
Sticks 'n' Sushi A/S

Nansensgade 49, DK-1366 København K

Annual Report for 1 July 2020 - 30 June 2021

CVR No 73 34 26 19

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/11 2021

Jakob Vestergaard Jensen
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 July - 30 June	15
Balance Sheet 30 June	16
Statement of Changes in Equity	18
Cash Flow Statement 1 July - 30 June	19
Notes to the Financial Statements	20

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sticks 'n' Sushi A/S for the financial year 1 July 2020 - 30 June 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 30 June 2021 of the Company and of the results of the Company operations and cash flows for 2020/21.

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

Copenhagen, 24 November 2021

Executive Board

Andreas Karlsson
CEO

Board of Directors

Jens Aaløse
Chairman

Roderick Wallace Mckie

Thorkil Ernst Brzuchanski
Rewers Andersen

Thomas Riis

Erik Preben Holm

Carsten Kaag

Independent Auditor's Report

To the Shareholder of Sticks 'n' Sushi A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2021 and of the results of the Company's operations and cash flows for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sticks 'n' Sushi A/S for the financial year 1 July 2020 - 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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' 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.

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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the 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.

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 misstate-

Independent Auditor's Report

ment, 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

Independent Auditor's Report

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, 24 November 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Mads Blichfeldt Henriksen
State Authorised Public Accountant
mne46065

Company Information

The Company

Sticks 'n' Sushi A/S
Nansensgade 49
DK-1366 København K

Telephone: + 45 33 11 70 30

CVR No: 73 34 26 19

Financial period: 1 July - 30 June

Municipality of reg. office: Copenhagen

Board of Directors

Jens Aaløse, Chairman
Roderick Wallace Mckie
Thorkil Ernst Brzuchanski Rewers Andersen
Thomas Riis
Erik Preben Holm
Carsten Kaag

Executive Board

Andreas Karlsson

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

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

	2020/21	2019/20	2018/19	2017/18	2016/17
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	268,736	273,191	309,660	326,010	310,200
Gross profit/loss	143,148	150,329	162,416	182,963	172,299
EBITDA	-389	-2,151	-13,618	12,846	17,162
Operating profit/loss	-13,791	-17,037	-28,459	1,072	5,355
Net financials	1,325	-3,323	-500	1,185	-1,534
Net profit/loss for the year	-9,642	-15,526	-22,611	1,736	2,921
Balance sheet					
Balance sheet total	147,982	162,170	120,536	129,330	120,742
Investment in property, plant and equipment for the year	12,073	2,858	7,338	16,724	6,022
Equity	10,877	20,519	21,046	43,656	41,920
Equity, incl. subordinated loan capital	39,742	48,106	46,140	43,656	41,920
Cash flows					
Cash flows from:					
- operating activities	28,748	-2,906	-551	8,853	21,095
- investing activities	-11,893	-5,577	-8,100	-19,816	-8,093
including investment in property, plant and equipment	-11,686	-2,859	-7,338	-16,724	6,022
- financing activities	-18,758	58,499	33,108	2,357	-12,491
Change in cash and cash equivalents for the year	-1,903	50,016	24,457	-8,606	511
Number of employees	344	407	443	439	424
Ratios					
Gross margin	53.3%	55.0%	52.4%	56.1%	55.5%
Solvency ratio	7.4%	12.7%	17.5%	33.8%	34.7%
Solvency ratio, equity incl. subordinated loan capital	26.9%	25.8%	38.3%	33.8%	34.7%
Return on equity	-61.4%	-74.7%	-69.9%	4.1%	7.2%
Revenue per employee	781	671	699	743	732

Management's Review

Primary activities

Sticks 'n' Sushi produces and serves healthy high-quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions. In the later years, a more "green line" has been introduced with salads, starters and more vegetarian menus also including bioorganic wines and soft drinks.

The first Sticks 'n' Sushi restaurant was opened in March 1994 at Nansensgade 59 in Copenhagen and has since been followed by 11 more restaurants in the Greater Copenhagen Area, 9 in and around London and 2 in Berlin. Every one of these restaurants, each having its own individual design and interior, forms a natural part of the local area environment which invites comfort and togetherness. Besides the 9 restaurants in London, an additional 4 Delivery Kitchens have been opened in 2021 making it possible to expand the reach to new areas of the city.

In 2020/21 Sticks 'n' Sushi A/S served guests in our 12 restaurants or as takeaway. This requires high quality and hygiene standards, rigorous training of our staff and uniform processes. The more than 600 employees have all been through extensive introductory and product training courses to secure the continuous execution of high standards of quality and ensuring the best possible guest experience possible.

