

Sticks 'n' Sushi Holding A/S

Nansensgade 49, 1366 København K
CVR no. 32 83 85 02

Annual report for the financial year 01.07.15 - 30.06.16

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 03.10.16

Jakob Vestergaard Jensen
Dirigent

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The company

Sticks 'n' Sushi Holding A/S
Nansensgade 49
1366 København K
Registered office: København K
CVR no.: 32 83 85 02

Board of Directors

Erik Preben Holm, chairman
Axel Weber
Siri Lande
Susanna Anita Lindberg
Roderick Wallace Mckie

Executive Board

Kim Rahbek Hansen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

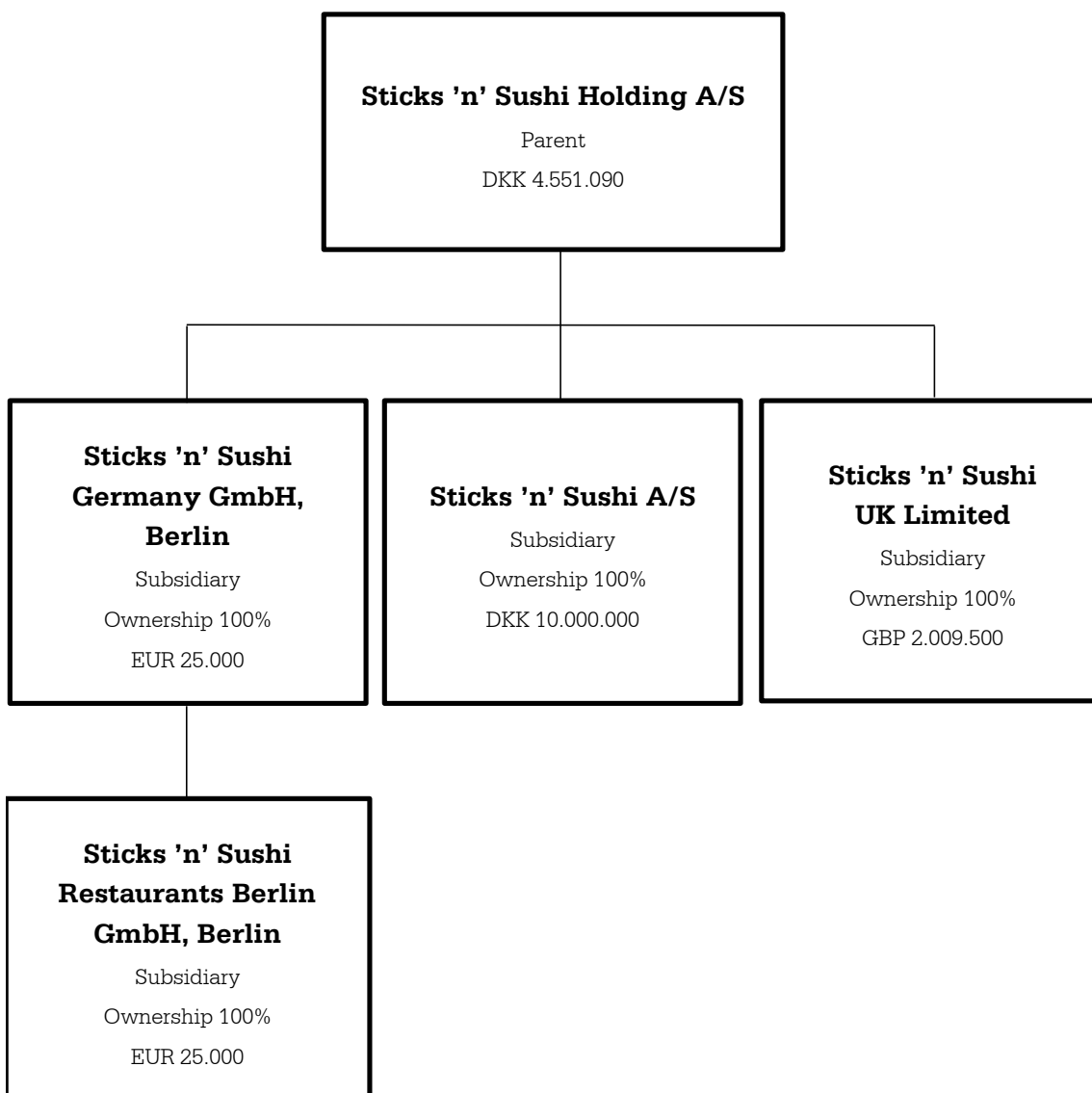
Danske Bank

Parent company

Sticks 'n' Sushi Holding A/S

Subsidiaries

Sticks 'n' Sushi A/S, København
Sticks 'n' Sushi UK Limited, London
Sticks 'n' Sushi Germany GmbH, Berlin



Statement of the Board of Directors and Executive Board on the annual report

Today we have presented the annual report for the financial year 01.07.15 - 30.06.16 for Sticks 'n' Sushi Holding A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the group's and the company's assets, liabilities and financial position as at 30.06.16 and of the results of their activities and the consolidated cash flows for the financial year 01.07.15 - 30.06.16.

