Joe & The Juice A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2021

CVR No 26 58 93 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 11/7 2022

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 A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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, 11 July 2022

Executive Board

Emil Staal Bergander	Thomas Kusk Nørøxe

Board of Directors

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

Independent Auditor's Report

To the Shareholders of Joe & The Juice A/S

Opinion
We have audited the financial statements of Joe & The Juice A/S for the financial year 1 January 2021 - 31 December 2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to note 1 of the financial statements, which describes going concern assumptions. Our opinion is not modified in respect of this matter.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

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 Entity's internal control.

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

- 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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent Auditor's Report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 11 July 2022
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Bjørn Winkler Jakobsen
State Authorised Public Accountant
mne32127

Niels Skannerup Vendelbo
State Authorised Public Accountant
mne34532

Company Information

The Company	Joe & The Juice A/S Østergade 26 DK-1100 København K CVR No: 26 58 93 55 Financial period: 1 January - 31 December Municipality of reg. office: København K
Board of Directors	Kaspar Basse, Chairman Tue Mantoni, Deputy Chairman Morten Nødgaard Albæk Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Björn Lundgren
Executive Board	Emil Staal Bergander 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 Company is described by the following financial highlights:

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	264.009	221.053	280.826	269.049	261.081
Gross profit/loss	242.904	194.463	244.835	239.155	261.295
Result before depreciations (EBITDA)	-11.299	1.185	39.759	62.113	79.971
Profit/loss before financial income and expenses	-39.983	-24.858	104	28.382	49.512
Net financials	-47.076	-392.534	-313.267	-39.401	3.574
Net profit/loss for the year	-85.031	-417.392	-313.163	-16.518	38.702
Balance sheet					
Balance sheet total	502.454	430.676	512.839	776.497	565.965
Equity	21.269	-114.691	-338.249	156.416	174.379
Investment in property, plant and equipment	10.212	25.042	23.348	47.928	24.880
Number of average employees	343	271	312	318	315
Ratios					
Gross margin	92,0%	88,0%	87,2%	88,9%	99,1%
EBITDA margin	-4,3%	0,5%	14,2%	23,1%	30,7%
Solvency ratio	4,2%	-26,6%	-66,0%	20,1%	30,8%

2021 gross margin percentage has been affected by increase in Other operating income due to COVID-19 related goverment grants.

Management's Review

Key activities

The objective of the Company is to operate Joe & The Juice stores in Denmark and related activities and hold shares in entities operating JOE & THE JUICE stores around the World.

Development in the year

By the end of 2021, the Company operates 63 stores in 2021 Denmark which is one more compared to 2020.

The income statement of the Company for 2021 shows a loss of DKK 85 million, which is driven by investments in future growth and expansion, COVID-19 impact and negative results from the investments in subsidiaries.

The Company's revenue for 2021 equaled DKK 264 million compared to DKK 221 million in 2020, an increase of 16%, and on 31 December 2021 the balance sheet of the Company shows equity of DKK 21.3 million. Management is overall satisfied with the development and the financial results of the Company in 2021 and will continue to expand in international markets through its subsidiaries.

Change in accounting policies and correction of material misstatements

Management has decided to roll back the adoption of IFRS 16 as interpretation of the Danish Financial Statements Act included in the 2020 financial statements as basis for recognition and measurement of leases. The reasons behind the decision are that the internal reporting and measurement of the Company's performance as wells as reporting to lenders were and are conducted according to IAS 17, which, in managements opinion, provide a true and fair view of the performance of the entity's business. The lease obligation for future lease payments are disclosed as contingent liabilities and the Right-of-Use assets for Denmark are included in the consolidated financial statements for Joe & The Juice Holding A/S.

As part of adoption of IFRS in the consolidated financial statements of Joe & the Juice Holding A/S, Management has identified that not all lease contracts within the scope of IFRS 16 were included in the right of use asset and lease liability as of 1 January 2020. Further, certain inaccuracies in respect of applicable terms of individual leases have been identified. These errors also affected the Company and are included as part of the IFRS 16 roll back.

Based on the decision the leases are classified as operating leases. The new accounting policy has been applied retrospectively as of 1 January 2020 and comparative figures have been changed. As of 1 January 2020, the operational lease expenses are recognized as Other external expenses.

