Joe & The Juice Holding A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2016

CVR No 35 52 79 90

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18/4 2017

Morten Lodal Askekilde
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Joe & The Juice Holding A/S for the financial year 1 January - 31 December 2016.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 31 March 2017

Executive Board

Kaspar Basse
CEO

Sebastian Vestergaard

Board of Directors

Tue Mantoni
Chairman

Morten Nødgaard Albæk
Deputy Chairman

Melis Zeynep Kahya

Per Forsberg

Laurie Ann Goldman

Andrew William Crawford

Thomas Kusk Nørøxe

Kaspar Basse

Independent Auditor's Report

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

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements and the Consolidated Financial Statements of Joe & The Juice Holding A/S for the financial year 1 January - 31 December 2016, 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 Financial Statements and the Consolidated Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

Copenhagen, 31 March 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant

Claus Damhave
State Authorised Public Accountant

Company Information

The Company	Joe & The Juice Holding A/S Østergade 26 DK-1100 København K CVR No: 35 52 79 90 Financial period: 1 January - 31 December Municipality of reg. office: København K
Board of Directors	Tue Mantoni, Chairman Morten Nødgaard Albæk Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Thomas Kusk Nørøxe Kaspar Basse
Executive Board	Kaspar Basse Sebastian Vestergaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group		
	2016	2015	2013/14
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	551.350	404.551	309.610
Gross profit/loss	262.298	205.299	106.027
Operating profit/loss	-9.275	15.336	22.285
Profit/loss before financial income and expenses	8.805	21.969	31.598
Net financials	-32.367	-14.655	2.216
Net profit/loss for the year	-15.132	3.036	21.798
Balance sheet			
Balance sheet total	710.305	485.581	131.936
Equity	-103.931	191.508	67.515
Cash flows			
Cash flows from:			
- operating activities	104.021	94.301	84.472
- investing activities	-247.881	-128.056	-369.440
including investment in property, plant and equipment	-201.397	-106.751	-71.580
- financing activities	159.368	41.339	318.252
Change in cash and cash equivalents for the year	15.507	7.584	33.284
Number of employees	983	696	535
Ratios			
Gross margin	47,6%	50,7%	34,2%
Profit margin	1,6%	5,4%	10,2%
Return on assets	1,2%	4,5%	23,9%
Solvency ratio	-14,6%	39,4%	51,2%
Return on equity	-34,6%	2,3%	38,5%

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

Management's Review

Main activity

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

Development in the year

The Group has continued its expansion in existing and new markets, including the US and Australia, and opened 50 new stores in 2016. In total, the Group operated 157 own stores at 31 December 2016 and 18 stores with partners.

The Group's revenue for 2016 equaled DKK 551.4 million compared to DKK 404.6 million in 2015, an increase of 36.3%. The Group's earnings before interest, tax, depreciations and amortisations (EBITDA) for 2016 amounted to DKK 82.3 million compared to DKK 69.0 million in 2015.

Management is overall very satisfied with the development and financial results of the Group in 2016.

In November 2016, the Company completed a transaction where a new strategic investor entered Joe & The Juice Holding A/S and a new financing facility to support future growth was agreed. As part of thetransaction, the Group's structure was changed and a new legal entity (JTJ Heartbeat A/S) was created "between" Joe & The Juice A/S and Joe & The Juice Holding A/S. Free reserves in Joe & The Juice Holding A/S were distributed to shareholders and used to perform a share buy-back. The change of structure and the new financing facility ensure sufficient liquidity for the Group, however the profit of the restructuring transactions is not reflected in the profit and loss statement of the Group but solely in the balance sheet. The reported net result for the Group was therefore negatively impacted by this transaction and costs related to the transaction. As a result, the Group reported a net loss for 2016 of DKK 15.1 million compared to a net profit of DKK 3.0 million in 2015 and at 31 December 2016 the balance sheet of the Group shows a negative equity of DKK 103.9 million.

The income statement of Joe & The Juice Holding A/S for the accounting year 2016 shows a profit of DKK 149.7 million, and at 31 December 2016 the balance sheet of Joe & The Juice Holding A/S shows equity of DKK 71.0 million.

Capital resources

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

Risks

Market conditions

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

Management's Review

Currency exposure

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

Strategy

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

Targets and expectations for the year ahead

The Management has positive expectations to the coming financial year and expects to increase the total number of stores, especially internationally. The Group expect a significant increase in revenue which will lead to an improved result compared to 2016.

