

---

# ***Joe & The Juice A/S***

Østergade 26, DK-1100 København K

## **Annual Report for 1 January - 31 December 2018**

---

CVR No 26 58 93 55

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
11/4 2019

Morten Askekilde  
Chairman of the General  
Meeting



**pwc**

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Statement of Changes in Equity	12
Notes to the Financial Statements	13

# 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 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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, 9 April 2019

## Executive Board

Morten Lodal Askekilde

Andreas Peter Dipo-  
Zimmermann

## Board of Directors

Kaspar Basse  
Chairman

Tue Manton  
Deputy Chairman

Morten Nødgaard Albæk

Melis Zeynep Kahya

Per Forsberg

Laurie Ann Goldman

Andrew William Crawford

Thomas Kusk Nørøxe

# 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, 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.

Hellerup, 9 April 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Ulrik Ræbild  
State Authorised Public Accountant  
mne33262

Claus Damhave  
State Authorised Public Accountant  
mne34166

## 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  
Morten Nødgaard Albæk  
Melis Zeynep Kahya  
Per Forsberg  
Laurie Ann Goldman  
Andrew William Crawford  
Thomas Kusk Nørøxe

### Executive Board

Morten Lodal Askekilde  
Andreas Peter Dipo-Zimmermann

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

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

	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	269.049	261.081	247.680	238.575	187.597
Gross profit/loss	235.778	258.764	244.637	207.316	150.833
Operating profit/loss	19.415	9.883	5.616	26.266	22.285
Profit/loss before financial income and expenses	28.382	49.512	43.917	38.792	31.598
Net financials	-39.401	3.574	-1.393	5.298	2.216
Net profit/loss for the year	-16.518	38.702	34.922	34.941	21.798
<b>Balance sheet</b>					
Balance sheet total	776.497	565.965	296.119	172.672	131.936
Equity	156.416	174.379	137.971	102.077	67.515
Number of employees	318	315	274	259	197
<b>Ratios</b>					
Gross margin	87,6%	99,1%	98,8%	86,9%	80,4%
Profit margin	10,5%	19,0%	17,7%	16,3%	16,8%
Return on assets	3,7%	8,7%	14,8%	22,5%	23,9%
Solvency ratio	20,1%	30,8%	46,6%	59,1%	51,2%
Return on equity	-10,0%	24,8%	29,1%	41,2%	38,5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.



# Management's Review

## Key activities

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

## Development in the year

The Company has continued its expansion and in Denmark opened 3 new stores in 2018.

The income statement of the Company for 2018 shows a loss of DKK -16,5 million, which is driven by investments in relation to the international roll-out of the concept.

The Company's revenue for 2018 equaled DKK 269 million compared to DKK 261 million in 2017, an increase of 3%, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 156,4 million.

Management is overall satisfied with the development and the financial results of the Company in 2018 and will continue to expand in international markets.

## Capital resources

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

## Special risks - operating risks and financial risks

### *Market conditions*

The Company's continued growth depends on the Company being able to enter favorable leases of premises for Joe & The Juice.

## Strategy and objectives

The Company's strategy is to continue its current growth with continued expansion in existing markets and to include new markets.

## Targets and expectations for the year ahead

Activities from own stores are expected to be at the same level as in 2018. Therefore, the Company expects to reach same level of revenue in 2019 as in 2018.

## Knowledge resources

It is important for the continued growth of the Company to attract and maintain talented employees.

# Management's Review

## **Report on Corporate Social Responsibility, Cf. Section 99 a 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 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 2018.

## **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 was actively working on increasing a number of representatives of underrepresented gender, even though there was no change in 2018.

The genders composition of Board of Directors did not change during 2018 and the percentage of women is 25%, meaning that two out of eight Board of Director members are women. The Group has previous in 2017 set a target of number of women on the Board of Directors to be two out of eight by 2022.

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 2018, the Group focus was on attracting and hiring employees of all genders equally to increase the employee diversity and consequently has increased the percentage of female employees from 14% at the beginning of the year to 25% at year-end and is one of the HR KPIs.

Same hiring principles apply to organizational levels including management. Considering organizational changes in 2018, the percentage of women in managerial roles was around 10%.

In 2019, the Group will continue focusing on attracting and hiring employees of all genders equally.

In 2019, the Group aims to increase awareness about career opportunities for all employees, with a particular focus on underrepresented gender and encourage female candidates to pursue their career goals within the Group.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## **Unusual events**

The financial position at 31 December 2018 of the Company and the results of the activities of the Company for the financial year for 2018 have not been affected by any unusual events.

## Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
<b>Revenue</b>	1	<b>269.048.987</b>	<b>261.080.602</b>
Work on own account recognised in assets		4.229.197	2.530.560
Other operating income		8.967.448	39.628.671
Expenses for raw materials and consumables		-43.091.031	-41.944.995
<b>Gross profit/loss</b>		<b>239.154.601</b>	<b>261.294.838</b>
Other external expenses		-74.662.584	-73.536.702
Staff expenses	2	-102.379.345	-107.786.910
<b>Result before depreciations (EBITDA)</b>		<b>62.112.672</b>	<b>79.971.226</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-33.730.360	-30.459.317
<b>Profit/loss before financial income and expenses</b>		<b>28.382.312</b>	<b>49.511.909</b>
Income from investments in subsidiaries		-32.781.884	1.941.285
Financial income	3	18.884.766	13.096.367
Financial expenses	4	-25.504.282	-11.463.415
<b>Profit/loss before tax</b>		<b>-11.019.088</b>	<b>53.086.146</b>
Tax on profit/loss for the year	5	-5.499.049	-14.384.460
<b>Net profit/loss for the year</b>		<b>-16.518.137</b>	<b>38.701.686</b>

# Balance Sheet 31 December

## Assets

	Note	2018 DKK	2017 DKK
Completed development projects		29.355.597	17.202.475
Trademarks and rights		14.486.417	15.965.013
Goodwill		1.796.538	2.309.835
Intangible assets in progress		14.826.321	9.264.470
<b>Intangible assets</b>	6	<b>60.464.873</b>	<b>44.741.793</b>
Other fixtures and fittings, tools and equipment		53.774.445	52.387.661
Leasehold improvements		26.077.392	25.597.620
Property, plant and equipment in progress		20.241.473	3.648.231
<b>Property, plant and equipment</b>	7	<b>100.093.310</b>	<b>81.633.512</b>
Investments in subsidiaries	8	122.746.097	127.511.037
Deposits	9	1.206.617	1.062.367
<b>Fixed asset investments</b>		<b>123.952.714</b>	<b>128.573.404</b>
<b>Fixed assets</b>		<b>284.510.897</b>	<b>254.948.709</b>
<b>Inventories</b>		<b>4.295.302</b>	<b>4.854.730</b>
Trade receivables		12.938.383	7.771.586
Receivables from group enterprises		466.259.570	288.270.660
Other receivables		806.437	3.498.108
Prepayments	10	6.482.346	5.781.084
<b>Receivables</b>		<b>486.486.736</b>	<b>305.321.438</b>
<b>Cash at bank and in hand</b>		<b>1.204.342</b>	<b>839.812</b>
<b>Currents assets</b>		<b>491.986.380</b>	<b>311.015.980</b>
<b>Assets</b>		<b>776.497.277</b>	<b>565.964.689</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		618.490	618.490
Reserve for development costs		34.461.896	20.644.217
Retained earnings		121.335.171	153.115.888
<b>Equity</b>		<b>156.415.557</b>	<b>174.378.595</b>
Provision for deferred tax	12	9.891.875	6.177.454
Other provisions	13	2.400.000	2.598.128
<b>Provisions</b>		<b>12.291.875</b>	<b>8.775.582</b>
Credit institutions		286.096.100	156.096.100
Lease obligations		11.987.480	10.229.366
Trade payables		0	1.345.631
<b>Long-term debt</b>	14	<b>298.083.580</b>	<b>167.671.097</b>
Credit institutions	14	72.099.791	36.722.876
Lease obligations	14	7.523.334	5.098.930
Prepayments received from customers		0	1
Trade payables	14	71.259.289	61.281.382
Payables to group enterprises		144.608.400	87.300.161
Corporation tax		802.673	8.410.434
Other payables		12.359.816	15.218.019
Deferred income	15	1.052.962	1.107.612
<b>Short-term debt</b>		<b>309.706.265</b>	<b>215.139.415</b>
<b>Debt</b>		<b>607.789.845</b>	<b>382.810.512</b>
<b>Liabilities and equity</b>		<b>776.497.277</b>	<b>565.964.689</b>
Distribution of profit	11		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Subsequent events	19		
Accounting Policies	20		

## Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	618.490	20.644.217	153.115.888	174.378.595
Exchange adjustments relating to foreign entities	0	0	-89.952	-89.952
Fair value adjustment of hedging instruments, end of year	0	0	-1.737.114	-1.737.114
Tax on adjustment of hedging instruments for the year	0	0	382.165	382.165
Development costs for the year	0	15.532.622	-15.532.622	0
Depreciation, amortisation and impairment for the year	0	-1.714.943	1.714.943	0
Net profit/loss for the year	0	0	-16.518.137	-16.518.137
<b>Equity at 31 December</b>	<b>618.490</b>	<b>34.461.896</b>	<b>121.335.171</b>	<b>156.415.557</b>