We believe that the management's review gives a true and fair review of the matters dealt with in the review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, October 3, 2016

Executive Board

Kim Rahbek Hansen

Board of Directors

Erik Preben Holm
Chairman

Axel Weber

Siri Lande

Susanna Anita Lindberg

Roderick Wallace Mckie

To the capital owner of Sticks 'n' Sushi Holding A/S**REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS**

We have audited the consolidated financial statements and parent company financial statements of Sticks 'n' Sushi Holding A/S for the financial year 01.07.15 - 30.06.16, which comprise the income statement, balance sheet, accounting policies and notes for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's and the parent company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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 group's and the parent company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the consolidated financial statements and parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30.06.16 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.07.15 - 30.06.16 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, October 3, 2016

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Nislev
State Authorized Public Accountant

FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000	2015/16	2014/15	2013/14	2012/13	2011/12
<i>Profit/loss</i>					
Revenue	423.767	350.949	286.546	248.300	209.884
Gross profit	219.413	185.892	158.009	137.521	115.656
Operating profit/loss	3.909	10.021	11.780	6.571	3.472
Profit/loss before tax and extraordinary items	2.978	13.557	12.252	4.845	2.901
Profit/loss for the year	2.814	9.829	8.763	4.015	2.019
<i>Balance</i>					
Total assets	131.545	123.257	82.738	67.321	67.652
Total equity	36.896	40.600	30.029	19.255	12.835
<i>Cashflow</i>					
Net cash flow:					
Operating activities	11.355	40.353	27.940	16.168	14.661
Investing activities	-30.628	-51.551	-22.931	-8.711	-24.782
Financing activities	482	-97	447	-10.595	-3.106
Cash flows for the year	-18.791	-11.295	5.456	-3.138	-13.227

Ratios

	2015/16	2014/15	2013/14	2012/13	2011/12
<i>Profitability</i>					
Return on equity	7%	28%	36%	25%	17%
Gross margin	52%	53%	55%	55%	55%
Profit margin	1%	3%	4%	3%	2%
<i>Equity ratio</i>					
Equity interest	28%	33%	36%	29%	19%
<i>Others</i>					
Number of employees (average)	656	560	419	326	295

Main activities

Sticks'n'Sushi produces and serves healthy quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakatori sticks rooted in Japanese as well as Danish gastronomical traditions.

The first Sticks'n'Sushi restaurant was opened in March 1994 at Nansensgade 59 in Copenhagen, and has since been followed by 10 more restaurants in the Greater Copenhagen Area and 5 in and around London. Every one of these restaurants, each having its own individual design and interior, forms a natural part of the local area environment which invites comfort and togetherness.

As the latest addition we opened in April 2016 a new restaurant "Krudthuset" at Amager Beach, Copenhagen, and in May 2016 a new restaurant in Cambridge. Both restaurants have an integrated sake- and cocktail bar.

Annually Sticks'n'Sushi serves more than 1.7 million guests in our 16 restaurants or as take-away. This require high quality and hygiene standards, rigorous training of our staff and uniform processes. This year we have rounded 1.000 employees and are today more than 1.050 employees who all have been through extensive introductory and product training courses etc. to secure the continuous execution of high standards of quality and hostmanship anywhere at which our many guests are being welcomed.

Beside the 16 restaurants the group consist of a central kitchen at Rødovre, Copenhagen, with 30 employees that produces semi-finished products, sauces and desserts etc. as well as an office "Baghuset" that covers managerial and administrative support functions placed in Nansensgade 49,

Copenhagen, with 25 employees.

Operational and financial development

At Sticks'n'Sushi, we strive at being thorough in our selection and design of new leaseholds for our restaurants and generally we operate with a 9 – 12 months planning period, a period which also comprises recruitment and training of staff which typically would include approximately 50 employees per restaurant. Over the last two years 2 new restaurants have been opened within a 12-months period.

There are actual plans for opening one more restaurant in Copenhagen, two more in London and one in Berlin within the new subsidiary company, Sticks'n'Sushi Germany GmbH, which will mark the entry into the German market.