Beside our 12 restaurants Sticks 'n' Sushi A/S consists of a central kitchen at Rødovre, Copenhagen, with around than 15 employees who support the Group's restaurants with semi-finished products, sauces and desserts etc. At "Baghuset" in Nansensgade 49, Copenhagen we have our office that covers managerial and administrative support functions as well as R&D functions.

Development in activities and finances

The income statement of the Company for 2020/21 shows a loss of kDKK 9,642, and at 30 June 2021 the balance sheet of the Company shows equity of kDKK 10,877.

In total the revenue went down year-on-year by DKK 4 million or 2% to bring revenue to DKK 269 million for 2020/21 compared with DKK 273.2 million in the financial year 2019/20.

The financial year ended with an EBITDA of DKK -0.4 million equals to comparable DKK -2.2 million in the previous financial year.

Our original forecast was an EBITDA of DKK 10-15 million, the negative result was mainly driven by Covid related challenges.

Covid-19 restrictions continued making it another difficult year to operate with a few closed restaurants and in longer periods revenue only from take-away. Due to flexibility from our staff, we have however been operating throughout the whole year, ensuring no jobs have been lost while working with an extreme focus on health safety precautions.

Management's Review

Salary compensation received from the Danish Government in 2020/21 amounts to a total of 5,6 million which covers a part of the costs to retain the employees unable to work. The cost for the company was significantly higher than compensation received.

Due to our positive performance, we expect to repay a significant part, if not all, of the ca DKK 2 million we have received in compensation to cover some of our fixed costs during lock down

Earnings before interest and tax (EBIT) amounting to a loss of DKK 13.8 million against a loss of DKK 17.0 million last year. Depreciations has decreased with DKK 1.5 million compared to 2019/20 to bring depreciations to a total of DKK 13.4 million as a result of our continuous investments and expansion.

In 2020/21 the company have continued its long-term digital investment program to enhance our guest's digital experience with even more convenience and smoothness to meet the growing expectations from our guests in relation to online ordering of TakeAway and delivery food. Using a data-driven approach we will continue to invest in our digital platforms in the years to come.

The number of full-time employees in Denmark was 344 compared with 407 in the financial year 2019/20.

Capital resources

Based on current bank agreement and the budget prepared for the financial year 2021/22 management is confident that the capital resources of the company are in place and accurate for the entire financial year 2021/22. The financial statement is prepared based on these assumptions.

Business related risks

Sticks 'n' Sushi is of course subject to the usual risks of the restaurant industry such as changing economic trends, consumer preference changes and demand, food security and raw material supplies, etc. The desire for more organic and local produced products and improved sustainability in combination with resource shortages and usual increase in costs for raw material will provide pressure on the profitability. A challenge of Sticks 'n' Sushi in the years to come will be the task of finding new and improved alternatives on the raw material side.

Beside from normal financial risk operating in the hospitality sector Sticks'n'Sushi A/S is subject to usual financial risks from trading with companies in different markets and its related exchange rate risk. The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy.

Management's Review

Target and expectations for the year

In 2021/22 organic growth in our existing restaurants as well as operational excellence is our primary focus areas. We will invest further to strengthen our value chain into the restaurants, continue training our staff and implement uniform processes as well as investing into our brand.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy.

Sticks 'n' Sushi A/S has applied for compensation under the economic stimulus packages introduced by the Danish Government.

Management is monitoring developments closely and will continue to make every effort to recapture any lost revenue from the pandemic period.

The company expects to deliver an EBITDA for the financial year 2021/22 in the range between DKK 15-20 million, pending the Covid-19 situation.

Research and development

The Sticks 'n' Sushi group is continuing its investments into improving our guests' digital journey with the best online ordering experience for take-away and at the same time improving efficiency and scalability in our operation.

External environment

Sustainability has always been a central part of Sticks 'n' Sushi values and business model from food procurement of raw materials, waste management, efficient energy use and the daily operations in the kitchens right to the food which we serve for our guests.

Sticks'n'Sushi have a no-waste policy and aim to produce as little waste as possible. This goes both for our menu card engineering and in the daily operations.

Intellectual capital resources

Hospitality businesses around the world are facing significant challenges when it comes to finding new staff. The impact of covid on personal situations, immigration changes and much higher business levels is felt by all. At Sticks N Sushi we seem to have coped well with a high stability level of our core team (circa 75% over a year's experience) - in particular in our kitchen's teams.

Our continued focus on individual wellbeing, higher than average rewards, structured training and development forms the foundation of a strong culture and family/team ethos. This is appreciated by our diverse colleagues from around the world and ensures we continue to operationally deliver exceptional service and food quality.

