JTJ Heartbeat A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2020

CVR No 37 28 06 82

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/7 2021

Sebastian Christmas Poulsen
Chairman of the General Meeting

Sebastian Christmas Poulsen

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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

Copenhagen, 16 July 2021

Executive Board

Thomas Kusk Nørøxe

Allan Auning-Hansen

Board of Directors

Kaspar Basse
Chairman

Tue Mantoni
Deputy Chairman

Morten Nødgaard Albæk

Melis Zeynep Kahya

Per Forsberg

LAURIE ANN GOLDMAN
Laurie Ann Goldman

Andrew William Crawford

Björn Lundgren

Independent Auditor's Report

To the Shareholder of JTJ Heartbeat A/S

Opinion
We have audited the Financial Statements of JTJ Heartbeat A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are 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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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.

Independent Auditor's Report

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.

Copenhagen, 16 July 2021
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Bjørn Winkler Jakobsen

Bjørn Winkler Jakobsen
State Authorised Public Accountant
mne32127

Hans Tauby
State Authorised Public Accountant
mne44339

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, Deputy chairman Morten Nødgaard Albæk Melis Zeynep Kahya Per Forsberg Laurie Ann Goldman Andrew William Crawford Björn Lundgren
Executive Board	Thomas Kusk Nørøxe Allan Auning-Hansen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 København S

Income Statement 1 January - 31 December

	Note	2020	2019
		TDKK	TDKK
Gross profit/loss		**323**	**333**
Other financial income	3	12.517	14.377
Other financial expenses	4	-88.543	-76.766
Profit/loss before tax		**-75.703**	**-62.056**
Tax on profit/loss for the year	5	-7.313	6.816
Net profit/loss for the year		**-83.016**	**-55.240**

Distribution of profit

Proposed distribution of profit

	2020	2019
Retained earnings	-83.016	-55.240
	-83.016	**-55.240**

Balance Sheet 31 December

Assets

	Note	2020	2019
		TDKK	TDKK
Investments in subsidiaries	6	2.916.513	2.285.754
Receivables from group enterprises		43.323	316.648
Fixed asset investments		**2.959.836**	**2.602.402**
Fixed assets		**2.959.836**	**2.602.402**
Deferred tax asset		0	10.209
Corporation tax receivable from group enterprises		2.895	3.539
Receivables		**2.895**	**13.748**
Currents assets		**2.895**	**13.748**
Assets		**2.962.731**	**2.616.150**

Balance Sheet 31 December

Liabilities and equity

	Note	2020	2019
		TDKK	TDKK
Share capital		510	510
Other statutory reserves		-7.764	0
Retained earnings		2.206.058	1.656.830
Equity		**2.198.804**	**1.657.340**
Subordinate loan capital		115.197	105.277
Credit institutions		606.363	500.821
Payables to group enterprises		14.127	320.919
Long-term debt	7	**735.687**	**927.017**
Credit institutions	7	13.419	11.628
Other payables		14.821	20.165
Short-term debt		**28.240**	**31.793**
Debt		**763.927**	**958.810**
Liabilities and equity		**2.962.731**	**2.616.150**
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Statement of Changes in Equity

	Share capital	Other statutory reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	510	0	1.661.693	1.662.203
Net effect of correction of material misstatements	0	0	-4.865	-4.865
Net effect from change of accounting policy	0	-11.697	11.697	0
Adjusted equity at 1 January	510	-11.697	1.668.525	1.657.338
Cash capital increase	0	0	620.549	620.549
Fair value adjustment of hedging instruments	0	3.933	0	3.933
Net profit/loss for the year	0	0	-83.016	-83.016
Equity at 31 December	**510**	**-7.764**	**2.206.058**	**2.198.804**

Notes to the Financial Statements

1 Going concern

The implications of COVID-19 have continued in the first half of 2021. As government restrictions are reduced and the markets are reopening, revenue is increasing towards 2019 levels.

In April 2020, the Group raised 200 mDKK in equity and 100mDKK in additional debt to ensure sufficient liquidity resources were available under the Danish economic stimulus package on government guaranteed loans.

In February 2021, the Group raised 300 mDKK in additional equity to ensure sufficient liquidity resources are available and support the future growth.