Key figures:

DKK '000	2015/16		2014/15		2013/14		2012/13	
Revenue	423.767	100%	350.949	100%	286.546	100%	248.300	100%
EBITDA (Before special items)	29.503	7%	31.199	9%	26.101	9%	19.521	8%
Special items	5.576		6.282		1.066		0	
EBITDA	23.927	6%	24.917	7%	25.035	9%	19.521	8%
EBIT	3.909	1%	10.021	3%	11.780	4%	6.571	3%
EBT	2.978	1%	13.557	4%	12.252	4%	4.845	2%

In total, the Group's revenue grew year-on-year by DKK 72,8 million or 21% to DKK 423,8 million for the financial year 2015/16 as shown in the above 4-year summary. Revenue over the past years has grown primarily as a result of the successful opening of the new restaurants in combination with organic growth of in the existing restaurants.

The financial year ended with an EBITDA of DKK 29,5 million equal to 7% of revenue. Earnings before interest and tax (EBIT) amounting to DKK 3,9 million against DKK 10 million in the previous year.

The English subsidiary, Sticks'n'Sushi UK Ltd., contributed to the Group results with revenue of DKK 127,7 million (77.1 in 2014/15) and a positive EBITDA of DKK 9,9 million (4.1 in 2014/15), including establishment costs and royalties to the parent company.

The newly formed German subsidiary, Sticks'n'Sushi Germany GmbH, sustained a loss of DKK 2,6 million primarily due to setting up the new company structure and the start-up cost related to our new restaurant in Berlin.

Group net income for the year amounted to DKK 2,8 million compared to a net income of DKK 9.8 million for the financial year 2014/15.

The group have in 2015/16 initiated some long term investments with opening and investments into the German market and further investments in digital solutions and not least recruitment of extensive number of staff and top level management.

Management is content with the result of the year, given the significant resources put into establishing the setup to continue the expansion strategy

Corporate Social Responsibility

Social responsibility and sustainability have always been a central part of Sticks'n'Sushi's values and business model characterizing the entire value chain from procurement of raw materials, design of the restaurant, and the daily operations right to the food which we serve for our guests.

The Danes are one of the most organic eating populations in the world. In April 2016 Sticks'n'Sushi went organic on almost all vegetables in our Danish restaurants. We have for years worked hard to reach this milestone in our CSR strategy. We believe that organic ology is the right path in a world where we put more and more pressure on our nature.

It is hard to go organic. We have for years been in a testing phase and worked with different suppliers in order to come up with the right set up and model. We have started a cooperation with the Danish company "Aarstiderne" to deliver the organic vegetables we need in the right quality. It is not primarily a matter of ideology but also ensuring a better taste in our food despite the price is higher and the production time often is longer than none organic vegetables.

The fish being Sticks'n'Sushi's key product is globally a vulnerable natural resource and many species are under threats of being overfished in addition to insufficient public regulation and control. We make sure that the fish which we choose to serve for our guests do not belong to species threatened by extinction, and furthermore that from fishing boat to plate the fish may be traceable in full.

On top of organic vegetables and ensuring that our fish is not threatened species our chicken and pork comes from welfare chicken and free range pigs and the goal is that all meat also will be served organic.

Knowledge resources and development

The hotel and restaurant industry, domestically as well as internationally, generally experience challenges in recruiting kitchen staff. To a certain degree this is also true for Sticks'n'Sushi. However, we do have a good and stable pool of employees holding considerable competences within operation and development of the restaurants and total business concept of Sticks'n'Sushi. Human resource management and development is holding a very high priority at Sticks'n'Sushi and is a decisive factor in attracting and retaining the best qualified employees that currently comprise as much as 45 different nationalities.

Gender composition of management

Sticks'n'Sushi continuously wishes to employ, retain and develop the best qualified employee for the respective job positions within the Group irrespective of gender and age but simultaneously aims at having a good balance in the composition of the personnel's gender, age and seniority realizing that the restaurant industry is an industry with a relatively high level of job rotation.

As at the end of the financial year 2015/16 the gender composition of the management was as follows:

Board of directors: 66,6% men and 33,3% women

Management group: 66,6% men and 33,3% women

It is the objective of Sticks'n'Sushi to retain as a minimum the current level of female representation in management, but raising the female ratio would be welcomed.

The future development of the Company

Following opening of our first restaurant in Berlin in 2016/17 we will continue working on establishing our presences in Berlin, Germany and setting up the local organization and prepare for the second restaurant opening.

In Denmark, a leasehold agreement for a lease in Copenhagen has been entered into with the restaurant opening scheduled for end of 2017. In England, one new leasehold in Oxford has been entered into, which will be ready for the Group's use in 2017. In addition, ongoing negotiations regarding two new leases in London City are taking place with restaurants to be expected to open in the summer of the year 2017 and in the spring 2018.

Right from 1994, Sticks'n'Sushi has cooperated closely with the international reputable architects to secure sufficient resources and new inspiration regarding design and layout of our restaurants, which all have a unique character.

The newly opened restaurants have all had a promising start and are expected to contribute further to a significant increase in revenue and operating profit although further new openings and the establishment in new markets will impact the operating result for the financial year 2016/17 in the form of start-up and phasing-in cost.

