MIE4 Holding 2 ApS

c/o Maj Invest, Gammeltorv 18
DK-1457 København K

Annual Report for 1 July 2019 - 30 June 2020

CVR No 35 24 79 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 12/01 2021

Jakob Vestergaard Jensen
Chairman of the General Meeting

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Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of MIE4 Holding 2 ApS for the financial year 1 July 2019 - 30 June 2020.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019/20.

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

Copenhagen, 12 January 2021

Executive Board

Thomas Riis Executive Officer	Niels Retbøll

Independent Auditor's Report

To the Shareholder of MIE4 Holding 2 ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MIE4 Holding 2 ApS for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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

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

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

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

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

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

Management's responsibilities for the Financial Statements

Independent Auditor's Report

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

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

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

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

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

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

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

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

Independent Auditor's Report

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

Hellerup, 12 January 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild statsautoriseret revisor mne33262	Mads Blichfeldt Henriksen statsautoriseret revisor mne46065

Company Information

The Company	MIE4 Holding 2 ApS c/o Maj Invest Gammeltorv 18 DK-1457 København K CVR No: 35 24 79 55 Financial period: 1 July - 30 June Municipality of reg. office: Copenhagen
Executive Board	Thomas Riis Niels Retbøll
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	484.979	99.651	0	0	0
Gross profit/loss	229.580	53.355	-50	-21	-11
EBITDA	11.612	6.153	-50	-21	-11
Profit/loss before financial income and expenses	-28.110	-101	-50	-21	-11
Net financials	-5.100	56.081	-4	-1	-1
Net profit/loss for the year	-29.843	55.547	-54	-22	-12
Balance sheet					
Balance sheet total	383.254	368.013	59.908	59.957	59.908
Equity	189.173	185.641	59.822	59.876	59.898
Cash flows					
Cash flows from:					
- operating activities	18.002	22.068	-53	-17	-11
- investing activities	-21.586	-85.520	0	-64	-74
including investment in property, plant and equipment	-16.859	-4.540	0	0	0
- financing activities	55.356	72.952	4	66	0
Change in cash and cash equivalents for the year	51.772	9.500	-49	-15	-85
Number of employees	741	777	0	0	0
Ratios					
Gross margin	47,3%	53,5%	0,0%	0,0%	0,0%
Solvency ratio	49,4%	50,4%	99,9%	99,9%	100,0%
Return on equity	-15,9%	45,3%	-0,1%	0,0%	0,0%

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

MIE4 Holding 2 ApS acquired Sticks 'n' Sushi Holding A/S as of 7 May 2019. From this date the group was established. The comparison figures contains only figures for MIE4 Holding 2 ApS.

Management’s Review

Primary activities

Sticks’n’Sushi produces and serves healthy high-quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions. In the later years, a more “green line” has been introduced with salads, starters and more vegetarian menus also including bioorganic wines and soft drinks.

The first Sticks’n’Sushi restaurant was opened in March 1994 at Nansensgade 59 in Copenhagen and has since been followed by 11 more restaurants in the Greater Copenhagen Area, 9 in and around London and one in Berlin. 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.

The Sticks’n’Sushi Group served around 1.9 million guests in the 22 restaurants or as takeaway. This requires high quality and hygiene standards, rigorous training of the staff and uniform processes. The more than 1.200 employees have all been through extensive introductory and product training courses to secure the continuous execution of high standards of quality and ensuring the best possible guest experience possible.

In addition to the 22 restaurants the Group consists of a central kitchen at Rødovre, Copenhagen, with around 20 employees who support the Group’s restaurants with semi-finished products, sauces and desserts etc. At “Baghuset” in Nansensgade 49, Copenhagen Sticks ‘n’ Sushi Group has its office that covers managerial and administrative support functions as well as R&D functions. Four administrative employees are based in the UK.

Development in activities and finances

The income statement of the Group for 2019/20 shows a loss of DKK 29.8 million compared to a profit of DKK 55.5 million for 2018/19. In connection with the group establishment on 7 May 2019, consolidated goodwill was recognized at fair value, which had a positive effect of DKK 56.7 million in the income statement for 2018/19. Furthermore, the income statement for 2018/19 only comprised 2 months of operation.

The Covid-19 restrictions in all markets, with closed restaurants and only revenue from take-away, made the financial year 2019/20 an operational tough year and caused an operational loss of around DKK 24 million despite government support packages in DK, UK and DE. Until beginning of March 2020 Sticks ‘n’ Sushi Group was tracking sales ahead of budget in all three countries.

Covid-19 has impacted the business significantly in 2019/20 and the realized result is not satisfactory. We do however take comfort in the strong performance until the March lockdown in the three markets and the way the team has handled the difficult situation for the rest of the financial year 2018/19.