The impact of changes in accounting policies and correction of material misstatements on the balance sheet and Income statement figures for the 2020 comparative figures are illustrated in note 21 Accounting policies.

Management's Review

Going concern

Over recent years, the Company has realized financial losses, which have been supported by the shareholders through capital increases. The Group is however currently generating positive cash flows from its operations and based on liquidity forecasts, expects to meet the financial covenants set out in the syndicated loan agreement. In July 2023, the term facility and the revolving credit facility fall due. Further, the capex facility except for 75 MDKK falls due in June 2023. Finally, the subordinated loan granted by Vækstfonden falls due in July 2023. The Group does not expect to generate sufficient cash from operations to meet this repayment obligation. Management has initiated discussion with the bank syndicate regarding deferral of repayments. Based on these discussions and an assessment of the enterprise value of the Group, Management expects a positive outcome of the discussions or in case of failure that alternative funding sources are available.

On this basis, Management has prepared the financial statement based on the assumption that the Company will continue its operations.

Special risks - operating risks and financial risks

Market conditions

From the beginning of January 2021 until mid-April 2021, several JOE & THE JUICE stores were either closed or had to operate under restrictions in locations with reduced customer traffic due to socializing restrictions, work from home guidelines and reduced travelling. The period from mid-April to end-October 2021, JOE & THE JUICE experienced consistent growth across all the subsidiaries and across all sales channels. However, during November and December 2021, COVID-19 rebounded which led to a slowdown in the positive momentum.

For 2021, COVID-19 has had an overall negative impact on the Company's performance. The negative impact relates primarily to rent, and utility costs incurred during temporary closures and payroll for idle employees in stores, where the staffing level could not be reduced to reflect the lower and more volatile activity level.

During 2021, JOE & THE JUICE continued to invest heavily in the shift plans and the training of the employees to continuously protect and enhance the culture of JOE & THE JUICE and ultimately to ensure positive purchase experiences for all customers when they visit JOE & THE JUICE. The investments were made with a strong belief in a higher activity level after COVID-19.

Currency exposure

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

Management's Review

Strategy

JOE & THE JUICE's strategy is to continue the expansion of 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.

Targets and expectations for the year ahead

JOE & THE JUICE has ambitious growth plans for the future. During 2021, JOE & THE JUICE A/S completed a capital contribution of 250 mDKK, which enables JOE & THE JUICE A/S to continue the store expansion in Denmark and internationally through its subsidiaries. In 2021 18 stores were opened in JOE & THE JUICE globally and 20+ more stores are expected to be opened during 2022 in Denmark and in the subsidiaries.

Despite the uncertain market conditions, Management has a positive outlook for the future and expects a double digit growth in revenue in 2022.

Knowledge resources

The key for JOE & THE JUICE is to continuously develop and retain its employees and to continuous invest in building the culture of JOE & THE JUICE. It is also important for the continued growth of the JOE & THE JUICE to attract and retain new, talented employees.

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 a corporate social responsibility report. The corporate social responsibility report is included in the Annual Report for Joe & The Juice Holding A/S for 2021.

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 Company was actively working on increasing the number of representatives of the underrepresented gender, even though there was no change in 2021.

The gender composition of the Board of Directors did not change during 2021, and the percentage of women is 25%, meaning that two out of eight Board of Directors are women. In 2017, the Group had set a target for the number of women on the Board of Directors to be two out of eight by 2022. Therefore, the target set in 2017 is reached and the new target for 2025 is that a minimum 37.5% of the Board of Directors are of the under-represented gender.

The Company 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 2021, the Company'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 35% at the beginning of the year to 47% at year-end.

The same hiring principles apply to all organizational levels, including Management. The percentage of women in managerial roles was around 3%. The Company has set the target to reach 25% of the under-represented gender in managerial roles by 2025.