Sticks'n'Sushi is of course subject to the usual risks of the restaurant industry such as changing economic trends, consumer preference changes and demand, food security and raw material supplies, etc. The desire for more organic products and improved sustainability in combination with resource shortages and increased raw material costs can potentially impact profitability, and one of the biggest challenges of Sticks'n'Sushi in the years ahead will be finding new and improved alternatives on the raw material side.

Important events occurring after the end of the financial year

Other than described above, no events of significant importance for the Company have occurred after the end of the financial year.

Note	Group		Parent		
	2015/16 DKK '000	2014/15 DKK '000	2015/16 DKK '000	2014/15 DKK '000	
1	Revenue	423.767	350.949	0	0
	Expenses for raw materials and consumables	-122.650	-98.242	0	0
	Other operating expenses	-81.704	-66.815	-250	-159
	Gross profit	219.413	185.892	-250	-159
2	Staff costs	-195.486	-160.976	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	23.927	24.916	-250	-159
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment and intangible assets	-20.018	-14.895	-374	-374
	Operating profit/loss	3.909	10.021	-624	-533
	Income from equity investments in group enterprise	0	0	3.557	10.822
3	Other financial income	197	4.193	49	0
4	Other financial expenses	-1.128	-657	-272	-640
	Total net financials	-931	3.536	3.334	10.182
	Profit/loss before tax and extraordinary items	2.978	13.557	2.710	9.649
5	Tax on profit/loss for the year	-164	-3.728	104	180
	Profit/loss for the year	2.814	9.829	2.814	9.829

Proposed appropriation account

Net revaluation reserve according to the equity method	-3.335	1.189
Retained earnings	6.149	8.640
Total	2.814	9.829

ASSETS		Group		Parent	
		30.06.16 DKK '000	30.06.15 DKK '000	30.06.16 DKK '000	30.06.15 DKK '000
Note					
	Completed development projects	4.329	3.572	0	0
	Acquired rights	14	18	0	0
	Goodwill	1.497	2.172	0	0
6	Total intangible assets	5.840	5.762	0	0
	Other plant, fixtures and fittings, tools and equipment	97.978	94.415	0	0
7	Total property, plant and equipment	97.978	94.415	0	0
8	Equity investments in group enterprises	0	0	44.577	45.398
9	Other receivables	4.900	4.571	0	0
	Total investments	4.900	4.571	44.577	45.398
	Total non-current assets	108.718	104.748	44.577	45.398
	Manufactured goods and goods for resale	4.843	4.517	0	0
	Total inventories	4.843	4.517	0	0
	Trade receivables	8.075	6.560	0	0
	Receivables from group enterprises	0	0	4.356	10.002
	Income tax receivable	0	0	2.379	1.370
	Other receivables	1.401	478	0	0
10	Prepayments	6.596	3.543	0	0
	Total receivables	16.072	10.581	6.735	11.372
	Cash	1.912	3.411	0	0
	Total current assets	22.827	18.509	6.735	11.372
	Total assets	131.545	123.257	51.312	56.770

EQUITY AND LIABILITIES		Group		Parent	
		30.06.16 DKK '000	30.06.15 DKK '000	30.06.16 DKK '000	30.06.15 DKK '000
Note					
	Share capital	4.551	4.551	4.551	4.551
	Net revaluation reserve according to the equity method	0	0	3.912	7.247
	Retained earnings	32.345	36.049	28.433	28.802
11	Total equity	36.896	40.600	36.896	40.600
12	Provisions for deferred tax	5.121	5.439	6.079	5.601
	Other provisions	0	0	2.514	0
	Total provisions	5.121	5.439	8.593	5.601
	Other credit institutions	333	0	0	0
	Other payables	564	708	0	0
13	Total long-term payables	897	708	0	0
13	Short-term portion of long-term payables	430	137	0	0
	Debt to credit institutions	32.325	15.033	0	0
	Trade payables	15.042	26.722	0	0
	Payables group enterprises	0	0	0	5.092
	Income tax	2.352	1.757	0	0
	Other payables	38.482	32.861	5.823	5.477
	Total short-term payables	88.631	76.510	5.823	10.569
	Total payables	89.528	77.218	5.823	10.569
	Total equity and liabilities	131.545	123.257	51.312	56.770
14	Fee for auditors appointed by the general meeting				
15	Contingent liabilities				
16	Security provided				
17	Contractual obligations				
18	Related parties				