Management's Review

Capital resources

Based on current bank agreement and the budget prepared for the financial year 2020/21 Management is confident that the capital resources of the Group are in place and accurate for the entire financial year 2020/21. The Consolidated Financial Statements is prepared based on these assumptions.

Particular risks

Business related risks

Sticks'n'Sushi Group 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 and local produced products and improved sustainability in combination with resource shortages and usual increase in costs for raw material will provide pressure on the profitability. A challenge of Sticks'n'Sushi Group in the years on will be the task of finding new and improved alternatives on the raw material side.

Given a high exposure in UK, the Sticks 'n' Sushi Group must accept the risks derived from the Brexit and the subsequent lack of clarity it has created. The Group does not believe that Brexit have had or will have a serious negative effect on our existing business.

Beside from normal financial risk operating in the hospitality sector Sticks'n'Sushi is subject to usual financial risks from operating in three different markets and its related exchange rate risk.

Targets and expectations for the year ahead

In 2020/21 organic growth in the existing restaurants as well as operational excellence is the group's primary focus areas. The group will invest to strengthen the value chain into the restaurants, continue training the staff and implement uniform processes as well as investing into our brand.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy.

Sticks'n'Sushi A/S has applied for compensation under the economic stimulus packages introduced by the Danish Government.

Management is monitoring developments closely. The restrictions imposed by governments in both DK, UK and DE late 2020 (effecting parts of 2021 also) will have a negative impact on revenue and earnings in 2020/21. Naturally, Management will make every effort to recapture any lost revenue later in the year.

Management's Review

Research and development activities

The Sticks 'n' sushi Group is continuing its investments into improving our guests' digital journey with the best online ordering experience for take-away and at the same time improving efficiency and scalability in our operation.

Environmental performance

Sustainability has always been a central part of Sticks'n'Sushi values and business model from food procurement of raw materials, waste management, efficient energy use and the daily operations in the kitchens right to the food which the Group serve for the guests.

Sticks'n'Sushi have a no-waste policy and aim to produce as little waste as possible. This goes both for our menu card engineering and in the daily operations.

Intellectual capital resources

The hotel and restaurant industry, domestically as well as internationally, generally experiences challenges in recruiting kitchen staff, but covid-19 situation has changed that somewhat. Furthermore, Sticks 'n' Sushi Group has 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 holds 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.

Statement of corporate social responsibility

Business model

The Sticks 'n' Sushi Group has 22 restaurants operating in 3 countries. At Sticks 'n' Sushi we have a holistic approach to Corporate Social Responsibility (CSR). We take pride in being a business that acts responsibly and prioritises decency.

Corporate Social Responsibility is embedded in the organisational culture, it is in the way we do everything, it is in the policies, processes, and actions. However, we can always do more. We dedicate a considerable amount of time and resources looking for areas where improvements can be made. The business model is designed with a consideration for the planet and its inhabitants, these actions form the bottom line of our culture and philosophy. Subsequently, below we outline our journey; what we do now and what we intend to initiate going forwards.

Risk evaluation

Our work with sustainability is an endless journey and we don't want to pretend that we are perfect. The truth is that a company can always improve. And we are working on it. One step at a time. Our CSR efforts are intended to contribute positively to both the well-being of employees, guests, suppliers, the restaurant industry and wider society.

Management's Review

Sticks 'n' Sushi Group are members of a sustainable restaurant association called the Restaurateur's Guarantee Association (REGA). As part of this membership Sticks 'n' Sushi Group partake in impact assessments aligned to the United Nations (UN) Global Compacts Guidelines for Responsible Business in the following three areas: The Environment, Anti-Corruption and Human Rights (including Workers Rights). These impact assessments identify factors that are perceived as high risk to the industry in the countries Sticks 'n' Sushi Group operates.

The Sticks 'n' Sushi Group has recently completed all three impact assessments and examples of identified risks include, the creation of food waste, overfishing and workplace discrimination. In many cases the Group is already partaking in actions that work against said risks however, where new risks for our industry are identified the Sticks 'n' Sushi Group will seek, in the upcoming financial year, to implement activities targeting these aspects. The Sticks 'n' Sushi Group are currently in the process of developing policies in each of the three areas: The Environment, Anti-Corruption and Human Rights (including, workers' rights). Sticks 'n' Sushi will also begin being audited by REGA on the Group's commitments in the aforementioned areas.

Sticks 'n' Sushi Group is also active status member of the UN Global Compact Network, for which the Group has conducted annual communications on the progress with relation to the UN Global Compacts Guiding Principles on Responsible Business. The Sticks 'n' Sushi Group is also member of the Sustainable Restaurant Association (SRA), a UK based sustainable business organisation, by whom the Group will also begin being audited. All of the membership organisations the Group is part of, require the identification of actual and potential risks and require the provision of remedies to diminish or prevent said risks.