Management's Review

Statement of corporate social responsibility

Business model

Sticks 'n' Sushi Holding A/S covers Sticks 'n' Sushi A/S, Sticks 'n' Sushi UK Limited and Sticks'n'Sushi Germany GmbH. This portfolio covers the twenty-two Sticks 'n' Sushi restaurants internationally, twelve in Denmark, nine in the United Kingdom and one in Germany.

At Sticks 'n' Sushi we have a holistic approach to Corporate Social Responsibility (CSR). We take pride in being a business that acts responsibly and prioritises decency. Our work with sustainability is an endless journey and we do not want to pretend that we are perfect. The truth is that a company can always improve. And we are working on it. One step at a time.

Risk evaluation

We are members of a sustainable restaurant association called the Restaurateur's Guarantee Association (REGA). As part of this membership, we partake in impact assessments aligned to the United Nations (UN) Global Compacts Guidelines for Responsible Business in the following three areas: The Environment, Anti-Corruption and Human Rights (including Workers Rights). These impact assessments identify factors that are perceived as high risk to our industry in the countries we operate.

We are also active status members of the UN Global Compact Network, for which we conduct annual communication on our progress with relation to the UN Global Compacts Guiding Principles on Responsible Business. We are moreover members of the Sustainable Restaurant Association (SRA), a UK based sustainable business organisation, by whom we will also begin being audited. All of the membership organisations we are part of, require the identification of actual and potential risks and require the provision of remedies to diminish or prevent said risks.

Policies and activities

We want to make a difference where we can and therefore, we wish to form sustainable partnerships that contribute to causes that go beyond the daily operations of Sticks 'n' Sushi. We believe that the restaurant industry plays an important role in making demands to suppliers, and that we also have an obligation to support local, sustainable producers that operate with the same level of responsibility as we do – both when it comes to the environment, people, and their financials.

We have a long- term focus when we go into dialogue with potential suppliers and also focus on collaborating with networks of industry-colleagues, so communally we can influence the market on a larger scale, notably through our collaborations with REGA, the UN Global Compact and the SRA.

Below we will outline our intentions, actions and results in the following areas:
The Environment, Employee Conditions and Human Rights and Anti-Corruption.

If you want to know more about our CSR work, you can read our Communication on Progress where we have included more detailed examples on the past years activities. Access the report on

Management's Review

<https://www.unglobalcompact.org/what-is-gc/participants/8801-STICKS-N-SUSHI>

The environment

As a business we have a responsibility to mitigate risks to the environment and promote greater environmental responsibility and being aware the environment is something we at Sticks'n'Sushi continuously work with. We are committed to act on areas related to our business in where we can contribute to a safer and greener environment.

The past year we have especially focused on four areas related to the environment. These are takeaway packaging, food waste and general waste, our menu and electricity. During the last two years we have been working on replacing our single-use plastic for takeaway for the more environmental friendly rPET, which is made from recycled plastic bottles. In 20/21 we managed to complete this journey and all takeaway packaging now consist of 100% rPET.

With COVID-19 takeaway became an even bigger part of our business and we focused more non-plastic packaging alternatives. Therefore, we will be developing a takeaway strategy during 2021 to align the whole organisation. In order to minimize the use of plastics we have also reduced the size of our takeaway boxes. Going forward we will continue this journey and strive to find new and innovative sustainable solutions, which will reduce our impact on the environment even further.

Another key area has been preventing food waste. We have optimized our menu as well as recycling procedures. In that way we make sure to use as much as possible of each product and thereby also create less food waste. Another focus point the past year have been our menu. In 2020, we repositioned the plant-based set dish options in our menu card to a more central position alongside the other dishes. At the start of 2021, we have also added an additional plant-based lunch special to our menu. Besides including our plant-based options to the same menu card as our other dishes we are exploring various new greener possibilities to add to our menu. Alongside this a part of a greener menu depends on our suppliers and the demands we put forward on this topic. In 2021 a key aim of our sustainability agenda will focus on a more formalised due diligence procedure for suppliers. We want to ensure that aforementioned suppliers are the norm.

The past year we have been tracking the volume of energy-saving lightbulbs across our Danish restaurants. In 2020 we developed a target to phase our usage of non-energy saving lightbulbs by 2022. We are committed to having a 30% proportion of energy-saving lightbulbs across the group by the end of the financial year 2020/21 and a 60% share by the end of the financial year 2021/22.

Employee conditions & Human Rights

The past year we have focused even more on Employment Conditions and Human Rights where especially news ways of communicating and training modules have been put in place. Moreover, we have developed policies to work against anti-discrimination.