Consolidated cash flow statement

Note	2015/16 DKK '000	2014/15 DKK '000
	2.814	9.829
Net profit/loss for the year		
19 Adjustments	21.777	12.467
Change in working capital::		
Inventories	-326	-1.223
Receivables	-5.491	3.029
Trade payables	-11.680	11.638
Other payables relating to operating activities	5.621	3.918
Cash flows from operating activities before net financials	12.715	39.658
Interest income and similar income received	197	4.193
Interest expenses and similar expenses paid	-1.130	-658
Income tax paid	-427	-2.840
Cash flows from operating activities	11.355	40.353
Purchase of intangible assets	-1.764	-2.789
Purchase of property, plant and equipment	-28.535	-47.276
Salg af materielle anlægsaktiver	0	10
Purchase of investments	-329	-1.496
Cash flows from investing activities	-30.628	-51.551
Arrangement of long-term loans	882	0
Repayment of long-term loans	-400	-97
Cash flows from financing activities	482	-97
Total cash flows for the year	-18.791	-11.295
Cash, beginning of year	-11.622	-327
Cash, end of year	-30.413	-11.622
Cash, end of year, comprises:		
Cash	1.912	3.411
Short-term payables to credit institutions	-32.325	-15.033
Total	-30.413	-11.622

GENERAL

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act for large groups and class C companies.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are 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 applying a constant effective rate of interest over the term of the assets and liabilities. Amortised cost is determined as original cost less any principal repayments and less/plus accumulated amortisation of the difference between cost and nominal value.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the time at which the annual report is presented and proving or disproving matters arising on the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and the subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds between 20% and 50% of the voting rights and in which it has a substantial, but not controlling influence, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature and eliminating intercompany income and expenditure, shareholdings, balances and dividends as well as unrealised intercompany gains and losses on inventories and non-current assets.

Newly acquired or newly founded enterprises are recognised in the consolidated financial statements as from the time of acquisition. Divested or discontinued enterprises are recognised in the consolidated income statement up until the time of divestment or discontinuation. Comparative figures are not restated for newly acquired, divested or discontinued enterprises.

Gains or losses on the divestment of subsidiaries are determined as the difference between the consideration and the carrying amount of net assets at the time of divestment, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation.

Newly acquired enterprises are recognised in accordance with the purchase method, according to which the identifiable assets and liabilities of the newly acquired enterprises are recognised at fair value at the time of acquisition. A provision is made to cover expenses incidental to decided and announced restructuring in the acquired enterprise in connection with the acquisition. The tax effect of any reassessments made is recognised.

The cost of the equity investments in the acquired enterprises is set off against the proportionate share of the fair value of the subsidiaries' net assets at the time of the establishment of the group relationship.

The consolidated goodwill (positive difference) at the time of acquisition is recognised as an asset and amortised on a straight-line basis in accordance with an individual assessment of the asset's useful life, such life, however, not exceeding 20 years. Consolidated negative goodwill (negative balance), reflecting an expected adverse development in the enterprises in question, is recognised in the balance sheet under deferred income and is reduced as the conditions underlying the negative balance materialise.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year after the year in which the acquisition took place.

FOREIGN CURRENCY

The annual report is presented in Danish kroner.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or liability arose or was recognised in the latest annual report is recognised in the income statement under financial income or expenses. Non-current assets, inventories and other non-monetary assets acquired in foreign currency are translated using historical exchange rates.

On recognition of foreign subsidiaries which are independent entities, the income statements are recognised at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are recognised using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year and income statements using the exchange rates applicable at the balance sheet date are recognised directly in equity.

Translation adjustments of intercompany balances with independent foreign subsidiaries which are considered part of the overall investment are recognised directly in equity.

INCOME STATEMENT**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year. Revenue is determined at fair value exclusive of VAT and discounts.

Staff cost

Staff cost consist of wages, salaries and other cost related to staff.

Other external expenses

Other external expenses comprise distribution, selling, advertising and administration costs as well as costs of premises, bad debts and operating leases.

Other operating income

Other operating income comprises items of a secondary nature in relation to the enterprise's activities.

Depreciation and amortisation

The amortisation of intangible assets and depreciation of property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. The following useful lives and residual values are applied by the company:

	Useful lives, years	Residual value, per cent
Færdiggjorte udviklingsprojekter	5	0
Erhvervede rettigheder	10	0
Goodwill	5-10	0
Andre anlæg, driftsmateriel og inventar	3-10	0

Acquired rights are amortised over a period exceeding five years. The useful life has been determined in consideration of the period during which the group expects to exercise the rights.

Goodwill is amortised over a period exceeding five years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

New acquisitions of other fixtures and fittings, tools and equipment with a cost of less than DKK 12,900 each are expensed in the income statement in the year of acquisition.

Net financials

Interest income and interest expenses, foreign currency translation adjustments as well as realised and unrealised capital gains and losses on securities are recognised under net financials.

Tax

The current and deferred taxes for the year are recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is taxed jointly with the Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets**

Intangible assets are measured in the balance sheet at the lower of cost less accumulated amortisation and the recoverable amount.