Policies, activities and results

We want to make a difference where we can and therefore, we wish to form sustainable partnerships that contribute to causes that go beyond the daily operations of Sticks 'n' Sushi. We believe that the restaurant industry plays an important role in making demands to suppliers, and that we also have an obligation to support local, sustainable producers that operate with the same level of responsibility as we do – both when it comes to the environment, people and their financials. Establishing such partnerships often takes years of patience and dedication. Therefore, we have a long-term focus when we go into dialogue with potential suppliers.

We also focus on collaborating with networks of industry-colleagues, so communally we can influence the market on a larger scale, notably through our collaborations with REGA, the UN Global Compact and the SRA. A key example being the SDG's in the Value Chain Project, which we will discuss in greater detail later in this report. Although, many of the events and activities of these organisations have been on hold due to the covid-19 pandemic, we are as committed as ever to these collaborations and hope to partake in many projects in the future.

This financial year Sticks 'n' Sushi Group also employed a CSR Coordinator, responsible for tracking progress with relation to our CSR agenda. This facilitates a greater focus on sustainability and responsibility allowing a more ambitious agenda moving forwards. Below we will outline our intentions, actions and results in the following areas: The Environment, Employee Conditions and Human Rights and Anti-Corruption.

The environment

As a business we have a responsibility to mitigate risks to the environment and promote greater environmental responsibility. Our promise to our guests is to serve high quality food, made with the best ingredients, that taste great. When it comes to our products, we never compromise on quality. We are willing to pay extra when it is needed, and we are transparent in terms of where our products come from and how they are produced.

Fish are our key product yet globally they are a vulnerable natural resource. Many species are at risk of overfishing and there is frequently insufficient public regulation and control to prevent this. We make sure that the fish we choose to serve our guests do not belong to species threatened by extinction, and where there is full traceability from the fishing boat through to the guest's plate. Rare fish will never be on our menu. We have increased the number of seafood items with certifications for environmental and social responsibility in recent years. We now have full ASC, MSC or BAP certifications for the following items: Yellowtail Kingfish, Scallops, Black Cod, Prawns, and Shrimp (for Tempura). The new edition to our menu in September, our Halibut, is also from a certified packaging station and slaughterhouse.

Our biggest selling seafood items however, are Salmon and Tuna where the certification volumes are more mixed. This results in our overall proportion of seafood with certifications being lower. We have recently developed a key performance indicator (KPI) to increase the volume of certified seafood to 50% of total seafood sales by the end of the financial year 2020/21. We aim to increase this volume until we reach 100%. We are in discussions with our salmon suppliers to increase the proportion of salmon thatis certified. We previously planned to have certified tuna by the end of the financial year 2019/20 owever, the covid-19 pandemic disrupted our supply chains and made this initiative difficult. We now intend to have certification for our tuna by the end of the financial year 2020/21. We have also begun working with the Marine Conservation Society, a UK based charitable organisation, in this financial year. The aim being to gain a further overview of factors affecting aquaculture sustainability in the areas our suppliers operate so, we always remain knowledgeable on areas of best practice.

We believe, that in the future, we will have less meat in the menu card and want to continuously develop our menu to be comprised of organic, green ingredients. In the menu card release in September 2020 we have moved our vegetarian menu option from a separate vegetarian section on the last page in the menu card to a more central position where it sits alongside the other set menu's. We hope this acts as a nudging technique so more guests will select it. We believe a focus on animal welfare and organic produce is very important. We buy the majority of our Danish fruit and vegetables from an organic supplier who have a no-fly policy. Our chicken comes from welfare chickens and the pork in all our restaurants is from a Danish organic and free-range farm. We always work with our suppliers, and potential new suppliers, to ensure we continue to serve high quality and responsibly sourced products.

We are continuously working on our packaging for take away food to ensure we have the best possible product - both for our guests and for the environment. This is the first year we now serve all takeaway food in packaging made of 100% recycled plastic, that is also 100% recyclable. We have worked intensely to find alternatives to the current recycled PET plastic containers. At this stage we have decided the recycled PET plastic is the best solution, but within a few months we will have a new product ready for testing.

We have engaged in a partnership with an innovative science group from a local university to develop and test new types of sustainable packaging and we are expecting a full roll-out within the current year, if the products meet our expectations in terms of food safety, transportation fitness and design.