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 2021 of the Group and the results of the activities and cash flows of the Group for the financial year 2021 have been affected by COVID-19.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2021	2020
		TDKK	TDKK
Revenue	2	**264.009**	**221.053**
Work on own account recognised in assets		4.107	3.996
Other operating income	3	24.309	11.862
Expenses for raw materials and consumables		-49.521	-42.448
Gross profit		**242.904**	**194.463**
Other external expenses		-132.845	-92.759
Staff expenses	4	-121.358	-100.519
Result before depreciations (EBITDA)		**-11.299**	**1.185**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-28.684	-26.043
Loss before financial income and expenses		**-39.983**	**-24.858**
Result from investments in subsidiaries	5	-65.454	-381.853
Financial income	6	36.497	29.161
Financial expenses	7	-18.119	-39.842
Loss before tax		**-87.059**	**-417.392**
Tax on profit/loss for the year	8	2.028	0
Net loss for the year		**-85.031**	**-417.392**

Balance Sheet 31 December

Assets

	Note	2021	2020
		TDKK	TDKK
Completed development projects		32.948	29.664
Trademarks and rights		4.444	5.497
Goodwill		0	770
Intangible assets in progress		0	732
Intangible assets	9	**37.392**	**36.663**
Other fixtures and fittings, tools and equipment		22.116	30.806
Leasehold improvements		26.658	26.451
Property, plant and equipment in progress		530	105
Property, plant and equipment	10	**49.304**	**57.362**
Investments in subsidiaries	11	116.855	99.670
Receivables from group enterprises	12	233.449	167.957
Deposits	12	1.195	1.092
Fixed asset investments		**351.499**	**268.719**
Fixed assets		**438.195**	**362.744**
Inventories		**4.996**	**4.881**
Trade receivables		11.997	3.771
Receivables from group enterprises		8.774	0
Prepayments	13	25.025	2.498
Receivables		**45.796**	**6.269**
Cash at bank and in hand		**13.467**	**56.782**
Currents assets		**64.259**	**67.932**
Assets		**502.454**	**430.676**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		TDKK	TDKK
Share capital		618	618
Reserve for development costs		25.700	23.709
Other statutory reserves		-20.554	8.455
Retained earnings		15.505	-147.473
Equity		**21.269**	**-114.691**
Other provisions	15	14.851	17.650
Provisions		**14.851**	**17.650**
Credit institutions		318.772	309.901
Lease obligations		2.059	5.053
Payables to group enterprises		14.532	28.401
Other payables		2.334	2.308
Long-term debt	16	**337.697**	**345.663**
Lease obligations	16	2.940	5.098
Trade payables		79.023	47.002
Payables to group enterprises	16	0	106.769
Corporation tax		2	0
Other payables	16	17.153	19.224
Deferred income	17	29.519	3.961
Short-term debt		**128.637**	**182.054**
Debt		**466.334**	**527.717**
Liabilities and equity		**502.454**	**430.676**
Going concern	1		
Distribution of profit	14		
Contingent liabilities and other financial obligations	18		
Related parties	19		
Fee to auditors appointed at the general meeting	20		
Accounting Policies	21		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Other statutory reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	618	23.709	29.799	-185.081	-130.955
Net effect of correction of material misstatements	0	0	-21.344	20.841	-503
Net effect from change of accounting policy	0	0	0	16.767	16.767
Adjusted equity at 1 January	618	23.709	8.455	-147.473	-114.691
Exchange adjustments, relating to foreign entities	0	0	-29.654	0	-29.654
Capital contribution	0	0	0	250.000	250.000
Amortization of hedging instruments	0	0	645	0	645
Development costs for the year	0	9.692	0	-9.692	0
Depreciation, amortisation and impairment for the year	0	-7.701	0	7.701	0
Net loss for the year	0	0	0	-85.031	-85.031
Equity at 31 December	**618**	**25.700**	**-20.554**	**15.505**	**21.269**

Notes to the Financial Statements

1 Going concern

Over recent years, the Company has realized financial losses, which have been supported by the shareholders through capital increases. The Group is however currently generating positive cash flows from its operations and based on liquidity forecasts, expects to meet the financial covenants set out in the syndicated loan agreement. In July 2023, the term facility and the revolving credit facility fall due. Further, the capex facility except for 75 MDKK falls due in June 2023. Finally, the subordinated loan granted by Vækstfonden falls due in July 2023. The Group does not expect to generate sufficient cash from operations to meet this repayment obligation. Management has initiated discussion with the bank syndicate regarding deferral of repayments. Based on these discussions and an assessment of the enterprise value of the Group, Management expects a positive outcome of the discussions or in case of failure that alternative funding sources are available.

