
JTJ Heartbeat A/S

Østergade 26, DK-1100 København K

Annual Report for 1 January - 31 December 2021

CVR No 37 28 06 82

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/7 2022

Sebastian Christmas
Poulsen
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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

Copenhagen, 11 July 2022

Executive Board

Thomas Kusk Nørøxe

Emil Staal Bergander

Board of Directors

Kaspar Basse
Chairman

Tue Manton
Deputy Chairman

Morten Nødgaard Albæk

Melis Zeynep Kahya

Per Forsberg

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 2021 - 31 December 2021, which comprise the 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 Entity's financial position at and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1 of the financial statements, which describes going concern assumptions. Our opinion is not modified in respect of this matter.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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, 11 July 2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Bjørn Winkler Jakobsen
State Authorised Public Accountant
mne32127

Niels Skannerup Vendelbo
State Authorised Public Accountant
mne34532

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
Emil Staal Bergander

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Gross loss		-764	323
Other financial income	3	1.701	12.517
Other financial expenses	4	<u>-81.338</u>	<u>-88.543</u>
Loss before tax		-80.401	-75.703
Tax on loss for the year	5	<u>0</u>	<u>-7.313</u>
Net loss for the year		<u>-80.401</u>	<u>-83.016</u>

Distribution of loss

Proposed distribution of loss

Retained earnings		<u>-80.401</u>	<u>-83.016</u>
		<u>-80.401</u>	<u>-83.016</u>

Balance Sheet 31 December

Assets

	Note	2021 TDKK	2020 TDKK
Investments in subsidiaries	6	3.166.513	2.916.513
Receivables from group enterprises		20.223	43.323
Fixed asset investments		3.186.736	2.959.836
Fixed assets		3.186.736	2.959.836
Corporation tax receivable from group enterprises		0	2.895
Prepayments		569	0
Receivables		569	2.895
Currents assets		569	2.895
Assets		3.187.305	2.962.731

Balance Sheet 31 December

Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital		510	510
Hedging reserve		-3.825	-7.764
Retained earnings		2.415.633	2.206.058
Equity		2.412.318	2.198.804
Subordinate loan capital		121.253	115.197
Credit institutions		622.206	606.363
Payables to group enterprises		12.010	14.127
Long-term debt	7	755.469	735.687
Credit institutions	7	10.859	13.419
Other payables		8.659	14.821
Short-term debt		19.518	28.240
Debt		774.987	763.927
Liabilities and equity		3.187.305	2.962.731
Going concern	1		
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Statement of Changes in Equity

	Share capital	Hedging reserve	Retained earnings	Total
	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>
Equity at 1 January	510	-7.764	2.206.058	2.198.804
Capital contribution from Parent Company	0	0	289.976	289.976
Fair value adjustment of derivatives	0	3.939	0	3.939
Net loss for the year	0	0	-80.401	-80.401
Equity at 31 December	<u>510</u>	<u>-3.825</u>	<u>2.415.633</u>	<u>2.412.318</u>

Notes to the Financial Statements

1 Going concern

Over recent years, the Company has realized financial losses, which have been supported by the shareholders through capital increases. The Group is however currently generating positive cash flows from its operations and based on liquidity forecasts, expects to meet the financial covenants set out in the syndicated loan agreement. In July 2023, the term facility and the revolving credit facility fall due. Further, the capex facility except for 75 MDKK falls due in June 2023. Finally, the subordinated loan granted by Vækstfonden falls due in July 2023. The Group does not expect to generate sufficient cash from operations to meet this repayment obligation. Management has initiated discussion with the bank syndicate regarding deferral of repayments. Based on these discussions and an assessment of the enterprise value of the Group, Management expects a positive outcome of the discussions or in case of failure that alternative funding sources are available.

On this basis, Management has prepared the financial statement based on the assumption that the Company will continue its operations.

2 Key activities

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

3 Other financial income

	2021 TDKK	2020 TDKK
Interest received from group enterprises	1.701	8.067
Fair value adjustment of derivatives	0	4.450
	1.701	12.517

4 Other financial expenses

Interest paid to group enterprises	777	16.945
Other financial expenses	76.617	67.512
Exchange adjustments, expenses	5	153
Fair value adjustments of derivatives	3.939	3.933
	81.338	88.543

Notes to the Financial Statements

	2021 TDKK	2020 TDKK
5 Tax on loss for the year		
Current tax for the year	0	-2.895
Deferred tax for the year	0	10.208
	0	7.313
 6 Investments in subsidiaries		
Cost at 1 January	2.916.513	2.285.754
Additions for the year	250.000	630.759
Cost at 31 December	3.166.513	2.916.513
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	3.166.513	2.916.513

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%	21.269	-85.031

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:

	<u>2021</u> TDKK	<u>2020</u> TDKK
Subordinate loan capital		
Between 1 and 5 years	121.253	115.197
Long-term part	<u>121.253</u>	<u>115.197</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>121.253</u>	<u>115.197</u>
Credit institutions		
After 5 years	0	25.000
Between 1 and 5 years	622.206	581.363
Long-term part	<u>622.206</u>	<u>606.363</u>
Other short-term debt to credit institutions	<u>10.859</u>	<u>13.419</u>
	<u>633.065</u>	<u>619.782</u>
Payables to group enterprises		
Between 1 and 5 years	12.010	14.127
Long-term part	<u>12.010</u>	<u>14.127</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>12.010</u>	<u>14.127</u>

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 139 million on behalf of subsidiaries.

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 2021 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 2021 are presented in TDKK.

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

10 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

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 recognised 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 revenue and 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 derivatives.

Notes to the Financial Statements

10 Accounting Policies (continued)

Tax on 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.

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.

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.