Joe & The Juice Holding A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2020

CVR No 35 52 79 90

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

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Joe & The Juice Holding 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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
CEO

Board of Directors

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

Independent Auditor's Report

To the Shareholders of Joe & The Juice Holding A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Joe & The Juice Holding 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Company Information

The Company	Joe & The Juice Holding A/S Østergade 26 DK-1100 København K CVR No: 35 52 79 90 Financial period: 1 January - 31 December Municipality of reg. office: København K
Board of Directors	Kaspar Basse, Chairman Tue Mantoni, Deputy Chairman Björn Lundgren Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Morten Nødgaard Albæk
Executive Board	Thomas Kusk Nørøxe
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 København S

Financial Highlights

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

	Group				
	2020	2019	2018*	2017*	2016*
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	852.962	1.179.082	1.000.986	790.678	551.350
Gross profit/loss	729.597	973.972	828.954	655.111	466.937
Profit before depreciations (EBITDA)	229.742	5.332	119.673	115.552	82.333
Profit/loss before financial income and expenses	-233.832	-281.511	-43.792	5.396	8.804
Net financials	-240.866	-82.831	-63.033	-40.909	-32.367
Net profit/loss for the year	-484.652	-361.768	-113.062	-27.341	-15.133
Balance sheet					
Balance sheet total	2.091.180	904.193	1.239.861	1.031.023	710.305
Equity	-784.553	-551.153	-154.617	-74.678	-103.931
Equity including subordinated loan capital	-669.357	-447.240	-54.648	14.157	-103.931
Cash flows					
Cash flows from:					
- operating activities	41.323	-15.582	88.938	98.137	104.020
- investing activities	-64.917	-222.976	-431.374	-353.602	-247.881
including investment in property, plant and equipment	-54.349	-204.940	-394.619	-270.988	-201.396
- financing activities	54.927	263.267	258.094	309.079	159.368
Change in cash and cash equivalents for the year	31.333	24.709	-84.342	53.614	15.507
Number of employees	1.783	2.030	1.626	1.346	983
Ratios					
Gross margin	85,5%	82,6%	82,8%	82,9%	84,7%
EBITDA margin	26,9%	0,5%	12,0%	14,6%	14,9%
Solvency ratio including subordinated loan capital	-32,0%	-49,5%	-4,4%	1,4%	-14,6%

*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 provide services to companies in the Joe & The Juice group (the Group) and hold ownership shares in companies that operate Joe & The Juice stores and related activities.

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

Development in the year

Before the COVID-19 outbreak, Management expected revenue growth of 10-20% compared to 2019. During the first two months of 2020, the Group experienced a revenue growth of 24% compared to 2019. However, the COVID-19 outbreak had a significant impact on the industry as a whole and across all the markets the Group operates in.

From early March 2020 and the rest of the year, COVID-19 has had a negative impact on the Group’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 Group has applied for and received DKK 38 mDKK in salary and salary-related compensation via Government granted aid packages, to compensate for salary paid to employees on furlough during lock downs in the respective markets, which is presented in “Other operating income” and relates to expenses recognized primarily within “Staff-expenses”.

In April 2020, the Company raised 200 mDKK in equity and 100 mDKK 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 a consequence of COVID-19, management has prepared a store portfolio review including termination of selected stores and planning of new store openings. In 2020, 20 leases have been terminated and 12 new stores have been opened bringing the total number of stores to 302.

As expected in the management's review from 2019, revenue is negatively impacted by COVID-19 and declined 28% from 1,179 mDKK in 2019 to 853 mDKK in 2020.

Management's Review

Group earnings before interest, tax, depreciations, and amortizations (EBITDA) for 2020 amounted to 230 mDKK compared to 5 mDKK in 2019. The increase is a result of converting to IFRS 16 accouting, adopted in 2020, partly offset by the impact from COVID-19.

Referring to paragraph "Corrections of material misstatements" 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 Group's capital resources are considered adequate to support the future growth.

For further description refer to note 1.

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 have 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

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 optimize and expand the store network and continue investing in digital initiatives, the Joe App and delivery platforms.

Targets and expectations for the year ahead

The year 2021 will also be impacted by COVID-19 and be subject to uncertainty. With the vaccines being rolled out globally and the digital initiatives continuing to deliver impact, Management has a positive outlook on the future and therefore expects an increase in revenue of more than 25%. EBITDA is expected in line with 2020 levels as a result of increased investments in the operation. Management also expects to open up new stores in existing markets.

Management’s Review

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.