On this basis, Management has prepared the financial statement based on the assumption that the Company will continue its operations.

	2021	2020
	TDKK	TDKK

2 Revenue

Geographical segments

	2021 TDKK	2020 TDKK
Revenue, Denmark	264.009	221.053
	264.009	**221.053**

3 Other operating income

	2021 TDKK	2020 TDKK
Other income	24.309	11.862
	24.309	**11.862**

Other operating income consist of franchise fee and government grants.
The Company has applied for and received DKK 14.5 mDKK (2020: 8.9 mDKK) in salary compensation and 6.4 mDKK (2020: DKK 0) in fixed cost compensation via Government granted aid packages, to compensate for salary paid to employees on furlough and fixed costs during lock downs. The cost compensated are recognized within the financial statement lines ‘Staff expenses’ and 'Other external expenses'.

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
4	**Staff expenses**		
	Wages and salaries	113.917	96.053
	Pensions	2.926	1.392
	Other social security expenses	840	617
	Other staff expenses	3.675	2.457
		121.358	**100.519**
	Including remuneration to the Executive Board	**2.340**	**3.480**
	Average number of employees	**343**	**271**

		2021	2020
5	**Result from investments in subsidiaries**		
	Share of losses of subsidiaries	-65.454	-381.853
		-65.454	**-381.853**

		2021	2020
6	**Financial income**		
	Interest received from group enterprises	35.708	27.513
	Other financial income	789	0
	Fair value adjustments of derivatives	0	1.648
		36.497	**29.161**

		2021	2020
7	**Financial expenses**		
	Fair value adjustments of derivatives	645	0
	Interest paid to group enterprises	1.389	9.109
	Other financial expenses	15.760	29.788
	Exchange adjustments, expenses	325	945
		18.119	**39.842**

Notes to the Financial Statements

	2021	2020
	TDKK	TDKK
8 Tax on profit/loss for the year		
Current tax for the year	0	0
Adjustment of tax concerning previous years	-2.028	0
	-2.028	**0**

9 Intangible assets

	Completed development projects	Trademarks and rights	Goodwill	Intangible assets in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	39.066	11.680	5.133	732
Additions for the year	12.425	0	0	0
Transfers for the year	732	0	0	-732
Cost at 31 December	52.223	11.680	5.133	0
Impairment losses and amortisation at 1 January	9.402	6.183	4.363	0
Impairment losses for the year	81	0	0	0
Amortisation for the year	9.792	1.053	770	0
Impairment losses and amortisation at 31 December	19.275	7.236	5.133	0
Carrying amount at 31 December	**32.948**	**4.444**	**0**	**0**

Development projects primarily relate to ongoing 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 projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to result in improved efficiency and also support the Company in its further expansion.

Notes to the Financial Statements

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 January	87.393	33.115	105
Net effect from change of accounting policy	32.784	0	0
Additions for the year	5.047	3.938	530
Disposals for the year	-7.414	-130	0
Transfers for the year	0	105	-105
Cost at 31 December	117.810	37.028	530
Impairment losses and depreciation at 1 January	72.042	6.664	0
Net effect from change of accounting policy	17.226	0	0
Impairment losses for the year	0	336	0
Depreciation for the year	11.762	3.427	0
Impairment and depreciation of sold assets	-5.336	-57	0
Impairment losses and depreciation at 31 December	95.694	10.370	0
Carrying amount at 31 December	**22.116**	**26.658**	**530**

Notes to the Financial Statements

11 Investments in subsidiaries

	2021	2020
	TDKK	TDKK
Cost at 1 January	497.621	458.019
Additions for the year	0	39.602
Cost at 31 December	497.621	497.621
Value adjustments at 1 January	-803.455	-430.937
Exchange adjustment	-29.653	9.335
Net loss for the year	-65.454	-381.853
Value adjustments at 31 December	-898.562	-803.455
Equity investments with negative net asset value set-off against receivables from Group enterprises	517.796	405.504
Carrying amount at 31 December	**116.855**	**99.670**