We are also part of a project with REGA and the UN Global Compact titled Sustainable Development Goals (SDG's) in the Value Chain where communally amongst the members we attempt to find solutions to some of the industry's biggest sustainability challenges. The topic Sticks 'n' Sushi is working on is A Takeaway System for the Future so, we await with interest the results here too. We are also introducing reusable takeaway bags, to hold these takeaway boxes, which will be available for our guests to buy in all restaurants by the end of the financial year 2020/21. Our packaging focus also goes beyond takeaway, even our chopsticks are made of FSC certified bamboo. We will continue to focus on areas where our packaging can be produced in a more environmentally sustainable manner going forwards.

We have a no-waste philosophy behind everything from menu engineering to daily operations to events. We want to provide guests with a treat without wasting culinary resources. We have a constant focus on reducing waste in our operations and have managed to reduce the general waste from our kitchens, cardboard waste and food waste significantly in the past. In the previous year we altered the techniques we used to cook our rice which we believe reduced wastage in this area considerably however, in light on the corona virus, it is difficult to compare volumes across months. In the financial year 2019/20 we have switched to using only paper straws however, we still want to reduce our usage of these items.

Subsequently, we have designed our drinks menu's so only a small number of cocktails will be served with a straw. All other drinks will no longer use these items. We will continue our focus on reducing waste across all categories in 2020/21.

We believe sustainability also extends to the restaurant atmosphere – after all sustainability and hygge go hand-in-hand. Going forward we are interested in tracking the volume of energy-saving lightbulbs across all our restaurants. We are committed to having a 30% proportion of energy-saving lightbulbs across the group by the end of the financial year 2020/21 and a 60% share by the end of the financial year 2021/22.

Employee conditions & Human Rights

Our CSR Strategy is aligned along three principles: The Environment, Anti-Corruption and Human Rights (including, Workers Rights) as this aligns with the impact assessments, we conduct through REGA. We see Human Rights as referring to our responsibility as an organisation to support and respect internationally proclaimed human rights and ensure we are not complicit in the abuse of these Human Rights both within our business, with regards to guests visiting our restaurants and across our supply chains. Employee conditions refers to our responsibility to ensure that our employees are safe, satisfied and their rights are protected in our work environment.

Employee conditions and Human Rights are highly important to us as a business. We are very conscious when selecting our suppliers as we do not want to work with any organisations associated with Human Rights abuses. We also want our staff to be enjoy coming to work so we try to be flexible with regards to shift patterns, we provide a minimum of several weeks' notice prior to shifts and we have a range of training and development opportunities for staff to partake in. We normally conduct regular employee satisfaction surveys to confidentially gage employee experiences of working with us however, the disruptions associated with the covid-19 pandemic have made the survey difficult in this financial year. However, previous versions have suggested employees are generally happy with the work conditions and have not experienced Human Rights abuses.

One highly important area regarding employee conditions and Human Rights considers antidiscrimination. We employ people from all over the world and having highly multicultural teams is something we are very proud of. We are communally from around 35 different nationalities and we want to promote a diverse workforce, where people from near and far come together and work towards the same goals. However, discrimination can always occur, and we seek to identify areas where this can happen. In this financial year we developed an Equal Pay for Equal Roles policy where we commit to having job descriptions for all employees with attached specified salary brackets. This reduces areas where discrimination in status and subsequently pay can occur. We are already in this process, with an aim of having full coverage for all employees and roles by the end of 2021 thus, relating to the end of financial year 2021/22.

Also, relating to employee conditions and Human Rights we have an employee feedback mechanism known as the Fish Tank in our Danish restaurants. This system consists of an independent employee-elected representative in each restaurant who employees can voice concerns to, such as if their human rights or workers' rights have been violated or if they are unhappy with an aspect related to their workforce. This representative can then escalate these concerns confidentially. We will expand this system to our UK restaurants, with the aim of achieving full coverage by the end of the financial year 2020/21.

Anti-corruption

We believe part of being a responsible business involves highlighting areas where corruption and bribery could occur and working to prevent these activities from happening. We do not see ourselves as highly at risk with regard to corruption or bribery and have not had any reported serious incidences in the previous financial year however, we should not become complacent.

We are in the process of developing an Anti-Corruption Policy where we initiate actions to combat areas were corruption can occur. The previously discussed Fish Tank acts as a whistle-blower system where employees who view corrupt activities can confidentially report this. The Equal Pay for Equal Roles Policy we have been working on in this financial year, also works against nepotism in salary provision, a form of corruption. As this removes subjectivity in pay brackets. In the next financial year, we will further implement activities that prevent areas where corruption can occur.

Statement on gender composition

At the end of the financial year 2019/20 the gender composition was as follows:

Executive Board: 100% men

Since the Executive Board consists of only 2 members, there is no obligation to report on target figures.MIE4 Holding 2 ApS has below 50 employees and is therefore not obligated to establish and account fora policy to increase the underrepresented gender of other management levels.