Report on Corporate Social Responsibility, Cf. Section 99 a of the Danish Financial Statements Act

The Company Business Model

Joe & The Juice is a retail chain of juice bars located in trendy neighborhoods or pedestrian areas with heavy traffic. Joe & The Juice sells fresh, made-to-order fruit and vegetable juices, smoothies, shots, unique sandwiches and salads, coffee, and tea prepared on the premises and cakes made by a third-party supplier. In 2020, the Group accelerated digital sales via third-party delivery platforms and via the Joe App. The Group has a strong focus on people, their health, safety and wellbeing at work. The Group has 1783 employees and with franchises operates around 302 (8 less then last year) and without franschises 277 (12 less then last year 289) stores in 15 countries across Europe, the US, Asia, and Oceania.

The decrease in number of stores is a consequence of COVID-19 where the Group has decided to terminate the lease or a result of the lease expiring or store portfolio restructuring.

Risk Management (CSR)

Due to its business activities, Joe & The Juice is exposed to risks, frequently associated with alike food chains that are employee-driven and are operating across different cultures and regions.

Management is regularly assessing risks and control measures and is engaged in risk and reputation management with focus on mitigation as an integral part of the Group activities.

Joe & The Juice recognizes the risks associated with the CSR/ ESG matters such as Human Rights, Environment and Climate, Business Ethics, Social and Employee relations, and successfully manages and mitigates those through policies that the Group has adopted.

Policy implementation, risk mitigation actions, and results are presented in this report.
In 2020, the Group did not exercise due diligence of its processes and policies.

COVID-19 Pandemic

The COVID-19 pandemic has impacted lifes and livelihoods worldwide, with far-reaching health and economic consequences across all of our markets. In these unprecedented and challenging times, Joe & the Juice prioritised the health and wellbeing of employees and stepped up efforts to support its customers and communities.

Lockdown of societies across the world resulted in long-lasting health-related and economic consequences, while Joe & the Juice faced an industry-wide challenge like no other.

Joe & the Juice was and still is financially affected by the pandemic due to a decrease in traffic at the streets, shopping malls and the airports, caused by the hard lockdown and closing of the borders.

Management's Review

However, Joe & the Juice investment in food retail digital transformation over the past year, made it possible to keep open in many locations while enabling our customers to order and pick up their food in a contactless way, during the whole pandemic from the day one.

Joe & the Juice kept the stores open for take-away only and operated under the highest health and safety standards, strictly following social distancing and hygiene guidelines recommended by the governments at the same time enabling contactless order, pick up and delivery of our products. After a year of operating under COVID-19 pandemic circumstances, Joe & the Juice has been able to keep as many as possible stores open, secure jobs in a difficult times, and serve our customers and communities with healthy food. Culture has proven incredibly resilient thanks to the committed work done by every single employee, behind every single bar and in every office in Joe & The Juice.

To ensure safety and well-being of employees in our offices, Joe & The Juice took all necessary precautions and offered the possibility to work from home during the pandemic.

The success of the Joe App has by far outperformed management expectations, having more than 600.000 registered users on the App at the end of 2020. We also moved closer to our customers' homes and offices as we launched delivery across all our markets. With the rapid growth in the number of digital users and sales from tech channels (App and Delivery) the investments in digital transformation has been very successful.

The year 2021 will, without a doubt, be challenging, but we enter the new year in better shape and prepared. The Group ambitions remain high and will focus on growing the global footprint and the Culture.

Safe & Responsible Workplace

Ensuring safe and responsible workplace for all employees has been a major focus of the Group during 2020, where the ongoing pandemic, rapid digitalization and various socio-political trends added an extra layer of complexity and risk. We have managed these workplace risks by focusing on aspects of employee health and safety, wellbeing, culture and human rights.

Policy

The Group has updated and introduced a number of policies within areas of human rights, health and safety and IT safety such as Bias-free workplace policy, COVID-19 Healt & Safety Risk Assessments and mitigation measures, IT security and IT employee conduct. Topics such as equal opportunities, child labor, forced labor, bias-free, discrimination and harassment free workplace, freedom of association and collective bargaining are addressed in our human rights policy contained in our Code of Conduct that every employee signs at the start of employment.

Activities and results

In 2020, the Group provided employees with training, learning modules, tests, and quizzes related to adopted policies. During the year, various campaigns have increased awareness of employees about adopted policies, that they committed to follow, such as for example campaign and training in newly added Bias-free workplace policy as well as COVID-19 prevention measures.

Management's Review

Also, the Group has a strong focus on its employees and has incorporated meaningfulness, wellbeing, employee retention, and gender balance considerations in several policies and KPIs related to corporate culture and Management. In 2020, the Group was working to sustain the right culture and employee motivation under the very challenging global circumstances. These efforts are measured with quarterly employee satisfaction survey where high participation and satisfaction were observed in regards to how the Group has handled the COVID-19 crises and communicated to the employees about it. The Group had also put the Talent development and Mobility program in place, that were partially implemented due to COVID-19 measures and border closures.