Notes to the Financial Statements

11 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

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

All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

12 Other fixed asset investments

	Receivables from group enterprises	Deposits
	TDKK	TDKK
Cost at 1 January	573.461	1.092
Additions for the year	177.784	103
Cost at 31 December	751.245	1.195
Impairment losses at 1 January	343.012	0
Net effect from change of accounting policy	62.492	0
Adjustment for negative equity values for the year	112.292	0
Impairment losses at 31 December	517.796	0
Carrying amount at 31 December	**233.449**	**1.195**

13 Prepayments

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

	2021	2020
	TDKK	TDKK

14 Distribution of profit

Retained earnings	-85.031	-417.392
	-85.031	**-417.392**

15 Other provisions

Provision for restoration obligations on leases	14.851	13.640
Other provisions	0	4.010
	14.851	**17.650**

In 2020 Joe & The Juice A/S applied for and received fixed-cost compensation under the relevant government granted COVID-19 compensation package of DKK 4 million. However, at 31 December 2020 it was Management's opinion that some uncertainty exists whether the company qualified for these compensations, and consequently they have not been recognized in the profit and loss statement for 2020. The amount has been recognised government grant in 2021.

Notes to the Financial Statements

16 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:

	2021	2020
	TDKK	TDKK
Credit institutions		
Between 1 and 5 years	318.772	309.901
Long-term part	318.772	309.901
Within 1 year	0	0
	318.772	**309.901**
Lease obligations		
Between 1 and 5 years	2.059	5.053
Long-term part	2.059	5.053
Within 1 year	2.940	5.098
	4.999	**10.151**
Payables to group enterprises		
Between 1 and 5 years	14.532	28.401
Long-term part	14.532	28.401
Other short-term debt to group enterprises	0	106.769
	14.532	**135.170**
Other payables		
Between 1 and 5 years	2.334	2.308
Long-term part	2.334	2.308
Other short-term payables	17.153	19.224
	19.487	**21.532**

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

17 Deferred income

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

Notes to the Financial Statements

18 Contingent liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bank and credit institutions:
Shares in the companies Joe & The Juice US Holdings Inc., Joe & The Juice New York LLC, Joe & The Juice SFO LLC, Joe & The Juice Bleichenhof GmbH, Joe & The Juice Norge AS, Joe & The Juice NG AB, Joe and The Juice UK Ltd., Joe & The Juice Sydney Pty Ltd., Joe & The Juice Nice SARL, Joe & The Juice (Switzerland) AG, Joe & The Juice SFO LLC and Joe & The Juice Netherlands B.V., with a booked value of DKK 117 million at 31 December 2021, have been provided as security under certain circumstances for all accounts with SEB.

Rental obligations

The Company has entered into leases of property up to and included 2028. The Company will be looking to extend leases on prime locations beyond what is included in the lease agreement, if the extensions can be carried out on commercially reasonably terms.

The stores are generally located at prime locations. The lease contracts have extension options, and are considered non-cancelable from the perspective of the lessor. The Company can generally terminate the leases with short term notice.

Further, the market in which the Company operates is characterised by being a relatively mature market, and historically, only a few restaurants have been closed down. Some rental agreements comprise revenue based lease payments in addition to fixed payments.

Total future minimum rental payments amount to TDKK 102,394 (2020: TDKK 134,612), whereas TDKK 29,857 (2020: TDKK 32,217) falls due within 1 year, TDKK 71,326 (2020: TDKK 95,815) falls due within 2-5 years and TDKK 1,211 (2020: 6,580) falls due after 5 years.

Rent expenses recognized as other external expenses in 2021 amounts to TDKK 38.060 (2020: TDKK 39,227), of which TDKK 6,541 were variable rental payments (2020: TDKK 5,255).

Other contingent liabilities

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

The company has issued unlimited support letters to the company's subsidiaries, Joe & The Juice UK LTD, Joe & The Juice Norge AS, Joe & The Juice Belgium NV and NFB Asia Pte. Ltd.

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

Notes to the Financial Statements

19 Related parties

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

Transactions

The Parent Company has carried out a capital contribution to the Company. Besides this transaction no related party transactions not on "arm's length" have been carried out.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of the Ultimate Parent Company Joe & Juice Holding A/S.