External environment

The Group is environmentally aware and works to reduce the environmental impact of business operations.

Knowledge resources

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

Statement of corporate social responsibility

The Group has no written CSR policy but complies with current legislation and agreements, and the Group is currently working on completing a written CSR policy during 2017.

Statement on gender composition

The management and the Board of Directors aim to follow the recommendations of the Danish Business Authority with respect to the underrepresented gender. During 2016 two women have joined the Board of Directors.

In the financial period a process has been initiated with respect to the Group's other Management levels to identify in-house talent to secure the right candidates for future management positions. This ongoing process comprises both men and women, and the best candidates will be selected.

Subsequent events

Joe & The juice Holding A/S has as of 13 March 2017 completed a capital increase of DKK 62.3 million from employees and members of the Board of Directors.

Income Statement 1 January - 31 December

	Note	Group 2016 DKK	Group 2015 DKK	Parent Compamy 2016 DKK	Parent Compamy 2015 DKK
Revenue	1	**551.350.035**	**404.550.762**	**5.740.256**	**5.318.520**
Other operating income		18.079.464	6.633.273	0	0
Expenses for raw materials and consumables		-102.491.707	-78.487.196	0	0
Other external expenses		-204.640.107	-127.397.909	-6.729.686	-368.572
Gross profit/loss		**262.297.685**	**205.298.930**	**-989.430**	**4.949.948**
Staff expenses	2	-179.963.913	-136.255.454	-7.270.342	-6.186.327
Result before depreciations (EBITDA)		**82.333.772**	**69.043.476**	**-8.259.772**	**-1.236.379**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-73.529.266	-47.073.981	0	0
Profit/loss before financial income and expenses		**8.804.506**	**21.969.495**	**-8.259.772**	**-1.236.379**
Income from investments in subsidiaries	3	0	0	167.482.565	20.818.812
Financial income		0	15.625	0	0
Financial expenses	4	-32.367.117	-14.670.234	-14.353.040	-8.876.464
Profit/loss before tax		**-23.562.611**	**7.314.886**	**144.869.753**	**10.705.969**
Tax on profit/loss for the year	5	8.430.465	-4.278.941	4.857.343	2.376.518
Net profit/loss for the year		**-15.132.146**	**3.035.945**	**149.727.096**	**13.082.487**

Distribution of profit

	Parent Compamy	
	2016	2015
	DKK	DKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	-8.291.715	8.669.854
Retained earnings	158.018.811	4.412.633
	149.727.096	**13.082.487**

Balance Sheet 31 December

Assets

	Note	Group 2016 DKK	Group 2015 DKK	Parent Compamy 2016 DKK	Parent Compamy 2015 DKK
Trademarks and rights		52.479.324	20.732.528	0	0
Goodwill		223.600.626	237.722.771	0	0
Development projects in progress		15.206.722	7.998.820	0	0
Intangible assets	6	**291.286.672**	**266.454.119**	**0**	**0**
Other fixtures and fittings, tools and equipment		149.735.786	109.409.294	0	0
Leasehold improvements		122.808.179	33.424.603	0	0
Property, plant and equipment in progress		19.225.429	6.864.209	0	0
Property, plant and equipment	7	**291.769.394**	**149.698.106**	**0**	**0**
Investments in subsidiaries	8	0	0	0	332.340.386
Receivables from group enterprises	9	0	0	15.942.434	0
Deposits	9	5.303.106	2.008.692	0	0
Fixed asset investments		**5.303.106**	**2.008.692**	**15.942.434**	**332.340.386**
Fixed assets		**588.359.172**	**418.160.917**	**15.942.434**	**332.340.386**
Inventories		**7.902.120**	**5.557.815**	**0**	**0**
Trade receivables		20.436.887	5.163.219	0	0
Receivables from group enterprises		0	0	22.378.897	0
Deferred tax asset	10	17.334.793	6.197.607	0	261.000
Corporation tax		0	0	5.136.819	2.520.561
Prepayments	11	19.895.804	9.633.040	0	0
Receivables		**57.667.484**	**20.993.866**	**27.515.716**	**2.781.561**
Cash at bank and in hand		**56.376.012**	**40.868.563**	**33.995.028**	**13.145.512**
Currents assets		**121.945.616**	**67.420.244**	**61.510.744**	**15.927.073**
Assets		**710.304.788**	**485.581.161**	**77.453.178**	**348.267.459**