Plans

In 2021, the Group will continue its activities related to promoting and mainstreaming adopted policies. The Group also intends to continue with its Talent development and Mobility program as soon as the circumstances allow. As the pandemic is still ongoing, the Group will keep on focusing on employees health and safety, particularly mental health, through enabling hotlines and support seeking channels, that would ensure our employees maintain positive view on the world, keep motivation and properly deal with uncertainty regarding workload fluctuations.

Environment and Climate

Policy

The Group is environmentally aware and works proactively to reduce the environmental and climate impact of business operations. The Group recognizes the risks and challenges of managing food waste, single use packaging and its waste and reducing energy consumption. The Group also commenced implementation of the environmental policy and ran a public sustainability campaign on its website and social media to showcase its sustainability initiatives.

Activities and Results

During 2020, the Group has continued the implementation of a comprehensive waste control program that tracks waste KPIs weekly and helps the improvement of waste management as well as decision-making related to operations and purchasing of goods.

The result is a decrease in the waste produced during the year, reduction of environmental and climate impact, and increased awareness among employees about the importance of continually reducing waste, thus improving operations.

In 2020, the Group started with the implementation of initatives related to reducing single use packaging for to-stay customers. Unfortunately, these initaitves had to be put on hold. Due to COVID-19 we were not able to have any to-stay customers from March 2020 onwards and all of our sales have shifted to be take-away only with focus on single use packaging as the most safe and hygienic packaging option at the time. Despite this shift in operations, we have as a consequence of COVID-19 and drop in the turnover decreased amount of packaging used in 2020 as well as amount of waste, therefore decreasing our impact on environment. There has also been observed fluctuation in energy consumtion across our operations coinciding with the lockdown periods in different markets. Overall, energy consumption decreased, however, these energy use fluctuations did not lead to energy use decrease in all of our markets as for example in Denmark our energy consumtion slightly increased compared to last year.

Plans

The Group is working on establishing solid science-based environmental sustainability framework.
In 2021, the Group intends to further decrease the use of single use plastic in operations following global tendencies and applicable local laws. The Group will continue focusing on promoting keep-cups, single-use package sorting and recycling, and introducing multi-use cups for to-stay customers when the circumstances allow. The focus will also be on ensuring that single-use cups are made from natural compostable or recycled materials. The Group will continue with its external and internal sustainability campaigns.

Further, the Group recognizes the growing importance of ESG reporting and during 2021 intends to establish ESG reporting framework that would allow creation of KPIs and metrics, and accordingly ESG reporting in the coming years.

Business Ethics

Policy

The Group understands the importance of maintaining a high level of integrity among its employees and has incorporated business ethics considerations in several policies related to corporate culture, management, IT and supply chain, in order to manage risks related to e.g. bribery or corruption or other unethical conduct in violation of our standards.

Activities and results

In 2020, the Group was working to sustain the right culture in the Group and set out standards and policies for transparency, corporate integrity, IT security and employee conduct on all levels. The Group has fully functional whistleblower service provided by a third-party and readily available to all employees with the option to report anonymously. The employees are provided with relevant training related to our policies and services. The Group focused on growing other digital aspects of the business and a number of IT security measures and risk assessments have been put in place to ensure the security and stability of the Group IT systems. The intiatives undertaken during the year have resulted in the employees now having a good knowledge of business ethics policies and our internal reporting systems such as whistleblower and IT security measures.

Plans

In 2021, the Group will continue its activities related to promoting and mainstreaming adopted policies and culture of fairness and transparency.

Management's Review

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

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.

Management's Review

Uncertainty relating to recognition and measurement

The Group has a net deferred tax asset at a level of 32.7 mDKK, which primarily consists of tax losses carry-forward and offset in future positive income. There is uncertainty related to the timing of when the the tax asset will be fully utilized.

The Group has implemented IFRS 16 as of 1 January 2020, including right-of-use assets of DKK 1,401 million and lease liabilities of DKK 1,476 million as of 31 December 2020. Determination of right-of-use assets and lease liabilities is subject to inherent uncertainty related mainly to lease term for open-ended leases as well as the applied incremental borrowing rate.

Goodwill amounts to DKK 168 million as of 31 December 2020 and is being amortised over 20 years based on Management's assessment. This assessment is reviewed on an annual basis. Useful life and assessment of the valuation of goodwill is subject to uncertainty related to primarily future earnings within the individual business areas.