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 30 June 2020 of the Group and the results of the activities and cash flows of theGroup for the Financial year for 2019/20 have been affected negatively by Covid-19 restrictionsduring several weeks with closed restaurants and only revenue from take-away.

Income Statement 1 July - 30 June

	Note	Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**484.979**	**99.651**	**0**	**0**
Other operating income		927	0	0	0
Expenses for raw materials and consumables		-139.195	-26.482	0	0
Other external expenses		-117.131	-19.814	-95	-85
Gross profit/loss		**229.580**	**53.355**	**-95**	**-85**
Staff expenses	2	-217.968	-47.201	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-39.722	-6.255	0	0
Profit/loss before financial income and expenses	4	**-28.110**	**-101**	**-95**	**-85**
Income from investments in subsidiaries		0	56.743	0	-2.769
Financial income	5	302	255	664	98
Financial expenses	6	-5.402	-917	-547	-407
Profit/loss before tax		**-33.210**	**55.980**	**22**	**-3.163**
Tax on profit/loss for the year	7	3.367	-433	-41	0
Net profit/loss for the year		**-29.843**	**55.547**	**-19**	**-3.163**

Balance Sheet 30 June

Assets

	Note	Group 2019/20 TDKK	Group 2018/19 TDKK	Parent 2019/20 TDKK	Parent 2018/19 TDKK
Completed development projects		4.609	3.456	0	0
Acquired trademarks		47.083	49.585	0	0
Goodwill		122.991	129.897	0	0
Development projects in progress		0	2.178	0	0
Intangible assets	8	**174.683**	**185.116**	**0**	**0**
Other fixtures and fittings, tools and equipment		18.653	22.409	0	0
Leasehold improvements		97.766	103.754	0	0
Property, plant and equipment	9	**116.419**	**126.163**	**0**	**0**
Investments in subsidiaries	10	0	0	169.638	144.738
Investments in associates	11	0	0	0	0
Receivables from group enterprises	12	0	0	25.762	25.098
Deposits	12	10.871	8.834	0	0
Fixed asset investments		**10.871**	**8.834**	**195.400**	**169.836**
Fixed assets		**301.973**	**320.113**	**195.400**	**169.836**
Inventories		**6.950**	**6.087**	**0**	**0**
Trade receivables		5.154	13.899	0	0
Other receivables		2.337	1.920	0	0
Deferred tax asset	16	1.262	0	0	0
Corporation tax		486	723	0	0
Prepayments	13	737	16.540	0	0
Receivables		**9.976**	**33.082**	**0**	**0**
Cash at bank and in hand		**64.355**	**8.731**	**35**	**374**
Currents assets		**81.281**	**47.900**	**35**	**374**
Assets		**383.254**	**368.013**	**195.435**	**170.210**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
		TDKK	TDKK	TDKK	TDKK
Share capital		120	110	120	110
Retained earnings		172.520	169.995	156.033	127.560
Equity attributable to shareholders of the Parent Company		**172.640**	**170.105**	**156.153**	**127.670**
Minority interests		16.533	15.536	0	0
Equity	14	**189.173**	**185.641**	**156.153**	**127.670**
Provision for deferred tax	16	2.190	4.819	2.392	3.268
Other provisions	17	6.450	4.600	0	0
Provisions		**8.640**	**9.419**	**2.392**	**3.268**
Credit institutions		25.000	44	0	0
Payables to group enterprises relating to corporation tax		0	0	1.918	975
Other payables		3.844	11.000	0	11.000
Long-term debt	18	**28.844**	**11.044**	**1.918**	**11.975**

Balance Sheet 30 June

Liabilities and equity

	Note	Group		Parent	
		2019/20 TDKK	2018/19 TDKK	2019/20 TDKK	2018/19 TDKK
Credit institutions	18	63.223	59.381	25.322	25.065
Trade payables		33.536	52.638	156	220
Payables to group enterprises		2.094	2.012	2.094	2.012
Payables to owners and Management		6.899	6.570	0	0
Corporation tax		3.247	4.144	0	0
Other payables	18	44.629	35.674	7.400	0
Deferred income	19	2.969	1.490	0	0
Short-term debt		**156.597**	**161.909**	**34.972**	**27.297**
Debt		**185.441**	**172.953**	**36.890**	**39.272**
Liabilities and equity		**383.254**	**368.013**	**195.435**	**170.210**