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Compamy	
		2016	2015	2016	2015
		DKK	DKK	DKK	DKK
Share capital		31.362.163	4.186.632	31.362.163	4.186.632
Reserve for net revaluation under the equity method		0	0	0	8.291.715
Reserve for development costs		6.382.740	0	0	0
Retained earnings		-141.676.034	187.321.184	39.612.493	189.076.011
Equity	12	**-103.931.131**	**191.507.816**	**70.974.656**	**201.554.358**
Provision for deferred tax	10	2.846.000	2.585.000	0	0
Other provisions	13	2.834.649	0	0	0
Provisions		**5.680.649**	**2.585.000**	**0**	**0**
Credit institutions		510.928.114	119.347.044	0	119.347.044
Lease obligations		40.361.647	16.199.737	0	0
Trade payables		17.978.729	7.288.037	0	0
Long-term debt	14	**569.268.490**	**142.834.818**	**0**	**119.347.044**
Credit institutions	14	28.537.903	11.000.000	0	11.000.000
Lease obligations	14	9.688.534	3.294.459	0	0
Trade payables	14	170.646.638	104.193.960	5.365.680	157.712
Payables to group enterprises		0	0	0	15.159.797
Corporation tax		1.534.878	8.118.139	0	0
Other payables		25.775.533	18.427.348	1.112.842	1.048.548
Deferred income	15	3.103.294	3.619.621	0	0
Short-term debt		**239.286.780**	**148.653.527**	**6.478.522**	**27.366.057**
Debt		**808.555.270**	**291.488.345**	**6.478.522**	**146.713.101**
Liabilities and equity		**710.304.788**	**485.581.161**	**77.453.178**	**348.267.459**
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Fee to auditors appointed at the general meeting	20				

Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	4.186.632	0	0	0	187.321.184	191.507.816
Excercise of warrants	77.998	0	0	0	0	77.998
Cash capital increase	184.513	9.815.487	0	0	0	10.000.000
Cash capital reduction	-4.537.832	0	0	0	-109.070.606	-113.608.438
Bonus shares	31.450.852	0	0	0	-31.450.852	0
Purchase of treasury shares	0	0	0	0	-176.776.361	-176.776.361
Development costs for the year	0	0	0	6.382.740	-6.382.740	0
Net profit/loss for the year	0	0	0	0	-15.132.146	-15.132.146
Transfer from share premium account	0	-9.815.487	0	0	9.815.487	0
Equity at 31 December	**31.362.163**	**0**	**0**	**6.382.740**	**-141.676.034**	**-103.931.131**

Parent Compamy

Equity at 1 January	4.186.632	0	8.291.715	0	189.076.014	201.554.361
Excercise of warrants	77.998	0	0	0	0	77.998
Cash capital increase	184.513	9.815.487	0	0	0	10.000.000
Cash capital reduction	-4.537.832	0	0	0	-109.070.606	-113.608.438
Bonus shares	31.450.852	0	0	0	-31.450.852	0
Purchase of treasury shares	0	0	0	0	-176.776.361	-176.776.361
Net profit/loss for the year	0	0	-8.291.715	0	158.018.811	149.727.096
Transfer from share premium account	0	-9.815.487	0	0	9.815.487	0
Equity at 31 December	**31.362.163**	**0**	**0**	**0**	**39.612.493**	**70.974.656**

Cash Flow Statement 1 January - 31 December

	Note	Group 2016 DKK	Group 2015 DKK
Net profit/loss for the year		-15.132.146	3.035.945
Adjustments	18	97.465.918	66.007.531
Change in working capital	19	58.929.140	50.892.354
Cash flows from operating activities before financial income and expenses		**141.262.912**	**119.935.830**
Financial income		0	15.625
Financial expenses		-28.199.495	-15.048.374
Cash flows from ordinary activities		**113.063.417**	**104.903.081**
Corporation tax paid		-9.042.659	-10.601.768
Cash flows from operating activities		**104.020.758**	**94.301.313**
Purchase of intangible assets		-42.991.232	-22.014.085
Purchase of property, plant and equipment		-201.396.669	-106.751.309
Fixed asset investments made etc		-4.617.915	0
Sale of fixed asset investments etc		1.124.350	708.921
Cash flows from investing activities		**-247.881.466**	**-128.056.473**
Repayment of loans from credit institutions		-130.347.044	-26.000.000
Reduction of lease obligations		-7.459.739	0
Raising of loans from credit institutions		539.466.017	47.845.217
Lease obligations incurred		38.015.724	19.494.196
Purchase of treasury shares		-176.776.361	0
Cash capital increase		10.077.998	0
Cash capital reduction		-113.608.438	0
Cash flows from financing activities		**159.368.157**	**41.339.413**
Change in cash and cash equivalents		**15.507.449**	**7.584.253**
Cash and cash equivalents at 1 January		40.868.563	33.284.310
Cash and cash equivalents at 31 December		**56.376.012**	**40.868.563**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		56.376.012	40.868.563
Cash and cash equivalents at 31 December		**56.376.012**	**40.868.563**