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

Unusual events

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

Subsequent events

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

In June 2021, it was announced that Thomas Nørøxe will replace Sebastian Vestergaard as CEO and lead the future growth strategy. Thomas Nørøxe has in-depth knowledge of Joe & The Juice from his positions as Director of Strategy and Development and Chief of Staff and as a member of Management. Before joining Joe & The Juice, Thomas Nørøxe was co-responsible of Valedo Partners' investment in the company and has therefore contributed to Joe & The Juice's growth journey since 2013.

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

Income Statement 1 January - 31 December

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		TDKK	TDKK	TDKK	TDKK
Revenue	2	**852.962**	**1.179.082**	**0**	**0**
Work on own account recognised in assets		3.996	3.793	0	0
Other operating income	3	43.153	11.349	1.781	1.574
Expenses for raw materials and consumables		-170.514	-220.252	0	0
Gross profit/loss		**729.597**	**973.972**	**1.781**	**1.574**
Other external expenses		-178.260	-597.620	-2.198	-72
Staff expenses	4	-321.595	-371.020	-5.251	-7.840
Result before depreciations (EBITDA)		**229.742**	**5.332**	**-5.668**	**-6.338**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-463.574	-286.843	0	0
Profit/loss before financial income and expenses		**-233.832**	**-281.511**	**-5.668**	**-6.338**
Loss from investments in subsidiaries	5	0	0	-620.549	0
Financial income	6	6.099	8.196	18.899	19.207
Financial expenses	7	-246.965	-91.027	-74	-70
Profit/loss before tax		**-474.698**	**-364.342**	**-607.392**	**12.799**
Tax on profit/loss for the year	8	-9.954	2.574	-2.895	-2.817
Net profit/loss for the year		**-484.652**	**-361.768**	**-610.287**	**9.982**

Balance Sheet 31 December

Assets

	Note	Group 2020 TDKK	Group 2019 TDKK	Parent Company 2020 TDKK	Parent Company 2019 TDKK
Completed development projects		29.664	26.942	0	0
Trademarks and rights		30.789	45.476	0	0
Goodwill		167.883	181.235	0	0
Intangible assets in progress		732	0	0	0
Intangible assets	9	**229.068**	**253.653**	**0**	**0**
Other fixtures and fittings, tools and equipment		69.657	137.665	0	0
Leasehold improvements		234.016	327.124	0	0
Property, plant and equipment in progress		986	4.345	0	0
Right of use Assets		1.400.577	0	0	0
Property, plant and equipment	10	**1.705.236**	**469.134**	**0**	**0**
Investments in subsidiaries	11	0	0	0	0
Receivables from group enterprises	12	0	0	16.641	423.746
Deposits	12	7.037	9.535	0	0
Fixed asset investments		**7.037**	**9.535**	**16.641**	**423.746**
Fixed assets		**1.941.341**	**732.322**	**16.641**	**423.746**
Inventories		**17.342**	**17.527**	**0**	**0**
Trade receivables		12.887	39.343	0	0
Other receivables		790	8.903	0	0
Deferred tax asset	16	32.675	41.438	0	0
Corporation tax		2.711	405	0	405
Prepayments	13	1.744	13.898	0	0
Receivables		**50.807**	**103.987**	**0**	**405**
Cash at bank and in hand		**81.690**	**50.357**	**705**	**901**
Currents assets		**149.839**	**171.871**	**705**	**1.306**
Assets		**2.091.180**	**904.193**	**17.346**	**425.052**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		TDKK	TDKK	TDKK	TDKK
Share capital	14	50.092	37.063	50.092	37.063
Other statutory reserves		37.058	0	0	0
Retained earnings		-871.703	-588.216	-39.836	382.720
Equity		**-784.553**	**-551.153**	**10.256**	**419.783**
Other provisions	17	65.991	33.357	0	0
Provisions		**65.991**	**33.357**	**0**	**0**
Subordinate loan capital		115.197	105.277	0	0
Credit institutions		940.777	831.796	0	0
Lease obligations		1.224.861	50.626	0	0
Trade payables		3.007	8.420	0	0
Payables to group enterprises		0	0	0	579
Other payables		5.867	0	270	0
Long-term debt	18	**2.289.709**	**996.119**	**270**	**579**
Credit institutions	18	13.419	73.906	0	0
Lease obligations	18	251.482	29.291	0	0
Trade payables	18	166.023	245.100	0	0
Corporation tax		0	187	0	0
Payables to group enterprises relating to corporation tax		0	0	2.895	2.817
Other payables	18	81.649	76.251	3.925	1.873
Deferred income	19	7.460	1.135	0	0
Short-term debt		**520.033**	**425.870**	**6.820**	**4.690**
Debt		**2.809.742**	**1.421.989**	**7.090**	**5.269**
Liabilities and equity		**2.091.180**	**904.193**	**17.346**	**425.052**