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

Statement of Changes in Equity

Group

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	110	0	169.995	170.105	15.536	185.641
Exchange adjustments	0	0	-103	-103	-17	-120
Cash capital increase	10	28.490	0	28.500	0	28.500
Equity movements capital increase in subsidiaries	0	0	-785	-785	5.874	5.089
Other equity movements minority interests	0	0	0	0	-27	-27
Other equity movements	0	0	-67	-67	0	-67
Net profit/loss for the year	0	0	-25.010	-25.010	-4.833	-29.843
Transfer from share premium account	0	-28.490	28.490	0	0	0
Equity at 30 June	**120**	**0**	**172.520**	**172.640**	**16.533**	**189.173**

Parent

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 July	110	0	127.562	127.672	0	127.672
Cash capital increase	10	28.490	0	28.500	0	28.500
Net profit/loss for the year	0	0	-19	-19	0	-19
Transfer from share premium account	0	-28.490	28.490	0	0	0
Equity at 30 June	**120**	**0**	**156.033**	**156.153**	**0**	**156.153**

Cash Flow Statement 1 July - 30 June

	Note	Group 2019/20	Group 2018/19
		TDKK	TDKK
Net profit/loss for the year		-29.843	55.547
Adjustments	20	41.362	-49.393
Change in working capital	21	12.887	16.576
Cash flows from operating activities before financial income and expenses		**24.406**	**22.730**
Financial income		302	255
Financial expenses		-5.389	-917
Cash flows from ordinary activities		**19.319**	**22.068**
Corporation tax paid		-1.317	0
Cash flows from operating activities		**18.002**	**22.068**
Purchase of intangible assets		-2.691	-91.713
Purchase of property, plant and equipment		-16.859	-4.540
Fixed asset investments made etc		-2.036	10.733
Cash flows from investing activities		**-21.586**	**-85.520**
Repayment/raising of payables to group enterprises		82	1.942
Raising of loans from credit institutions		24.956	0
Installment of other payables		-3.600	0
Raising of loans from company owners		329	0
Capital increase minority interests		5.089	0
Cash capital increase		28.500	71.010
Cash flows from financing activities		**55.356**	**72.952**
Change in cash and cash equivalents		**51.772**	**9.500**
Cash and cash equivalents at 1 July		-50.650	-60.150
Cash and cash equivalents at 30 June		**1.122**	**-50.650**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		64.355	8.731
Overdraft facility		-63.233	-59.381
Cash and cash equivalents at 30 June		**1.122**	**-50.650**

Notes to the Financial Statements

		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Geographical segments				
	Denmark	273.191	57.425	0	0
	United Kingdom	194.807	38.779	0	0
	Germany	16.981	3.447	0	0
		484.979	**99.651**	**0**	**0**
	Business segments				
	Restaurants	484.979	99.651	0	0
		484.979	**99.651**	**0**	**0**
2	**Staff expenses**				
	Wages and salaries	191.888	39.780	0	0
	Pensions	11.644	2.324	0	0
	Other social security expenses	7.630	1.230	0	0
	Other staff expenses	6.806	3.867	0	0
		217.968	**47.201**	**0**	**0**
	Average number of employees	**741**	**777**	**0**	**0**

The Parent Company had no employees in the financial year. There has been no salaries or remurations for the Executive Board.

The incentives programme for the executives and senior managers in the Sticks 'n' Sushi Group includes the possibility to subscribe for nominal DKK 79,222 shares at a price calculated at the grant date plus 10% per annum. The subscription can take place in the period up to 30. december 2021.

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, liquidated or terminated by merger and demerger or any other transactions regarding the Company having a similar effect as any of the mentioned transactions. If the beforementioned incidents has not taken place by 30 November 2021 at the latest the executives and senior managers holding warrant will be able to exercise the warrants in the period from 1 December 2021 to 30 December 2021. Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	13.121	2.107	0	0
Depreciation of property, plant and equipment	26.566	4.148	0	0
Impairment of property, plant and equipment	35	0	0	0
	39.722	**6.255**	**0**	**0**

4 Special items

The Group received compensation via Government help packages in the financial year 2019/20. The compensation is recognized under the respective financial statement line items for each compensation. The Group received compensation for fixed costs of DKK 1,893k which is offset in other operating expenses and salary compensation of DKK 19,533k which is offset in wages and salaries.