Notes to the Financial Statements

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
1 Revenue				
Geographical segments				
Revenue, Denmark	247.680.408	238.575.169	5.740.256	5.318.520
Revenue, EU	271.545.522	163.203.323	0	0
Revenue, non-EU	32.124.105	2.772.270	0	0
	551.350.035	**404.550.762**	**5.740.256**	**5.318.520**
2 Staff expenses				
Wages and salaries	165.181.063	129.454.573	6.489.536	6.057.810
Pensions	928.924	679.919	0	0
Other social security expenses	8.408.917	3.703.067	15.148	14.400
Other staff expenses	5.445.009	2.417.895	765.658	114.117
	179.963.913	**136.255.454**	**7.270.342**	**6.186.327**
Including remuneration to the Executive Board and Board of Directors	**5.033.971**	**5.402.770**	**503.397**	**540.277**
Average number of employees	**983**	**696**	**5**	**5**

	Parent Compamy	
	2016	2015
	DKK	DKK
3 Income from investments in subsidiaries		
Share of profits of subsidiaries	32.011.794	34.940.957
Amortisation of goodwill	-12.945.300	-14.122.145
Profit on sale of shares	148.416.071	0
	167.482.565	**20.818.812**

Notes to the Financial Statements

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
4 Financial expenses				
Interest paid to group enterprises	0	0	139.084	367.669
Other financial expenses	25.716.176	11.070.511	14.191.664	8.499.663
Exchange adjustments, expenses	6.650.941	3.599.723	22.292	9.132
	32.367.117	**14.670.234**	**14.353.040**	**8.876.464**

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
5 Tax on profit/loss for the year				
Current tax for the year	4.097.061	3.735.602	-5.136.819	-2.520.832
Deferred tax for the year	-10.876.186	543.339	261.000	144.314
Adjustment of tax concerning previous years	-1.133.854	0	18.476	0
Adjustment of deferred tax concerning previous years	-517.486	0	0	0
	-8.430.465	**4.278.941**	**-4.857.343**	**-2.376.518**

Notes to the Financial Statements

6 Intangible assets

Group

	Trademarks and rights	Goodwill	Development projects in progress
	DKK	DKK	DKK
Cost at 1 January	26.857.782	282.442.896	7.998.820
Exchange adjustment	-454.874	0	0
Additions for the year	1.910.037	0	41.081.195
Disposals for the year	-1.492.869	0	0
Transfers for the year	33.873.293	0	-33.873.293
Cost at 31 December	60.693.369	282.442.896	15.206.722
Impairment losses and amortisation at 1 January	6.125.254	44.720.125	0
Exchange adjustment	-24.026	0	0
Amortisation for the year	3.331.638	14.122.145	0
Impairment and amortisation of sold assets for the year	-1.218.821	0	0
Impairment losses and amortisation at 31 December	8.214.045	58.842.270	0
Carrying amount at 31 December	**52.479.324**	**223.600.626**	**15.206.722**

Development projects relate to the development of new software for Joe & The Juice stores, including internal reporting tools. Management has assessed that the projects meet the requirements for capitalisation. The projects are expected to be completed in 2017 and 2018. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to result in improved efficiency and also support the Group in its expansion.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost at 1 January	166.748.056	47.264.238	6.864.209
Exchange adjustment	-3.094.910	-864.265	-117.138
Additions for the year	13.248.797	6.578.054	181.569.818
Disposals for the year	-8.311.318	-5.380.461	0
Transfers for the year	67.628.348	101.463.112	-169.091.460
Cost at 31 December	236.218.973	149.060.678	19.225.429
Impairment losses and depreciation at 1 January	57.338.762	13.839.635	0
Exchange adjustment	-794.839	-61.378	0
Depreciation for the year	33.975.606	14.885.388	0
Impairment and depreciation of sold assets for the year	-3.535.653	-2.911.835	0
Transfers for the year	-500.689	500.689	0
Impairment losses and depreciation at 31 December	86.483.187	26.252.499	0
Carrying amount at 31 December	**149.735.786**	**122.808.179**	**19.225.429**
Including assets under finance leases amounting to	46.036.056	0	0