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

20 Fee to auditors appointed at the general meeting

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

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Joe & The Juice A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Financial Statements for 2021 are presented in TDKK.

Changes in accounting policies

Leases

Management has decided to roll back the adoption of IFRS 16, Leases, as interpretation of the Danish Financial Statements Act included in the 2020 financial statements as basis for recognition and measurement of leases. The reason behind the decision are that the internal financial reporting and measurement of the company's performance as wells as reporting to lenders were and are conducted according to IAS 17, which therefore, in managements opinion, provide a more true and fair view of the performance of the entity's business. The lease obligation for future lease payments are disclosed as contingent liabilities.

The primary reason for last year's decision to adopt IFRS 16 in the financial statements was to align the accounting policies with the accounting policies in the consolidated financial statements of Joe & the Juice Holding A/S after an expected transition to IFRS in 2021 for these consolidated financial statements. The consolidated financial statements of Joe & the Juice Holding A/S are prepared in accordance with IFRS for 2021, and the lease liabilities and right of use assets in Joe and the Juice A/S are included in the consolidated financial statement for Joe and the Juice Holding A/S where they are recognized and measured according to IFRS 16.

Any effects of IFRS 16 booked in 2021 has simultaneously been reversed and are not included in the figures. Rent expenses recognized as other external expenses in 2021 and that would have been included in an IFRS 16 recognition amounts to TDKK 38.060.

The roll back of the IFRS 16 also have impacts on investment in subsidiaries where the IFRS 16 were affecting the net loss for 2020. This effect has simultaneously been rolled back.

Based on the decision the leases are classified as operating leases. The new accounting policy has been applied retrospectively as of 1 January 2020 and comparative figures have been changed. As of 1 January 2020, the operational lease expenses are recognized as Other external expenses.

Notes to the Financial Statements

21 Accounting Policies (continued)

Correction of material misstatements

As part of adoption of IFRS in the consolidated financial statements of Joe & the Juice Holding A/S for 2021, Management has identified that not all lease contracts within the scope of IFRS 16 were included in the right of use asset and lease liability as of 1 January 2020. Further, certain inaccuracies in respect of applicable terms of individual leases have been identified. These errors are addressed as well as part of the IFRS 16 roll back.

Impact from change in accounting policies and correction of material misstatements on the balance sheet and Income statement figures for the 2020 comparative figures are as follows:

	2020 inclding IFRS 16	Roll back effect IFRS 16	2020 restated
Proberty, plant and equipment	413.120	-355.758	57.362
Investments in subsidiaries	128.682	-29.012	99.670
Receivables from group enterprises	139.449	28.508	167.957
Total effect on assets	**681.251**	**-356.262**	**324.989**
Equity	-130.955	16.264	-114.691
Lease obligations, Long-term debt	338.220	-333.166	5.053
Lease obligations, Short-term debt	44.458	-39.360	5.098
Total effect on liabilities	**251.723**	**-356.262**	**-104.540**
Other external expenses	-53.532	-39.227	-92.759
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	-60.144	34.101	-26.043
Result from investments in subsidiaries	-402.694	20.841	-381.853
Financial expenses	-61.735	21.893	-39.842
Total effect income statement	**-578.105**	**37.608**	**-540.497**

Had the Company's financial statements for 2021 been prepared in accordance with IFRS 16, it would have had an approximately opposite effect corresponding to the above.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized 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 capitalized and recognized 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 according to IAS 17. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term. The company's total obligation relating to operating leases is disclosed in contingencies.

Translation policies

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

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

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

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

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Income Statement

Revenue

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income

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

Result from investments in subsidiaries

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

Financial income and expenses

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Tax on profit/loss for the year

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

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

Balance Sheet

Intangible assets

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

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

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

Property, plant and equipment

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

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

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

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

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

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

Other fixed asset investments

Other fixed asset investments consist of deposits and receivables from group enterprises.

Inventories

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

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

The cost of goods for resale equals landed cost.

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Receivables

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

Prepayments

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

Equity

Dividend

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

Provisions

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

Deferred tax assets and liabilities

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

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

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial debts

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

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

Deferred income

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

Financial Highlights

Explanation of financial ratios

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