JTJ Heartbeat A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2016

CVR No 37 28 06 82

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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Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of JTJ Heartbeat 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 give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

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 Shareholder of JTJ Heartbeat A/S

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

We have audited the Financial Statements of JTJ Heartbeat 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 ("the Financial Statements").

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

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

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit.

Independent Auditor's Report

We also:

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

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

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

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

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

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

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

Ulrik Ræbild	Claus Damhave
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	JTJ Heartbeat A/S Østergade 26 DK-1100 København K CVR No: 37 28 06 82 Financial period: 1 January - 31 December Municipality of reg. office: København
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

Income Statement 1 January - 31 December

	Note	2016	2015
		DKK	DKK
Other external expenses		-314.453	0
Gross profit/loss		**-314.453**	**0**
Other financial expenses		-2.204.590	0
Profit/loss before tax		**-2.519.043**	**0**
Tax on profit/loss for the year	2	554.189	0
Net profit/loss for the year		**-1.964.854**	**0**

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	2.000.000	0
Retained earnings	-3.964.854	0
	-1.964.854	**0**

Balance Sheet 31 December

Assets

	Note	2016	2015
		DKK	DKK
Investments in subsidiaries		2.285.754.430	0
Fixed asset investments		**2.285.754.430**	**0**
Fixed assets		**2.285.754.430**	**0**
Deferred tax asset		50.380	0
Corporation tax		503.809	0
Receivables		**554.189**	**0**
Cash at bank and in hand		**1.457**	**500.000**
Currents assets		**555.646**	**500.000**
Assets		**2.286.310.076**	**500.000**

Balance Sheet 31 December

Liabilities and equity

	Note	2016	2015
		DKK	DKK
Share capital		510.000	500.000
Retained earnings		1.781.780.729	0
Proposed dividend for the year		2.000.000	0
Equity		**1.784.290.729**	**500.000**
Credit institutions		480.928.114	0
Payables to group enterprises		15.942.434	0
Long-term debt	3	**496.870.548**	**0**
Payables to group enterprises	3	1.479.000	0
Other payables		3.669.799	0
Short-term debt		**5.148.799**	**0**
Debt		**502.019.347**	**0**
Liabilities and equity		**2.286.310.076**	**500.000**
Main activity	1		
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Related parties	5		

Statement of Changes in Equity

	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	0	0	0	500.000
Cash capital increase	10.000	1.785.745.583	0	0	1.785.755.583
Net profit/loss for the year	0	0	-3.964.854	2.000.000	-1.964.854
Transfer from share premium account	0	-1.785.745.583	1.785.745.583	0	0
Equity at 31 December	**510.000**	**0**	**1.781.780.729**	**2.000.000**	**1.784.290.729**

Notes to the Financial Statements

1 Main activity

The object of the Company is to hold ownership shares in companies that operate JOE & THE JUICE stores.

	2016	2015
	DKK	DKK

2 Tax on profit/loss for the year

	2016 DKK	2015 DKK
Current tax for the year	-503.809	0
Deferred tax for the year	-50.380	0
	-554.189	**0**

3 Long-term debt

	2016 DKK	2015 DKK
Debt falling due after 5 years	480.928.114	0
	480.928.114	**0**

The long term-debt balance is net of incurred transaction expenses of DKK 19.1 million. The transaction expenses are recognised as an interest expense in the income statement over the loan period.

4 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bank and credit institutions:
Shares in the companies Joe & The Juice 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.

Contingent liabilities

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

5 Related parties

Consolidated Financial Statements

The Company is included in the consolidated financial statements of the parent company.

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

Notes, Accounting Policies

Basis of Preparation

The Annual Report of JTJ Heartbeat A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Joe & The Juice Holding A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

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

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

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

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

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

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

Notes, Accounting Policies

Translation policies

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

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

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

Income Statement

Other external expenses

Other external expenses comprise audit, legal expenses and other administration expenses.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

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, Accounting Policies

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.

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.