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. Expenses incidental to development projects are recognised at cost with any expenses, including labour costs and amortisation, which can be directly attributed to such development projects. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Gains and losses from the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount on the date of disposal.

Property, plant and equipment

Property, plant and equipment are measured in the balance sheet at the lower of cost less accumulated depreciation and recoverable amount.

Cost comprises the purchase price and any costs directly related to the purchase until the date when the asset is available for use.

Assets held under finance leases are recognised at the time of acquisition in the balance sheet at the lower of fair value and present value of future lease payments. Assets held under finance leases are subsequently recognised and measured as other property, plant and equipment.

Gains and losses from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount on the date of disposal.

Investments

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that the equity investments are measured at the pro-rata share of the enterprises' equity value adjusted for the remaining value of positive or negative goodwill and unrealised intercompany gains and losses. The share of the enterprises' profit or loss after elimination of unrealised intercompany profits and losses is recognised in the income statement.

Equity investments in subsidiaries with a negative carrying amount are measured at DKK 0. Any receivables from such enterprises are impaired to the extent that such receivables are irrecoverable. If the parent has a legal or constructive obligation to cover a deficit which exceeds the receivable, the remaining amount is recognised under provisions.

When acquiring new enterprises the purchase method is used as described above under 'Consolidated financial statements'.

Other receivables comprise deposits, which are valued at amortised cost.

Impairment of assets

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets. The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Inventories

Inventories are measured at the lower of cost according to the FIFO principle and net realisable value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments comprise costs incurred in respect of the next financial year.

Cash

Cash consist of bank deposits and cash at bank and in hand.

Equity

The proposed dividend for the financial year is recognised as a special item under equity.

Net revaluation of equity investments in subsidiaries is recognised under equity in the reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds the acquisition cost.

Current and deferred taxes

As the administration company, the company assumes liability for the jointly taxed enterprises' income tax payments to the tax authorities in step with the joint taxation contributions being paid by the jointly taxed enterprises.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for taxes paid on account.

Joint taxation contributions payable and receivable are recognised as income tax in the balance sheet under receivables or payables.

Deferred tax liabilities and deferred tax assets are computed on the basis of all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting either the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of the management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Liabilities

Non-current liabilities are measured at cost at the time of contracting such payables (raising of the loan).

Current liabilities are also measured at amortised cost, which usually corresponds to the nominal value of the liability.

Any remaining lease commitment in respect of assets held under a finance lease is measured in the balance sheet as payables to credit institutions, and the interest share of the lease payment is recognised in the income statement on an ongoing basis.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as changes in cash flows for the year and cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities com-prise the net profit or loss for the year, ad-justed for non-cash operating items, income taxes paid and changes in working capital.

Cash flows from investing activities comprise the purchase and sale of non-current assets adjusted for changes in related receivables and debt.

Cash flows from financing activities comprise financing from and dividend paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash securities with no significant price risk and short-term payables to credit institutions.

RATIOS

Return on equity:	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Gross margin:	$\frac{\text{Gross result x 100}}{\text{Revenue}}$
Profit margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Equity interest:	$\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

The ratios have been computed in accordance with the recommendations of the Danish Society of Financial Analysts (Den Danske Finansanalytikerforening).

	Group		Parent	
	2015/16 DKK '000	2014/15 DKK '000	2015/16 DKK '000	2014/15 DKK '000

1. Revenue

Revenue comprises the following activities:

Revenue	423.767	350.949	0	0
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Revenue comprises the following markets:

Denmark	296.053	273.861	0	0
England	127.714	77.088	0	0
Total	423.767	350.949	0	0

2. Staff costs

Wages	177.549	146.604	0	0
Pensions	4.354	2.429	0	0
Other social security expenses	5.557	4.479	0	0
Other staff costs	8.026	7.464	0	0
Total	195.486	160.976	0	0

Average number of employees in the year	656	560	1	1
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Staff costs comprise:

Remuneration of the Executive Board of the parent	4.175	2.615	0	0
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	Group		Parent	
	2015/16 DKK '000	2014/15 DKK '000	2015/16 DKK '000	2014/15 DKK '000
3. Other financial income				
Financial income from group enterprises	0	0	49	0
Foreign currency translation adjustments	197	4.193	0	0
Total	197	4.193	49	0

4. Other financial expenses

Financial expenses for group enterprises	0	0	0	431
Interest expenses	1.128	657	272	209
Total	1.128	657	272	640

5. Taxes

Tax on profit for the year	1.500	3.033	-104	-188
Deferred tax of the year	-1.336	676	0	0
Adjustment of tax in respect of previous years	0	8	0	8
Adjustment of deferred tax, change in tax rate	0	11	0	0
Total	164	3.728	-104	-180

6. Intangible assets

Figures in DKK	Completed development projects	Acquired rights	Goodwill
Group:			
Cost as at 30.06.15	8.112	40	16.116
Additions during the year	1.764	0	0
Cost as at 30.06.16	9.876	40	16.116
Amortisation and impairment losses as at 30.06.15	4.540	22	13.945
Amortisation during the year	1.007	4	674
The year's depreciation of and impairment losses on disposed assets	0	0	0
Amortisation and impairment losses as at 30.06.16	5.547	26	14.619
Carrying amount as at 30.06.16	4.329	14	1.497

As collateral for bank debt a bill of sale has been issued, nominal value of DKK 5,000K with security in goodwill.