Going concern	1
Distribution of profit	15
Contingent assets, liabilities and other financial obligations	22
Related parties	23
Fee to auditors appointed at the general meeting	24
Accounting Policies	25

Statement of Changes in Equity

Group

	Share capital	Other statutory reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	37.063	0	-284.916	-247.853
Net effect of correction of material misstatements	0	0	-303.300	-303.300
Net effect from change of accounting policy	0	-13.434	13.434	0
Adjusted equity at 1 January	37.063	-13.434	-574.782	-551.153
Exchange adjustments, relating to foreign entities	0	45.702	0	45.702
Cash capital increase	13.029	0	186.971	200.000
Capital increase costs	0	0	-1.738	-1.738
Purchase of treasury shares	0	0	-1.450	-1.450
Sale of treasury shares	0	0	3.948	3.948
Amortization / Fair value adjustment of hedging instruments	0	4.790	0	4.790
Net profit/loss for the year	0	0	-484.652	-484.652
Equity at 31 December	**50.092**	**37.058**	**-871.703**	**-784.553**

Parent Company

	Share capital	Other statutory reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	37.063	0	382.720	419.783
Cash capital increase	13.029	0	186.971	200.000
Capital increase costs	0	0	-1.738	-1.738
Purchase of treasury shares	0	0	-1.450	-1.450
Sale of treasury shares	0	0	3.948	3.948
Net profit/loss for the year	0	0	-610.287	-610.287
Equity at 31 December	**50.092**	**0**	**-39.836**	**10.256**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020 TDKK	Group 2019 TDKK
Net profit/loss for the year		-484.652	-361.768
Adjustments	20	675.809	365.618
Change in working capital	21	19.932	46.400
Cash flows from operating activities before financial income and expenses		**211.089**	**50.250**
Financial income		6.098	5.970
Financial expenses		-175.677	-69.944
Cash flows from ordinary activities		**41.510**	**-13.724**
Corporation tax paid		-187	-1.858
Cash flows from operating activities		**41.323**	**-15.582**
Purchase of intangible assets		-10.568	-17.988
Purchase of property, plant and equipment		-54.349	-204.940
Fixed asset investments made etc		0	-48
Cash flows from investing activities		**-64.917**	**-222.976**
Repayment of loans from credit institutions		-60.486	0
Reduction of lease obligations		-174.176	-6.266
Raising of loans from credit institutions		88.829	27.437
Sale/Purchase of treasury shares		2.498	-2.311
Cash capital increase		198.262	244.407
Cash flows from financing activities		**54.927**	**263.267**
Change in cash and cash equivalents		**31.333**	**24.709**
Cash and cash equivalents at 1 January		50.357	25.648
Cash and cash equivalents at 31 December		**81.690**	**50.357**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		81.690	50.357
Cash and cash equivalents at 31 December		**81.690**	**50.357**

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 markets are 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

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
Revenue, Denmark	220.887	280.826	0	0
Revenue, Europe	441.750	568.924	0	0
Revenue, non-Europe	190.325	329.332	0	0
	852.962	**1.179.082**	**0**	**0**

The Group has one business segment related to selling food and beverages in the stores.

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
3 Other operating income				
Other income	43.153	11.349	1.781	1.574
	43.153	**11.349**	**1.781**	**1.574**

Other operating income consist of franchise fee and government grants. The Group has applied for and received DKK 38 million in salary compensation via Government granted aid packages, to compensate for salary paid to employees on furlough during lock downs in the respective markets. The cost compensated are recognized within financial statement line 'Staff expenses'.

4 Staff expenses

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Wages and salaries	305.400	355.139	5.245	7.831
Pensions	2.332	2.412	0	0
Other social security expenses	4.907	7.146	6	9
Other staff expenses	8.956	6.323	0	0
	321.595	**371.020**	**5.251**	**7.840**
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	1.958	1.227	1.958	1.227
Board of Directors	3.875	2.768	3.875	2.768
	5.833	**3.995**	**5.833**	**3.995**
Average number of employees	**1.783**	**2.030**	**4**	**4**

Renumeration to the Executive Board and Board of Directors are paid from both Joe & The Juice Holding A/S and Joe & The Juice UK Ltd.