Notes to the Financial Statements

	Parent Compamy	
	2016	2015
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 January	324.048.671	324.048.671
Additions for the year	545.000	0
Cost at 31 December	324.593.671	324.048.671
Value adjustments at 1 January	8.291.715	-12.148.958
Exchange adjustment	0	-378.139
Net profit/loss for the year	34.921.957	34.940.957
Amortisation of goodwill	-14.122.145	-14.122.145
Sale of shares	-500.000.000	0
Advanced income due to equity method	146.314.802	0
Value adjustments at 31 December	-324.593.671	8.291.715
Carrying amount at 31 December	**0**	**332.340.386**
Positive differences arising on initial measurement of subsidiaries at net asset value	0	282.442.896
Remaining positive difference included in the above carrying amount at 31 December	223.600.626	237.722.771

Notes to the Financial Statements

8 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
JTJ HEARTBEAT A/S	Copenhagen	100%
JOE & THE JUICE A/S	Copenhagen	100%
JOE & THE JUICE NG AB	Sweden	100%
JOE & THE JUICE NORGE AS	Norway	100%
JOE & THE JUICE BLEICHENHOF GmbH	Germany	100%
JOE & THE JUICE NICE	France	100%
JOE & THE JUICE UK Ltd	United Kingdom	100%
JOE & THE JUICE SYDNEY PTY LIMITED	Australia	100%
JOE & THE JUICE Finland OY	Finland	100%
JOE & THE JUICE US HOLDING INC	USA	100%
JOE & THE JUICE NEW YORK LLC	USA	100%
JOE & THE JUICE PRINCE STREET LLC	USA	100%
JOE & THE JUICE SPRING STREET LLC	USA	100%
JOE & THE JUICE BRYANT PARK LLC	USA	100%
JOE & THE JUICE WTC LLC	USA	100%
JOE & THE JUICE SFO LLC	USA	100%
JOE & THE JUICE LEXINGTON LLC	USA	100%
JOE & THE JUICE 1350 6TH AVENUE LLC	USA	100%
JOE & THE JUICE COLLINS AVE LLC	USA	100%
JOE & THE JUICE COLUMBUS LLC	USA	100%
JOE & THE JUICE MARKET STREET LLC	USA	100%
JOE & THE JUICE BRICKEL LLC	USA	100%
JOE & THE JUICE AMSTERDAM LLC	USA	100%
JOE & THE JUICE HOWARD LLC	USA	100%
JOE & THE JUICE BISCAY LLC	USA	100%
JOE & THE JUICE MADISON LLC	USA	100%
JOE & THE JUICE FILLMORE LLC	USA	100%
JOE & THE JUICE WEST AVENUE LLC	USA	100%
JOE & THE JUICE BROADWAY LLC	USA	100%
JOE & THE JUICE MIAMI LLC	USA	100%
JOE & THE JUICE MONTGOMERY LLC	USA	100%

All foreign subsidaries are recognised and measured as separate entities.

Notes to the Financial Statements

9 Other fixed asset investments

	Group	Parent Compamy
	Deposits	Receivables from group enterprises
	DKK	DKK
Cost at 1 January	2.008.692	0
Exchange adjustment	-199.151	0
Additions for the year	4.617.915	15.942.434
Disposals for the year	-1.124.350	0
Cost at 31 December	5.303.106	15.942.434
Carrying amount at 31 December	**5.303.106**	**15.942.434**

10 Deferred tax asset

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
Net deferred tax asset at 1 January	3.612.607	4.155.946	261.000	405.042
Amounts recognised in the income statement for the year	10.876.186	-543.339	-261.000	-144.042
Net deferred tax asset at 31 December	**14.488.793**	**3.612.607**	**0**	**261.000**

Gross deferred tax assets amounts to DKK 17.3 million and has been recognised in the balance sheet as a current asset. Gross provision for deferred tax amounts to DKK 2.8 million.
The recognised tax asset comprises tax loss carry-forwards from operations outside Denmark. The tax loss carry-forwards are expected to be utilised within the next three to five years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on that the most significant tax loss carry-forwards are in markets, where the Group now is well established and these operations are expected to generate positive results going forward.

