowing rates has been recognised, and a corresponding lease asset has been recognised.

The impact on the balance sheet and income statement for 2020 are as follows:
- Lease asset as of 31 December 2020 - kDKK 355,758
- Lease liability as of 31 December 2020, non current - kDKK 39,360
- Lease liability as of 31 December 2020, current - kDKK 333,167
- Other external expenses - kDKK + 39,227
- Depreciation, amortisation and impairment of intangible assets and property, plant and equipment - kDKK 34,101
- Financial expenses - kDKK -21,893

Hedging

Management has reassessed the effectiveness of interest rate hedges in place as of 1 January 2019 and has concluded that the hedges due to the negative interest environment in combination with a 0% floor on the loans were not effective as of 1 January 2019. Consequently, the hedges have been discontinued as of 1 January 2019, and the cumulative loss recognized in equity as of this date, 1,7 MDKK, is recycled to the income statement over the term of the hedges (2020-2023).
The change affects the financial expenses / income line item as follows

2019 Financial expense TDKK -1,748
2019 Tax on profit/loss for the year TDKK 385

2020 Financial income TDKK 1,648
2020 Financial expenses TDKK -858
2020 Tax on profit/loss for the year TDKK -363

Notes to the Financial Statements

22 Accounting Policies (continued)

Revenue

As of 1 January 2020 IFRS 15 'Revenue from Contracts with Customers' is applied for the first time. The primary change deriving from the implementation of the new standard is that revenue going forward has to be recognized when control of the products has been transferred to the customer instead of earlier where transfer of risk has been the key principle in determining revenue recognition. The standard is introducing a five-step model for recognizing revenue, which includes the following steps

1. Identification of customer agreements (including assessment of whether a number of agreements has to betreated as one overall agreement)
2. Identification of different delivery terms in agreements and separation of agreement into partial deliveries
3. Determine the transaction price, including variable remuneration treatment
4. Allocate the transaction price to the performance obligations in the customer agreements
5. Recognition of the revenue when the buyer gain control, which may be over a period of time or at a certainpoint in time IFRS 15 is applicable for all agreements with customers that are not regulated by otherstandards and also contains certain rules regarding recognition of costs in relation to customer agreements.

Joe & The Juice has assessed that the effect of IFRS 15 is limited as sales is generally based on straight-forward customer agreements with buyer gaining control in connection with the transaction.

Notes to the Financial Statements

22 Accounting Policies (continued)

Correction of material misstatements

In connection with the preparation of the annual report, material misstatements in previous years have been corrected. The identified misstatements primarily comprises errors in recognition of capitalized Intangible assets and Property, plant & equipment in 2016 to 2018 and therefore also impacts comparison figures for 2019. Misstatements of same nature have also been identified in the Company's subsidiaries, and consequently investment in subsidiaries measured at equity value, have also been corrected.

The misstatements have been corrected via the equity in the opening balance 2019 and in the comparative figures. The following table summarises the impact of the prior periods error on the financial statements of the company:

tdkk	2019 as reported	2019 as revised	Adjustments
Profit & loss			
Work on own account recognised in assets	11.805	3.793	- 8.012
Other external expenses	- 85.875	- 99.843	- 13.968
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	- 59.669	- 39.655	20.014
Result from investments in subsidiaries	- 249.021	- 306.876	- 57.855
Financial expenses	- 21.854	- 23.604	- 1.750
Tax on profit/loss for the year	440	-	- 440
Other adjustments			- 351
Total adjustments 2019			**- 62.362**

tdkk	31 December 2019 as reported	31 December 2019 as revised	Adjustments
Assets			
Completed development projects	58.203	26.942	- 31.261
Trademarks and rights	13.209	6.549	- 6.660
Other fixtures and fittings, tools and equipment	36.765	24.114	- 12.651
Leasehold improvements	43.694	30.128	- 13.566
Property, plant and equipment in progress	8.627	342	- 8.285
Investments in subsidiaries	226.104	102.762	- 123.342
Receivables from group enterprises	348.137	289.515	- 58.622
			-
Liabilities			
Provision for deferred tax	8.532	-	8.532
Other adjustments			- 1.835
Total impact on Equity 1 january 2019			**- 185.336**
Adjustments to 2019			- 62.362
Total impact on Equity 1 january 2020	**- 90.551**	**- 338.249**	**- 247.698**

In addition to above, DKK 26 million have been reclassified in the comparative figures, which result in a decrease in credit facilities and equal increase of intercompany balances related to the cash pool and credit facility set-up between group companies and SEB. The reclassification has no impact on the result or equity.

Notes to the Financial Statements

22 Accounting Policies (continued)

Changes in accounting estimates

The Company has changed the accounting estimates related to the useful lifes of development projects from 10 years to 5 years, reflecting the expected useful life of the IT projects.

The estimated provision related to restoration obligations on leases has changed based on the average expected restoration costs per stores upon termination.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Joe & The Juice Holding A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Joe & The Juice Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Notes to the Financial Statements

22 Accounting Policies (continued)

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Notes to the Financial Statements

22 Accounting Policies (continued)

Hedge accounting

If a cash flow hedge is considered no longer to be effective but the hedged cash flows are still expected to occur, the cumulative gain or loss recognized in equity is recycled to the income statement over the term of the hedge. Fair value gains or losses following this discontinuance are recgnised in the income statement as financial items.

Income Statement

Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income

Other operating income comprise items of a secondary nature to the main activities of the Company, including management and franchise fees and compensation for government grants

Result from investments in subsidiaries

The result “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

22 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year, including interest expenses to banks, loan expenses, lease liabilities, fair value adjustments of derivatives and gains/losses on foreign currency.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Trademarks and rights comprises key money paid related to rented premises. Key money are measured at the lower of cost less accumulated amortisation and recoverable amount. Key money are amortised over the remaining rent period which in average is 10 years.

Development projects are measured at the lower of cost less accumulated amortisation and recoverable amount. Development projects are amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Notes to the Financial Statements

22 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3	years
Leasehold improvements	10	years

The fixed assets' scrap values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

22 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the de-

Notes to the Financial Statements

22 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$