# Notes to the Financial Statements

	<u>2018</u> DKK	<u>2017</u> DKK
<b>1 Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	269.048.987	261.080.602
	<b><u>269.048.987</u></b>	<b><u>261.080.602</u></b>
<b>2 Staff expenses</b>		
Wages and salaries	96.604.674	102.287.079
Pensions	1.428.646	883.378
Other social security expenses	1.637.196	1.622.638
Other staff expenses	2.708.829	2.993.815
	<b><u>102.379.345</u></b>	<b><u>107.786.910</u></b>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<b><u>1.590.000</u></b>	<b><u>2.220.000</u></b>
<b>Average number of employees</b>	<b><u>318</u></b>	<b><u>315</u></b>
<b>3 Financial income</b>		
Interest received from group enterprises	18.884.766	13.096.367
	<b><u>18.884.766</u></b>	<b><u>13.096.367</u></b>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	5.083.369	3.447.668
Other financial expenses	19.288.080	7.326.022
Exchange adjustments, expenses	1.132.833	689.725
	<b><u>25.504.282</u></b>	<b><u>11.463.415</u></b>

## Notes to the Financial Statements

	2018	2017
	DKK	DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	1.112.673	8.717.280
Deferred tax for the year	3.698.181	2.542.558
Adjustment of tax concerning previous years	289.790	2.335.726
Adjustment of deferred tax concerning previous years	16.240	788.896
	<b>5.116.884</b>	<b>14.384.460</b>
which breaks down as follows:		
Tax on profit/loss for the year	5.499.049	14.384.460
Tax on changes in equity	-382.165	0
	<b>5.116.884</b>	<b>14.384.460</b>

## 6 Intangible assets

	Completed development projects	Trademarks and rights	Goodwill	Intangible assets in progress
	DKK	DKK	DKK	DKK
Cost at 1 January	17.202.475	21.017.539	5.132.968	9.264.470
Additions for the year	0	150.761	0	20.696.011
Disposals for the year	0	0	0	-84.930
Transfers for the year	14.351.767	697.463	0	-15.049.230
Cost at 31 December	<b>31.554.242</b>	<b>21.865.763</b>	<b>5.132.968</b>	<b>14.826.321</b>
Impairment losses and amortisation at 1 January	0	5.052.526	2.823.133	0
Amortisation for the year	2.198.645	2.307.241	513.297	0
Other adjustments	0	19.579	0	0
Impairment losses and amortisation at 31 December	<b>2.198.645</b>	<b>7.379.346</b>	<b>3.336.430</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>29.355.597</b>	<b>14.486.417</b>	<b>1.796.538</b>	<b>14.826.321</b>

Development projects relate to the development of new software for Joe & The Juice stores, including internal reporting tools. Management has assessed that the projects meet the requirements for capitalisation. Some of the projects were completed end of 2018 and thus transferred to completed development projects. The remaining projects are expected to be completed in 2019 and 2020. 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

### 7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost at 1 January	112.675.011	47.085.447	3.648.231
Additions for the year	329.013	585.750	47.013.350
Disposals for the year	-1.763.496	-247.987	-2.747.933
Transfers for the year	20.130.266	7.541.909	-27.672.175
Cost at 31 December	<u>131.370.794</u>	<u>54.965.119</u>	<u>20.241.473</u>
Impairment losses and depreciation at 1 January	60.287.350	21.487.827	0
Depreciation for the year	18.239.096	7.412.989	0
Reversal of impairment and depreciation of sold assets	-910.518	-13.089	0
Other adjustments	-19.579	0	0
Impairment losses and depreciation at 31 December	<u>77.596.349</u>	<u>28.887.727</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>53.774.445</u></b>	<b><u>26.077.392</u></b>	<b><u>20.241.473</u></b>
Including assets under finance leases amounting to	<u>18.601.520</u>	<u>0</u>	<u>0</u>
Interest expenses recognised as part of cost	<u>90.129</u>	<u>0</u>	<u>0</u>

## Notes to the Financial Statements

	2018 <u>DKK</u>	2017 <u>DKK</u>
<b>8 Investments in subsidiaries</b>		
Cost at 1 January	134.653.069	17.457.953
Additions for the year	<u>28.106.896</u>	<u>117.195.116</u>
Cost at 31 December	<u>162.759.965</u>	<u>134.653.069</u>
Value adjustments at 1 January	-7.142.032	-6.789.319
Exchange adjustment	-89.952	-2.576.537
Net profit/loss for the year	-30.087.948	2.698.607
Other equity movements, net	0	282.540
Amortisation and impairment of goodwill	<u>-2.693.936</u>	<u>-757.323</u>
Value adjustments at 31 December	<u>-40.013.868</u>	<u>-7.142.032</u>
<b>Carrying amount at 31 December</b>	<b><u>122.746.097</u></b>	<b><u>127.511.037</u></b>
Remaining positive difference included in the above carrying amount at 31 December	<u>25.943.139</u>	<u>28.637.074</u>