11 Prepayments

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

Notes to the Financial Statements

12 Equity

The share capital is broken down as follow:

	Number	Nominal value
		DKK
A-shares	1.001.017.012	10.010.170
B-shares	2.135.199.286	21.351.993
		31.362.163

The share capital has developed as follows:

	2016	2015	2014
	DKK	DKK	DKK
Share capital at 1 January	4.186.632	4.186.632	4.186.632
Capital increase	31.713.363	0	0
Capital decrease	-4.537.832	0	0
Share capital at 31 December	**31.362.163**	**4.186.632**	**4.186.632**

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
13 Other provisions				
Restoration obligation on leases	2.834.649	0	0	0
	2.834.649	**0**	**0**	**0**

Notes to the Financial Statements

14 Long-term debt

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

The debt falls due for payment as specified below:

	Group		Parent Compamy	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK
Credit institutions				
After 5 years	507.928.114	49.776.916	0	49.776.916
Between 1 and 5 years	3.000.000	69.570.128	0	69.570.128
Long-term part	510.928.114	119.347.044	0	119.347.044
Within 1 year	0	11.000.000	0	11.000.000
Other short-term debt to credit institutions	28.537.903	0	0	0
Short-term part	28.537.903	11.000.000	0	11.000.000
	539.466.017	**130.347.044**	**0**	**130.347.044**
Lease obligations				
Between 1 and 5 years	40.361.647	16.199.737	0	0
Long-term part	40.361.647	16.199.737	0	0
Within 1 year	9.688.534	3.294.459	0	0
	50.050.181	**19.494.196**	**0**	**0**
Trade payables				
Between 1 and 5 years	17.978.729	7.288.037	0	0
Long-term part	17.978.729	7.288.037	0	0
Other short-tem trade payables	170.646.638	104.193.960	5.365.680	157.712
	188.625.367	**111.481.997**	**5.365.680**	**157.712**

15 Deferred income

Deferred income consists of advance payments received concerning loyalty cards, which are expected to be reedemed within one year.

Notes to the Financial Statements

	Group		Parent Company	
	2016	2015	2016	2015
	DKK	DKK	DKK	DKK

16 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:
Shares in the companies JTJ Heartbeat A/S, Joe & The Juice A/S, Joe & The Juice NG AB, Joe & The Juice Norge AS, Joe and The Juice UK Ltd., Joe & The Juice Bleichenhof GmbH and JTJ US Holdings Inc. have been provided as security under certain circumstances for all accounts with SEB.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	131.235.000	70.127.000	0	0
Between 1 and 5 years	403.697.000	171.382.000	0	0
After 5 years	275.720.000	53.568.000	0	0
	810.652.000	**295.077.000**	**0**	**0**

Other contingent liabilities

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

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

Notes to the Financial Statements

17 Related parties

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

Transactions

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

18 Cash flow statement - adjustments

	Group	
	2016	2015
	DKK	DKK
Financial income	0	-15.625
Financial expenses	32.367.117	14.670.234
Depreciation, amortisation and impairment losses, including losses and gains on sales	73.529.266	47.073.981
Tax on profit/loss for the year	-8.430.465	4.278.941
	97.465.918	**66.007.531**

19 Cash flow statement - change in working capital

	Group	
	2016	2015
	DKK	DKK
Change in inventories	-2.344.305	-2.045.249
Change in receivables	-25.536.432	16.234.301
Change in other provisions	2.834.649	0
Change in trade payables, etc	83.975.228	36.703.302
	58.929.140	**50.892.354**

Notes to the Financial Statements

	Group	
	Group	
	2016	2015
	DKK	DKK
20 Fee to auditors appointed at the general meeting		
Audit fee to PricewaterhouseCoopers	575.000	400.000
Other assurance engagements	0	70.000
Tax advisory services	230.500	590.000
Other services	1.168.000	300.000
	1.973.500	**1.360.000**

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Joe & The Juice Holding A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Consolidated and Parent Company Financial Statements for 2016 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

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

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

losses on transactions between the consolidated enterprises.

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

Business combinations

Acquisitions

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".

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

Translation policies

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

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

Income Statement

Revenue

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

Other external expenses

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

Staff expenses

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

Notes, Accounting Policies

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

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years. The amortisation period is determined based on the business case from the purchase of the shares in Joe & The Juice A/S, a company with a strong market position and long earnings profile.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Notes, Accounting Policies

Property, plant and equipment

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

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

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

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

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

The items “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

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

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

Notes, Accounting Policies

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

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

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

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

Equity

Dividend

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

Deferred tax assets and liabilities

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

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

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

Notes, Accounting Policies

Provisions

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

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.

Notes, Accounting Policies

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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