The Group has entered into a new bank agreement by the end of 2020. During 2020 certain covenants have been waived.

With the funding obtained in 2020 and 2021 it is Management's assessment that the Groups cash position is sufficient for the whole financial year 2021. The assessment is based on the business plans prepared in the Fall 2020 and the current trading taking into effect the current and future expectations from COVID-19.

Based on this the Annual Report is presented under the going concern assumption.

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2 Key activities

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

	2020	2019
	TDKK	TDKK
3 Other financial income		
Interest received from group enterprises	8.067	14.377
Fair value adjustment of derivatives	4.450	0
	12.517	**14.377**

	2020	2019
4 Other financial expenses		
Interest paid to group enterprises	16.945	14.718
Other financial expenses	67.512	56.268
Exchange adjustments, expenses	153	13
Fair value adjustments of derivatives	3.933	5.767
	88.543	**76.766**

Notes to the Financial Statements

5 Tax on profit/loss for the year

	2020	2019
	TDKK	TDKK
Current tax for the year	-2.895	-4.808
Deferred tax for the year	10.208	-1.874
Adjustment of tax concerning previous years	0	-187
Adjustment of deferred tax concerning previous years	0	53
	7.313	**-6.816**

6 Investments in subsidiaries

	2020	2019
Cost at 1 January	2.285.754	2.285.754
Additions for the year	630.759	0
Cost at 31 December	2.916.513	2.285.754
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	**2.916.513**	**2.285.754**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Joe & The Juice A/S	Copenhagen	TDKK 618	100%	-130.955	-455.000

Notes to the Financial Statements

7 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:

	2020	2019
	TDKK	TDKK
Subordinate loan capital		
Between 1 and 5 years	115.197	105.277
Long-term part	115.197	105.277
Within 1 year	0	0
	115.197	**105.277**
Credit institutions		
After 5 years	25.000	0
Between 1 and 5 years	581.363	500.821
Long-term part	606.363	500.821
Other short-term debt to credit institutions	13.419	11.628
	619.782	**512.449**
Payables to group enterprises		
Between 1 and 5 years	14.127	320.919
Long-term part	14.127	320.919
Within 1 year	0	0
	14.127	**320.919**

Notes to the Financial Statements

8 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, Joe & The Juice Netherlands 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 126 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.

9 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

10 Accounting Policies

The Annual Report of JTJ Heartbeat A/S for 2020 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 Financial Statements for 2020 are presented in TDKK.

Changes in accounting policies

Hedge accounting
Management has reassessed the effectiveness of interest rate hedges in place as of 1 January 2019 and has concluded that the hedges due to the negative interest environment in combination with a 0% floor on the loans were not effective as of 1 January 2019. Consequently, the hedges have been discontinued as of 1 January 2019, and the cumulative loss recognized in equity as of this date, 11.7 MDKK, is recycled to the income statement over the term of the hedges (2019-2023) and fair value adjustments recognized in 2019 has been recycled to financial item as well, including tax impact.

The change affects the financial item lines (net) as follows:
2019 (5.766) TDKK
2020 438 TDKK

Tax on profit for the year:
2019 1.279 TDKK

Correction of material misstatements

In connection with the preparation of the annual report, material misstatements in previous years have been corrected. The identified misstatements comprises errors in recognition of the deferred tax asset.

The misstatements have been corrected via the equity primo 2020 and in the comparative figures. The correction affects the tax on profit for the year in 2019 negatively by 4.865 TDKK with a corresponding decrease of the deferred tax asset recognized.

In addition to above, DKK 20 million have been reclassified in the comparative figures, which result in an increase in credit facilities and equal decrese of intercompany balances related to the credit facility set-up between group companies and SEB. The reclassification has no impact on the result or equity.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

Hedge accounting

Cash flow hedges is no longer considered to be effective but the hedged cash flows are still expected to occur, the cumulative gain or loss recognized in equity is recycled to the income statement over the term of the hedge. Fair value gains or losses following this discontinuance are recgnised in the income statement as financial items.

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, including fair value adjustments of derivaties.

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

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.

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

10 Accounting Policies (continued)

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.

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.

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.