## Notes to the Financial Statements

### 8 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 ILLINOIS LLC	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 WASHINGTON LLC	USA	100%
JOE & THE JUICE NEW YORK LLC	USA	100%
JOE & THE JUICE WTC LLC	USA	100%
NFB Asia Pte. Ltd.	Singapore	100%
NFB Asia (Hong Kong) Limited	Hong Kong	100%
JOE & THE JUICE Shanghai WFOE	China	100%

All foreign subsidiaries are recognised and measured as separate entities.

## Notes to the Financial Statements

### 9 Other fixed asset investments

	Deposits DKK
Cost at 1 January	1.062.367
Additions for the year	144.250
Cost at 31 December	<u>1.206.617</u>
<b>Carrying amount at 31 December</b>	<b><u>1.206.617</u></b>

### 10 Prepayments

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

	2018 DKK	2017 DKK
<b>11 Distribution of profit</b>		
Retained earnings	-16.518.137	38.701.686
	<u>-16.518.137</u>	<u>38.701.686</u>

### 12 Provision for deferred tax

Provision for deferred tax at 1 January	6.177.454	2.846.000
Amounts recognised in the income statement for the year	3.698.181	2.542.558
Adjustment of deferred tax concerning previous years	16.240	788.896
<b>Provision for deferred tax at 31 December</b>	<b><u>9.891.875</u></b>	<b><u>6.177.454</u></b>

### 13 Other provisions

Provision for restoration obligations on leases	2.400.000	2.598.128
	<u>2.400.000</u>	<u>2.598.128</u>

# Notes to the Financial Statements

## 14 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:

	<u>2018</u> DKK	<u>2017</u> DKK
<b>Credit institutions</b>		
After 5 years	0	31.219.220
Between 1 and 5 years	<u>286.096.100</u>	<u>124.876.880</u>
Long-term part	286.096.100	156.096.100
Other short-term debt to credit institutions	<u>72.099.791</u>	<u>36.722.876</u>
	<b><u>358.195.891</u></b>	<b><u>192.818.976</u></b>
<b>Lease obligations</b>		
Between 1 and 5 years	<u>11.987.480</u>	<u>10.229.366</u>
Long-term part	11.987.480	10.229.366
Within 1 year	<u>7.523.334</u>	<u>5.098.930</u>
	<b><u>19.510.814</u></b>	<b><u>15.328.296</u></b>
<b>Trade payables</b>		
Between 1 and 5 years	<u>0</u>	<u>1.345.631</u>
Long-term part	0	1.345.631
Other short-tem trade payables	<u>71.259.289</u>	<u>61.281.382</u>
	<b><u>71.259.289</u></b>	<b><u>62.627.013</u></b>

## 15 Deferred income

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

## Notes to the Financial Statements

	2018 DKK	2017 DKK
<b>16 Contingent assets, liabilities and other financial obligations</b>		

### 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 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 and Joe & The Juice (Switzerland) AG have been provided as security under certain circumstances for all accounts with SEB.

### Rental obligations

Total future rental payments:

Within 1 year	26.114.742	28.369.257
Between 1 and 5 years	29.021.581	40.055.056
After 5 years	9.980.470	804.229
	<b>65.116.793</b>	<b>69.228.542</b>

### Other contingent liabilities

The Company has provided guarantee of payments for subsidiaries' outstanding balances with Danske Bank.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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

## 17 Related parties

### Basis

---

#### Controlling interest

Joe and 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 Report of the Ultimate Parent Company Joe & Juice Holding A/S.

Name

Place of registered office

---

Joe & The Juice Holding A/S

Copenhagen, Denmark

## 18 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.

## 19 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of Joe & The Juice A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

### 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

## 20 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 in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

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.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### 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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### 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 indirect production costs and 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **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 Company, including management and franchise fees and gains and losses on leases.

### **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 Danish group companies. 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 are measured at the lower of cost less accumulated amortisation and recoverable amount. Trademarks are amortised over the remaining trademark period, and rights are amortised over the period of the agreement; however not exceeding 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 10 years.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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. All indirectly attributable borrowing expenses are recognised in the income statement.

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	5 years
Leasehold improvements	5-10 years

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 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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 goods for resale 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 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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 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 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$