Notes to the Financial Statements

		Parent Company	
		2020	2019
		TDKK	TDKK
5	**Loss from investments in subsidiaries**		
	Share of losses of subsidiaries	-620.549	0
		-620.549	**0**

		Group		Parent Company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
6	**Financial income**				
	Interest received from group enterprises	0	0	18.899	19.207
	Other financial income	0	182	0	0
	Fair value adjustments of derivatives	6.099	0	0	0
	Exchange gains	0	8.014	0	0
		6.099	**8.196**	**18.899**	**19.207**
7	**Financial expenses**				
	Fair value adjustments of derivatives	3.933	0	0	0
	Other financial expenses	200.271	83.483	68	48
	Exchange adjustments, expenses	42.761	7.514	6	22
	Exchange loss	0	30	0	0
		246.965	**91.027**	**74**	**70**
8	**Tax on profit/loss for the year**				
	Current tax for the year	0	187	2.895	2.817
	Deferred tax for the year	9.570	-3.143	0	0
	Adjustment of deferred tax concerning previous years	384	382	0	0
		9.954	**-2.574**	**2.895**	**2.817**

Notes to the Financial Statements

9 Intangible assets

Group

	Completed development projects	Trademarks and rights	Goodwill	Intangible assets in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	29.518	66.578	316.970	0
Exchange adjustment	0	256	0	0
Additions for the year	9.548	288	0	732
Disposals for the year	0	-10.001	0	0
Cost at 31 December	39.066	57.121	316.970	732
Impairment losses and amortisation at 1 January	2.576	21.102	134.452	0
Exchange adjustment	0	12	0	0
Impairment losses for the year	0	1.329	0	0
Amortisation for the year	6.826	7.730	14.635	0
Reversal of amortisation of disposals for the year	0	-3.841	0	0
Impairment losses and amortisation at 31 December	9.402	26.332	149.087	0
Carrying amount at 31 December	**29.664**	**30.789**	**167.883**	**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

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Right of use Assest
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	469.076	410.737	4.345	0
Net effect from change of accounting policy	0	0	0	1.401.349
Exchange adjustment	-13.763	-22.511	0	-53.320
Additions for the year	31.872	22.103	374	281.053
Disposals for the year	-17.082	-25.095	0	-12.907
Transfers for the year	-102.280	-30.580	-3.733	136.593
Cost at 31 December	367.823	354.654	986	1.752.768
Impairment losses and depreciation at 1 January	331.411	83.613	0	0
Exchange adjustment	-9.169	-4.506	0	-2.164
Impairment losses for the year	0	0	0	32.460
Depreciation for the year	52.676	56.666	0	254.798
Reversal of impairment and depreciation of sold assets	-14.136	-4.916	0	-5.738
Transfers for the year	-62.616	-10.219	0	72.835
Impairment losses and depreciation at 31 December	298.166	120.638	0	352.191
Carrying amount at 31 December	**69.657**	**234.016**	**986**	**1.400.577**

11 Investments in subsidiaries

	Parent Company 2020 TDKK	Parent Company 2019 TDKK
Cost at 1 January	324.594	324.594
Additions for the year	620.549	0
Cost at 31 December	945.143	324.594
Value adjustments at 1 January	-324.594	-324.594
Exchange adjustment	0	0
Net profit/loss for the year	-538.016	-296.678
Other equity movements, net	-217.094	-664
Amortisation and impairment of goodwill	-14.122	-14.122
Reversal of negative result for the year	148.683	311.464
Value adjustments at 31 December	-945.143	-324.594
Carrying amount at 31 December	**0**	**0**
Remaining positive difference included in the above carrying amount at 31 December	167.883	181.234

The Company has in previous years received dividend payments, which exceeded the equity value of the shares in subsidiaries. The dividend payments were part of a restructuring in the ownership of the group. The amount exceeding the book value of the shares was recognised in the income statement. Until this income has been earned in the subsidiary, the company does not recognise income from the subsidiary in the income statement. The Company has in 2020 made a contribution of DKK 620 million to its subsidiary, JTJ Heartbeat A/S, which has been recognised as additions for the year in "Investments in subsidiaries" and written down in the income statement through "Loss from investments in subsidiaries" due to negative net assets value in the subsidiaries as at 31 December 2020. Negative values relating to subsidiaries not recognised as at 31 December 2020 amount to DKK 688 million (2019: DKK 539 million). The remaining positive difference of DKK 168 million comprises goodwill (2019: DKK 181 million).

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
JTJ HEARTBEAT A/S	Copenhagen	100%
JOE & THE JUICE A/S	Copenhagen	100%
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 Belgium NV	Belgium	100%
JOE & THE JUICE Norge AS	Norway	100%
JOE & THE JUICE Ng AB	Sweden	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 1165 Broadway LLC	USA	100%
JOE & THE JUICE NEW YORK LLC	USA	100%
JOE & THE JUICE WTC LLC	USA	100%
JJ-PCS MSP VENTURE LLC	USA	83%
JOE & THE JUICE PITTSBURGH LLC	USA	100%
JOE & THE JUICE VANCOUVER AIRPORT LIMITED	Canada	83%
NFB Asia Pte. Ltd.	Singapore	100%
JOE & THE JUICE Shanghai WFOE	China	100%
NFB Asia (Hong Kong) Pte. Ltd.	Hong Kong	100%

