JTJ Heartbeat A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2018

CVR No 37 28 06 82

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 11/4 2019

Morten Askekilde
Chairman of the General Meeting

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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 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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

Copenhagen, 9 April 2019

Executive Board

Morten Lodal Askekilde	Andreas Peter Dipo-Zimmermann

Board of Directors

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

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, 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 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 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.

Hellerup, 9 April 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild	Claus Damhave
State Authorised Public Accountant	State Authorised Public Accountant
mne33262	mne34166

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	Kaspar Basse, Chairman Tue Mantoni Morten Nødgaard Albæk Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Thomas Kusk Nørøxe
Executive Board	Morten Lodal Askekilde Andreas Peter Dipo-Zimmermann
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2018	2017
		DKK	DKK
Gross profit/loss		**-52.859**	**18.746**
Other financial income	2	3.072.916	1.548.967
Other financial expenses	3	-43.462.070	-31.971.163
Profit/loss before tax		**-40.442.013**	**-30.403.450**
Tax on profit/loss for the year	4	5.025.648	6.547.579
Net profit/loss for the year		**-35.416.365**	**-23.855.871**

Distribution of profit

Proposed distribution of profit

Retained earnings	-35.416.365	-23.855.871
	-35.416.365	**-23.855.871**

Balance Sheet 31 December

Assets

	Note	2018	2017
		DKK	DKK
Investments in subsidiaries		2.285.754.430	2.285.754.430
Fixed asset investments		**2.285.754.430**	**2.285.754.430**
Fixed assets		**2.285.754.430**	**2.285.754.430**
Receivables from group enterprises		104.041.970	37.498.469
Deferred tax asset		6.742.672	724.441
Corporation tax receivable from group enterprises		1.296.593	7.527.928
Receivables		**112.081.235**	**45.750.838**
Cash at bank and in hand		**0**	**89.053.424**
Currents assets		**112.081.235**	**134.804.262**
Assets		**2.397.835.665**	**2.420.558.692**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		510.000	510.000
Retained earnings		1.712.068.269	1.752.559.768
Equity		**1.712.578.269**	**1.753.069.768**
Subordinate loan capital	5	96.674.329	88.834.920
Subordinated loan capital		**96.674.329**	**88.834.920**
Credit institutions		478.509.053	481.741.955
Payables to group enterprises		15.942.434	15.942.434
Long-term debt	5	**494.451.487**	**497.684.389**
Credit institutions	5	15.478.699	0
Payables to group enterprises	5	64.403.941	72.493.798
Other payables		14.248.940	8.475.817
Short-term debt		**94.131.580**	**80.969.615**
Debt		**588.583.067**	**578.654.004**
Liabilities and equity		**2.397.835.665**	**2.420.558.692**
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	510.000	1.752.559.768	1.753.069.768
Fair value adjustment of hedging instruments, end of year	0	-6.506.583	-6.506.583
Tax on adjustment of hedging instruments for the year	0	1.431.449	1.431.449
Net profit/loss for the year	0	-35.416.365	-35.416.365
Equity at 31 December	**510.000**	**1.712.068.269**	**1.712.578.269**

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.

	2018	2017
	DKK	DKK
2 Other financial income		
Interest received from group enterprises	3.045.409	1.548.967
Exchange adjustments	27.507	0
	3.072.916	**1.548.967**

3 Other financial expenses

Interest paid to group enterprises	3.556.570	2.953.767
Other financial expenses	39.897.682	28.769.751
Exchange adjustments, expenses	7.818	247.645
	43.462.070	**31.971.163**

4 Tax on profit/loss for the year

Current tax for the year	-1.296.593	-7.527.928
Deferred tax for the year	-6.018.231	-674.061
Adjustment of tax concerning previous years	857.727	141.180
	-6.457.097	**-8.060.809**
which breaks down as follows:		
Tax on profit/loss for the year	-5.025.648	-6.547.579
Tax on changes in equity	-1.431.449	-1.513.230
	-6.457.097	**-8.060.809**

Notes to the Financial Statements

5 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:

	2018	2017
	DKK	DKK
Subordinate loan capital		
After 5 years	0	88.834.920
Between 1 and 5 years	96.674.329	0
Long-term part	96.674.329	88.834.920
Within 1 year	0	0
	96.674.329	**88.834.920**
Credit institutions		
After 5 years	0	481.741.955
Between 1 and 5 years	478.509.053	0
Long-term part	478.509.053	481.741.955
Other short-term debt to credit institutions	15.478.699	0
	493.987.752	**481.741.955**
Payables to group enterprises		
Between 1 and 5 years	15.942.434	15.942.434
Long-term part	15.942.434	15.942.434
Other short-term debt to group enterprises	64.403.941	72.493.798
	80.346.375	**88.436.232**

Notes to the Financial Statements

6 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 US Holdings Inc., Joe & The Juice Bleichenhof GmbH, Joe & The Juice Norge AS, Joe & The Juice NG AB, Joe and The Juice UK Ltd., Joe & The Juice Sydney Pty Ltd., Joe & The Juice Nice SARL and Joe & The Juice (Switzerland) AG have been provided as security under certain circumstances for all accounts with SEB.

Contingent liabilities

The Parent Company has through SEB issued bank guarantees of total DKK 147 million on behalf of subsidiaries.

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.

7 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 to the Financial Statements

8 Accounting Policies

The Annual Report of JTJ Heartbeat A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 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 to the Financial Statements

8 Accounting Policies (continued)

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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Notes to the Financial Statements

8 Accounting Policies (continued)

Income Statement

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external 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.

Impairment of fixed assets

The carrying amounts of fixed assets 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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.