7. Property, plant and equipment

Figures in DKK '000	Other plant, fixtures and fittings, tools and equipment
Group:	
Cost as at 30.06.15	175.264
Foreign currency translation adjustment	-8.960
Additions during the year	28.535
Cost as at 30.06.16	194.839
Depreciation and impairment losses as at 30.06.15	80.849
Foreign currency translation adjustment	-2.321
Depreciation during the year	18.333
Depreciation and impairment losses as at 30.06.16	96.861
Carrying amount as at 30.06.16	97.978
Carrying amount of assets not held by the group	637

As collateral for bank debt a bill of sale has been issued, nominal value of DKK 5,000K with security in rent right, other plant, fixtures and fittings, tools and equipment.

	Group		Parent	
	30.06.16 DKK '000	30.06.15 DKK '000	30.06.16 DKK '000	30.06.15 DKK '000
8. Equity investments in group enterprises				
Cost as at 30.06.15	0	0	38.151	37.944
Additions during the year	0	0	0	207
Cost as at 30.06.16	0	0	38.151	38.151
Revaluation as at 30.06.15	0	0	20.762	17.540
Foreign currency translation adjustment	0	0	-5.582	0
Net profit/loss for the year	0	0	5.271	13.222
Dividend	0	0	0	-10.000
Revaluation as at 30.06.16	0	0	20.451	20.762
Impairment losses as at 30.06.15	0	0	-13.515	-11.482
Profit/loss for the year	0	0	-1.714	-2.380
Amortisation of goodwill	0	0	-374	-374
Foreign currency translation adjustment	0	0	-936	742
Other adjustments	0	0	0	-21
Impairment losses as at 30.06.16	0	0	-16.539	-13.515
Equity investments with a negative equity value transferred to provisions	0	0	2.514	0
Offset against receivables and provisions	0	0	2.514	0
Carrying amount as at 30.06.16	0	0	44.577	45.398

Group enterprises

Name	Ownership interest
Sticks 'n' Sushi A/S, København	100%
Sticks 'n' Sushi UK Limited, London	100%
Sticks 'n' Sushi Germany GmbH, Berlin	100%

9. Other receivables

Figures in DKK '000	Other receivables
<hr/>	
Group	
Cost as at 30.06.15	4.571
Additions during the year	329
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Cost as at 30.06.16	4.900
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Carrying amount as at 30.06.16	4.900
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	Group		Parent	
	30.06.16	30.06.15	30.06.16	30.06.15
	DKK '000	DKK '000	DKK '000	DKK '000
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10. Prepayments

Other prepayments	6.596	3.543	0	0
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Total	6.596	3.543	0	0
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11. Equity

Figures in DKK '000	Share capital	Net revaluation reserve according to the equity method	Retained earnings
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Group:

*Statement of changes in equity for the period
01.07.14 - 30.06.15*

Balance as at 30.06.14	4.551	0	25.478
Foreign currency translation adjustment	0	0	742
Proposed distribution of net profit	0	0	9.829
Balance as at 30.06.15	4.551	0	36.049

*Statement of changes in equity for the period
01.07.15 - 30.06.16*

Statement of changes in equity for the period as at 01.07.15	4.551	0	36.049
Foreign currency translation adjustment	0	0	-6.518
Proposed distribution of net profit	0	0	2.814
Statement of changes in equity for the period as at 30.06.16	4.551	0	32.345

Parent:

*Statement of changes in equity for the period
01.07.14 - 30.06.15*

Balance as at 30.06.14	4.551	6.057	19.420
Foreign currency translation adjustment	0	0	742
Proposed distribution of net profit	0	1.190	8.640
Balance as at 30.06.15	4.551	7.247	28.802

*Statement of changes in equity for the period
01.07.15 - 30.06.16*

Balance as at 01.07.15	4.551	7.247	28.802
Valutakursregulering	0	0	-6.518
Proposed distribution of net profit	0	-3.335	6.149
Balance as at 30.06.16	4.551	3.912	28.433

11. Equity - continued -

Share capital movements during the four preceding financial years:

	2014/15 DKK '000	2013/14 DKK '000	2012/13 DKK '000	2011/12 DKK '000
Balance, beginning of year	4.551	517	500	500
Capital increase	0	4.034	17	0
Balance, end of year	4.551	4.551	517	500

The share capital consists of:

	Quantity	Nominal value
Shares	45.510.900	0,1

	Group		Parent	
	30.06.16 DKK '000	30.06.15 DKK '000	30.06.16 DKK '000	30.06.15 DKK '000
Deferred tax as at 30.06.15	5.291	3.976	5.601	4.418
Adjustment of deferred tax from foreign income	1.166	776	478	1.183
Deferred tax on profit/loss for the year	-1.336	687	0	0
Deferred tax as at 30.06.16	5.121	5.439	6.079	5.601

12. Deferred tax

Deferred tax as at 30.06.15	5.291	3.976	5.601	4.418
Adjustment of deferred tax from foreign income	1.166	776	478	1.183
Deferred tax on profit/loss for the year	-1.336	687	0	0
Deferred tax as at 30.06.16	5.121	5.439	6.079	5.601

Deferred tax is computed at a rate of 22% and comprises:

Intangible assets	955	854	0	0
Property, plant and equipment	3.956	4.335	0	0
Financial long term assets	-19	-19	0	0
Current assets	-42	-30	0	0
Forward deficit, previous year	-5.808	-5.302	0	0
Payables	6.079	5.601	6.079	5.601
Total	5.121	5.439	6.079	5.601

13. Payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 30.06.16	Total payables at 30.06.15
Group				
Other credit institutions	286	0	619	0
Other payables	144	0	708	844
Total	430	0	1.327	844

	Group		Parent	
	2015/16 DKK '000	2014/15 DKK '000	2015/16 DKK '000	2014/15 DKK '000
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14. Fee for auditors appointed by the general meeting

Statutory audit	662	474	169	108
Other assurance engagements	4	2	0	0
Tax advice	97	41	0	0
Other services	280	50	63	50
Total	1.043	567	232	158

15. Contingent liabilities

Group:

The company has provided a guarantee in respect of landlords at 30 June 2016 which amounts to DKK 21,538K.

The company has provided a guarantee in respect of landlords at 30 June 2016 which amounts to GBP 266K

The company has provided a guarantee in respect of supplier of goods at 30 June 2016 which amounts to DKK 6,077K.

Parent:

The company is taxed jointly with the other companies in the group, and, as from the 2013 financial year, the company is liable together with the other jointly taxed companies for the total income tax. As at the balance sheet date, the total liability amounts to DKK 2,352K. The liability furthermore includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The company has provided a guarantee for its subsidiaries' debts to credit institutions. The guarantee is unlimited. The subsidiaries' debt to credit institutions amount to DKK 32,325K at the balance sheet date.

16. Security provided

Group:

As collateral for bank debt a bill of sale has been issued, nominalvalue of DKK 5,000K, cf. note 6 and 7.

The company has pledged a company charge of DKK 5,000K as collateral to credit institutions. At 30.06.16, the company charge comprises the following assets with the following carrying amounts:

Goodwill, domain names and rights, DKK 14K

Other plant, fixtures and fittings, tools and equipment, DKK 97,978K

Inventories, DKK 4,843K

Trade receivables, DKK 8,075K

	Group		Parent	
	30.06.16 DKK '000	30.06.15 DKK '000	30.06.16 DKK '000	30.06.15 DKK '000

17. Contractual obligations

Non-finance lease and lease payments:

Next year	23.723	19.577	0	0
2 - 5 years	83.715	70.531	0	0
After 5 years	163.917	133.884	0	0
Total	271.355	223.992	0	0

18. Related parties

The company has not traded with, granted loans to, pledged collateral, provided recourse guarantees to or undertaken guarantee obligations for the Board of Directors, the Executive Board or the shareholders or any non-group enterprises in which the parties concerned have interests.

Incentive programmes:

The incentive programme for the executives and senior managers includes the possibility to subscribe for nominal DKK 44,018 shares free of charge until 30 December 2021.

Furthermore has executives and senior managers the possibility to subscribe for nominal DKK 65,872 shares at a price calculated at the grant date plus 10% per annum. The subscription can take place in the period up to 30 October 2022.

The above-mentioned subscription of shares may only take place if more than 90% of the company's shares are sold to a third party, the company is listed or terminated by merger og demerger.

	Group	
	2015/16 DKK '000	2014/15 DKK '000
19. Adjustments		
Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment and intangible assets	20.018	14.905
Gains and losses from disposals of property, plant and equipment and intangible assets	0	-10
Income from equity investments in group enterprise	0	0
Other financial income	-197	-4.193
Other financial income	1.130	658
Tax on profit/loss for the year	163	3.728
Other adjustments	663	-2.621
Total	21.777	12.467