All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

12 Other fixed asset investments

	Group	Parent Company
	Deposits	Receivables from group enterprises
	TDKK	TDKK
Cost at 1 January	9.535	423.746
Additions for the year	0	0
Disposals for the year	-2.498	-407.105
Cost at 31 December	7.037	16.641
Carrying amount at 31 December	**7.037**	**16.641**

13 Prepayments

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

Notes to the Financial Statements

14 Equity

The share capital is broken down as follow:

	Number	Nominal value
		TDKK
A-shares	1.577.299.910	15.773
B-shares	3.431.953.397	34.319
		50.092

In January 2020 the Company sold 2,458,323 treasury shares, comprising 956,056 A-shares and 1,508,407 B-shares. The total payment for the shares amounted to kDKK 3,948, which has been transferred to retained earnings under equity. The Company holds a total of 3,167,105 shares, comprising 1,218,909 A-shares and 1,948,196 B-shares with a nominal value of DKK 0.01 corresponding to 0.1% of the total share capital. The shares have been acquired as part of the Company's strategy.

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January	37.063	33.038	32.486	31.362	4.187
Capital increase	13.029	4.025	552	1.124	31.713
Capital decrease	0	0	0	0	-4.538
Share capital at 31 December	**50.092**	**37.063**	**33.038**	**32.486**	**31.362**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

15 Distribution of profit

Retained earnings	-484.652	-361.768	-610.287	9.982
	-484.652	**-361.768**	**-610.287**	**9.982**

16 Deferred tax asset

Deferred tax asset at 1 January	41.438	37.889	0	0
Exchange adjustments	807	406	0	0
Amounts recognised in the income statement for the year	-9.570	3.143	0	0
Deferred tax asset at 31 December	**32.675**	**41.438**	**0**	**0**

The recognised tax asset comprises tax loss carry-forwards from operations outside Denmark. The tax loss carry-forwards are expected to be utilised within the next three to five years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on that the most significant tax loss carry-forwards are in markets, where the Group now is well established and these operations are expected to generate positive results going forward. The group has additional tax loss carry-forward in a number of markets primarily within USA and Denmark in the range of DKK 125-175 million, which has not been recognised due to the uncertainty if it can be utilised within the next 3-5 years.

17 Other provisions

Restoration obligation on leases	59.190	31.570	0	0
Other provisions	6.801	1.787	0	0
	65.991	**33.357**	**0**	**0**

The Group has applied for and received fixed-cost compensation under the relevant government granted covid-19 compensation packages in markets where the Group operates for a total amount of DKK 6.8 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.

Notes to the Financial Statements

18 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:

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Subordinate loan capital				
Between 1 and 5 years	115.197	105.277	0	0
Long-term part	115.197	105.277	0	0
Within 1 year	0	0	0	0
	115.197	**105.277**	**0**	**0**
Credit institutions				
After 5 years	25.000	0	0	0
Between 1 and 5 years	915.777	831.796	0	0
Long-term part	940.777	831.796	0	0
Other short-term debt to credit institutions	13.419	73.906	0	0
	954.196	**905.702**	**0**	**0**
Lease obligations				
After 5 years	570.320	0	0	0
Between 1 and 5 years	654.541	50.626	0	0
Long-term part	1.224.861	50.626	0	0
Within 1 year	251.482	29.291	0	0
	1.476.343	**79.917**	**0**	**0**
Trade payables				
Between 1 and 5 years	3.007	8.420	0	0
Long-term part	3.007	8.420	0	0
Other short-tem trade payables	166.023	245.100	0	0
	169.030	**253.520**	**0**	**0**

Notes to the Financial Statements

18 Long-term debt (continued)

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Payables to group enterprises				
Between 1 and 5 years	0	0	0	579
Long-term part	0	0	0	579
Within 1 year	0	0	0	0
	0	**0**	**0**	**579**
Other payables				
Between 1 and 5 years	5.867	0	270	0
Long-term part	5.867	0	270	0
Other short-term payables	81.660	76.247	3.925	1.873
	87.527	**76.247**	**4.195**	**1.873**

19 Deferred income

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

20 Cash flow statement - adjustments

	Group	
	2020	2019
	TDKK	TDKK
Financial income	-6.099	-8.196
Financial expenses	246.965	91.027
Depreciation, amortisation and impairment losses, including losses and gains on sales	463.572	286.843
Tax on profit/loss for the year	9.954	-2.574
Other adjustments	-38.583	-1.482
	675.809	**365.618**

Notes to the Financial Statements

	Group	
	2020	2019
	TDKK	TDKK
21 Cash flow statement - change in working capital		
Change in inventories	185	-2.334
Change in receivables	49.222	15.364
Change in other provisions	32.634	23.485
Change in trade payables, etc	-66.899	17.400
Fair value adjustments of hedging instruments	4.790	-7.515
	19.932	**46.400**

22 Contingent assets, 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 Holding A/S, JTJ Heartbeat A/S, Joe & The Juice A/S, 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 Netherlands and Joe & The Juice (Switzerland) AG with a booked value of DKK 10.3 million at 31 December 2020, have been provided as security under certain circumstances for all accounts with Svenska Enskilda Banken.