5 Financial income

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Interest received from group enterprises	0	0	664	98
Other financial income	302	136	0	0
Exchange gains	0	119	0	0
	302	**255**	**664**	**98**

6 Financial expenses

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Interest paid to group enterprises	108	14	108	14
Other financial expenses	4.052	903	439	393
Exchange loss	1.242	0	0	0
	5.402	**917**	**547**	**407**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK
7 Tax on profit/loss for the year				
Current tax for the year	-537	799	0	975
Deferred tax for the year	-2.848	-366	167	-975
Adjustment of tax concerning previous years	18	0	-126	0
	-3.367	**433**	**41**	**0**

8 Intangible assets

Group

	Completed development projects	Acquired trade-marks	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 July	14.538	50.040	146.726	2.178
Additions for the year	2.691	0	0	0
Transfers for the year	2.178	0	0	-2.178
Cost at 30 June	19.407	50.040	146.726	0
Impairment losses and amortisation at 1 July	11.082	455	16.829	0
Amortisation for the year	3.716	2.502	6.906	0
Impairment losses and amortisation at 30 June	14.798	2.957	23.735	0
Carrying amount at 30 June	**4.609**	**47.083**	**122.991**	**0**

Development projects in progress comprised of a new app to secure a better uptime as well as a new platform todrive traffic to our take away. The project includes a product database hosted outside of the current one andowned by Sticks'n'Sushi.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 July	85.685	202.016
Exchange adjustment	-700	-2.040
Additions for the year	5.494	12.740
Disposals for the year	-566	0
Cost at 30 June	89.913	212.716
Impairment losses and depreciation at 1 July	63.276	98.262
Exchange adjustment	-467	-896
Impairment losses for the year	35	0
Depreciation for the year	8.982	17.584
Impairment and depreciation of sold assets for the year	-566	0
Impairment losses and depreciation at 30 June	71.260	114.950
Carrying amount at 30 June	**18.653**	**97.766**

Notes to the Financial Statements

10 Investments in subsidiaries

	Parent 2019/20	Parent 2018/19
	TDKK	TDKK
Cost at 1 July	147.507	0
Additions for the year	24.900	87.601
Transfers for the year	0	59.906
Cost at 30 June	172.407	147.507
Value adjustments at 1 July	-2.769	0
Revaluations for the year, net	0	-2.769
Value adjustments at 30 June	-2.769	-2.769
Carrying amount at 30 June	**169.638**	**144.738**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Sticks 'n' Sushi Holding A/S	Copenhagen	DKK 5,132,000	79%

11 Investments in associates

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
	TDKK	TDKK	TDKK	TDKK
Cost at 1 July	0	59.906	0	59.906
Transfers for the year	0	-59.906	0	-59.906
Carrying amount at 30 June	**0**	**0**	**0**	**0**

Notes to the Financial Statements

12 Other fixed asset investments

	Group	Parent
	Deposits	Receivables from group enterprises
	TDKK	TDKK
Cost at 1 July	8.834	25.098
Exchange adjustment	-178	0
Additions for the year	2.215	664
Cost at 30 June	10.871	25.762
Carrying amount at 30 June	**10.871**	**25.762**

13 Prepayments

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

14 Equity

The share capital consists of 120,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 July	110	90	90	0	0
Capital increase	10	20	0	0	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	**120**	**110**	**90**	**0**	**0**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK

15 Distribution of profit

Minority interests' share of net profit/loss of subsidiaries	-4.833	10.633	0	0
Retained earnings	-25.010	44.914	-19	-3.163
	-29.843	**55.547**	**-19**	**-3.163**

16 Provision for deferred tax

Provision for deferred tax at 1 July	4.819	0	3.268	0
Amounts recognised in the income statement for the year	-2.848	576	167	-975
Amounts recognised in equity and other movements for the year	-1.043	4.243	-1.043	4.243
Provision for deferred tax at 30 June	**928**	**4.819**	**2.392**	**3.268**

Deferred tax assets mainly consists of tax losses to carry forward. The Group expects to utilize the tax losses within the next 3-5 years

17 Other provisions

Other provisions consists of expected loss from onerous rent contracts.

Other provisions	6.450	4.600	0	0
	6.450	**4.600**	**0**	**0**

Notes to the Financial Statements

18 Long-term debt

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

The debt falls due for payment as specified below:

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	5.000	0	0	0
Between 1 and 5 years	20.000	44	0	0
Long-term part	25.000	44	0	0
Other short-term debt to credit institutions	63.223	59.381	25.322	25.065
	88.223	**59.425**	**25.322**	**25.065**
Payables to group enterprises relating to corporation tax				
Between 1 and 5 years	0	0	1.918	975
Long-term part	0	0	1.918	975
Within 1 year	0	0	0	0
	0	**0**	**1.918**	**975**
Other payables				
Between 1 and 5 years	3.844	11.000	0	11.000
Long-term part	3.844	11.000	0	11.000
Other short-term payables	44.629	35.674	7.402	0
	48.473	**46.674**	**7.402**	**11.000**

19 Deferred income

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

Notes to the Financial Statements

	Group	
	2019/20	2018/19
	TDKK	TDKK
20 Cash flow statement - adjustments		
Financial income	-302	-255
Financial expenses	5.402	917
Depreciation, amortisation and impairment losses, including losses and gains on sales	39.722	6.255
Income from investments in subsidiaries	0	-56.743
Tax on profit/loss for the year	-3.367	433
Other adjustments	-93	0
	41.362	**-49.393**