In relation to the rental obligations, the Parent Company has as security for the landlords, issued bank guarantees through SEB of total DKK 126 million on behalf of subsidiaries.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Joe & The Juice Holding A/S act as administration company for the Danish joint taxation. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the 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

23 Related parties

	Basis
Other related parties	
Valedo Partners Fund II AB, Stockholm, Sweden	Shareholder with significant influence
General Atlantic JTJ B.V., Amsterdam, Netherlands	Shareholder with significant influence

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.

24 Fee to auditors appointed at the general meeting

	Group	
	2020	2019
	TDKK	TDKK
Deloitte		
Audit fee	1.130	0
Other assurance engagements	150	0
Tax advisory services	760	0
Other services	800	0
	2.840	**0**
PricewaterhouseCoopers		
Audit fee	0	843
Other assurance engagements	0	254
Tax advisory services	0	519
Other services	0	792
	0	**2.408**
	2.840	**2.408**

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of Joe & The Juice Holding 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 Consolidated and Parent Company 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 Group 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 - DKK 1,372,744
- Lease liability as of 31 December 2020, non current - DKK 228,819
- Lease liability as of 31 December 2020, current - DKK 1,196,401
- Other external expenses - DKK +239,615
- Depreciation, amortisation andimpairment of intangible assets and property, plant and equipment - DKK -219,424
- Financial expenses - DKK -93,122.

Hedge accounting

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, 13.4 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 -9,203
2019 Tax on profit/loss for the year TDKK 2.025

2020 Financial income TDKK 6.099
2020 Financial expenses TDKK -4.797
2020 Tax on profit/loss for the year TDKK -1,342

Notes to the Financial Statements

25 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 certain point in time IFRS 15 is applicable for all agreements with customers that are not regulated by other standards 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 at a certain point in time.

Notes to the Financial Statements

25 Accounting Policies (continued)

Correction of material misstatements

In connection with the preparation of the annual report 2020, 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. The misstatements have been corrected via the equity primo 2019 and in the comparative figures. The following table summarises the impact of the prior periods error on the financial statements of the Group:

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	-517.463	-597.620	-80.157
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-359.474	-286.843	72.631
Financial expenses	-80.112	-91.027	-10.915
Tax on profit/loss for the year	7.145	2.574	-4.571
Other adjustments			2.226
Total adjustments 2019			**-28.798**

tdkk	31 December 2019 as reported	31 December 2019 as revised	Adjustments
Assets			
Completed development projects	57.856	26.942	-30.914
Trademarks and rights	76.188	45.476	-30.712
Intangibles in progress	379	-	-379
Total intangible assets			**-62.005**
Other fixtures and fittings, tools and equipment	227.768	137.665	-90.103
Leasehold improvements	440.234	327.124	-113.110
progress	42.315	4.345	-37.970
Total tangible assets			**-241.183**
Deferred tax asset, net	37.770	41.438	3.668
Other smaller changes			-3.780
Total impact on Equity 1 january 2019			**-274.502**
Adjustments to 2019			-28.798
Total impact on Equity 1 january 2020	**-247.853**	**-551.153**	**-303.300**

Notes to the Financial Statements

25 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.

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.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Joe & The Juice Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and

25 Accounting Policies (continued)

losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

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.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

Notes to the Financial Statements

25 Accounting Policies (continued)

rates at the balance sheet date are recognised directly in equity.

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 related 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 and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment, franchise fees and compensation for government grants etc.

Notes to the Financial Statements

25 Accounting Policies (continued)

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

Notes to the Financial Statements

25 Accounting Policies (continued)

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 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.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years. determined on the basis of Management's experience with the individual business areas. interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on account taxation scheme.

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.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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.

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 raw materials and consumables equals landed cost.

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.

Equity

Dividend

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group 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, including the tax base of tax loss carry-forwards, 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 or joint taxation.

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 deferred 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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, 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.

Notes to the Financial Statements

25 Accounting Policies (continued)

Deferred income

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

25 Accounting Policies (continued)

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 including subordinated loan capital	$\frac{\text{Equity including subordinated loan capital}}{\text{Total assets at year end}}$