21 Cash flow statement - change in working capital

Change in inventories	-862	587
Change in receivables	24.132	-10.119
Change in other provisions	1.850	4.600
Change in trade payables, etc	-12.233	21.508
	12.887	**16.576**

Notes to the Financial Statements

22 Contingent assets, liabilities and other financial obligations

Charges and security

The Parent Company, MIE4 Holding 2 ApS, has, as security for all debt that Sticks 'n' Sushi Holding A/S has to the bank, issued a letter of subordination stating that MIE4 Holding 2 ApS will subordinate their receivables from Sticks 'n' Sushi Holding A/S in favour of the subsidiary's debt to the bank.

The Parent Company, MIE4 Holding 2 ApS, has placed the shares in Sticks 'n' Sushi Holding A/S as security for all debt to the bank.

As collateral for bank debt a bill of sale has been issued, nominal value of TDKK 5,000.

The group has pledged a company charge of TDKK 10,000 as collateral for debt. At 30 June 2020, the company charge comprises the following assets with the following carrying amounts:

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK
Goodwill and acquired trademarks	377	377	0	0
Property, plant and equipment	116.419	125.551	0	0
Inventories	6.950	6.087	0	0
Trade receivables	5.154	13.899	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	39.807	40.284	0	0
Between 1 and 5 years	137.042	134.342	0	0
After 5 years	230.981	255.628	0	0
	407.830	**430.254**	**0**	**0**

Guarantee obligations

A guarantee of payment against all companies of the subgroup, Sticks 'n' Sushi Holding A/S, has been issued.

The group has provided guarantees in respect of landlords at 30 June 2020, which amounts to TDKK 7,687.

Notes to the Financial Statements

22 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Company Sticks 'n' Sushi A/S has contingent liabilities regarding partial outsourcing of inventories to third party of TDKK 8.687.

MIE4 Holding 2 ApS participates in an international joint taxation in which Sticks 'n' Sushi Holding A/S serves as administration company until 30 April 2019 and MIE4 Holding 2 ApS serves as administration company from 1 May 2019 and going forward. MIE4 Holding 2 ApS is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements as at 30 June 2020.

23 Related parties

	Basis
Controlling interest	
Maj Invest Equity 4 K/S Gammeltorv 18, Copenhagen	Legal owner

Transactions

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

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

Notes to the Financial Statements

24 Fee to auditors appointed at the general meeting

	Group 2019/20 TDKK	Group 2018/19 TDKK
PricewaterhouseCoopers		
Audit fee	640	413
Other assurance engagements	40	0
Tax advisory services	104	125
Andre ydelser	205	200
	989	**738**

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of MIE4 Holding 2 ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

In the financial year 2018/19, the company gained control over the subsidiary, Sticks 'n' Sushi Holding A/S. The company is obliged to prepare consolidated financial statements from the acquisition date which was 7 May 2019. In the comparison figures, 2018/19, the Group's income statement therefore comprises only 2 months of operation of the Group of Sticks 'n' Sushi Holding A/S.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2019/20 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, MIE4 Holding 2 ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company’s investments in the consolidated subsidiaries are set off against the Parent Compa-

25 Accounting Policies (continued)

ny's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

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

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

All other leases are considered operating leases. Payments made under operating leases are recognised

Notes to the Financial Statements

25 Accounting Policies (continued)

in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board of Sticks 'n' Sushi Group and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Notes to the Financial Statements

25 Accounting Policies (continued)

Income Statement

Revenue

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Notes to the Financial Statements

25 Accounting Policies (continued)

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years. The useful life on goodwill is determined on the basis of management's estimates and experience for the type of business. The useful life is assessed at 20 year, due to the fact that investments in subsidiaries are strategically acquired companies with a strong market position and a long earnings profile.

Trademarks arising from the acquiring enterprises are meassured at fair value on the date of acquisition. Trademarks are amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Development projects, completed and in progress, on clearly defined and identifiable products and processes, for which the technical rate for utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount of costs incurred is recognised in equity under "Reserve for development costs" that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 to 10 years.

Notes to the Financial Statements

25 Accounting Policies (continued)

Development projects and trademarks are meassured at cost less accumulated amortisation.

Development projects and trademarks are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	5-10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

25 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits paid on rented premises.

Inventories

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

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

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

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

Provisions

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

Deferred tax assets and liabilities

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

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

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

Deferred income

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term

Notes to the Financial Statements

25 Accounting Policies (continued)

debt as well as payments to and from shareholders.

Cash and cash equivalents

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\dfrac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$