We are committed to ensure that there are no modern-day slavery or human trafficking in our business and as a responsible business we recognise our responsibility to protect employees, guests, and those

Management's Review

within our supply chains. One key area of this is the prevention of modern slavery which you can read even more about our work related to this in our yearly Modern Slavery Statement. Another highly important area regarding employee conditions and Human Rights considers antidiscrimination. In line with the UK legal requirements regarding gender pay gap reporting we will from April of 2021 annually conduct a gender pay gap analysis. Although it is only a requirement for the UK, we will conduct the same analysis for Denmark and Germany. In 2020 we developed a Key Performance Indicator to increase the proportion of females at board level over several years.

Everybody has a right to feel safe and comfortable coming to work and, any action to prevent this will not be tolerated. Following our internal guidelines and the #metoo movement, this year we sent communication material around to staff explaining what constitutes inappropriate behaviour and how to react should you experience such an issue. We also developed a policy on the topic. Most importantly we developed a new training module designated specially to the topic of sexual harassment. The module provides examples of how to recognise if you are a victim or observe inappropriate behaviour, how to act on and report such behaviour and how to behave appropriately yourself. In late 2020 we switched to a new online system for all staff and now have developed a wide range of new online training modules focussed on additional elements such the modern slavery act, and personal well-being.

The Pandemic brought additional needs for our employees. We developed and implemented new forms of channels that also helps our business to be even more flexible. We sent a range of information material out to our staff on the restrictions, health and safety in the restaurants and the status of our business. We developed a support Facebook group for staff and a Weekly unity call, whereby anybody could tune in for a business update and Q&A with our CEO.

We also developed clear procedures for identifying illness, notably a symptom checklist at the beginning of each workday, which all employees across the whole business complete. Moreover, we developed a wellbeing campaign focussed on several aspects of information provision related to personal wellbeing and resources. In February 2021 we had a wellbeing seminar available for all staff to (virtually) attend. We also provided a system called Perk Box for our staff, which provides discounts and vouchers for various restaurants and events, but also has a provision element for free counselling services.

In this financial year we developed an Equal Pay for Equal Roles policy where we commit to having job descriptions for all employees with attached specified salary brackets. This reduces areas where discrimination in status and subsequently pay can occur. We are already in this process, with an aim of having full coverage for all employees and roles by the end of 2021 thus, relating to the end of financial year 2021/22.

Anti-discrimination

We believe a part of being a responsible business involves highlighting areas where corruption and bribery could occur and working to prevent these activities from happening. During the past year we therefore have introduced different procedures and policies addressing anti-corruption. We moreover intend to develop our procedures on the area to include a broader range of possible challenges we could meet.

Management's Review

We conduct risk assessments with REGA related to the Environment, Human Rights (Including workers rights) and Anti-Corruption. We then develop action plans based on identified risks. Without doubt, anti-corruption is the area where less risks are identified for Sticks'n'Sushi and the restaurant industry generally. However, it is always useful to gain an overview of potential risks. We are lucky that we have not experienced any incidents of formal corruption however, this is also not to suggest no potential risks could occur in our industry, so we still implement actions to prevent these incidents. We have in 2020 developed an anti-corruption policy, to assure that we across the business takes distance from corruption and know how to act in case of this occur. The policy provides guidance for all persons in our organisation on how to align their daily work with our zero tolerance on corruption and to assist us identify, prevent or mitigate any such risks. This Policy is further embedded in our procedures through our staff handbook, and other relevant documents.

Moreover, we have implemented an online system where employees can record business gifts given and received (over a very low minimum threshold), for gifts over a certain value there is a mechanism in the online system to notify the chief financial officer that the gift needs approval. This is to enhance recording, transparency and integrity in recording procedures.

Statement on gender composition

It is our policy to continuously aim for the highest competency levels for our employees and we strive to recruit the best qualified candidates regardless of gender, age, religious beliefs, ethnicity, nationality, and/or sexual orientation. We want Sticks 'n' Sushi to be an attractive workplace for both women and men with equal opportunities for career advancement and management promotions. It is also important that the right competencies are present, and it is thus the company's policy to ensure development and training opportunities – internal as well as external – in order to give aspiring men and women the best possible opportunities within the company.

At all levels of the organisation we have internal classes and individual training programs for those who wish to advance their careers. We offer leadership courses from both internal and external teachers to all aspiring leaders and encourage everyone, including the underrepresented gender, to attend. We aim to achieve a fair and representative balance with regards to the composition of gender, age and seniority, recognising that the restaurant industry is an industry with a relatively high level of job rotation.

At the end of the financial year 2020/21 the gender composition at board level was as follows:

Board of Directors: 100% male.

The board of directors represents Sticks'n'Sushi Holding A/S which owns 100% of all operating companies – SNS A/S, SNS UK Limited, SNS Germany GmbH.

At the end of the previous financial year the composition at board level was also 100% male however we aim to have 20% female in the future and no later than the financial year 2022/23.

Management's Review

At the end of the financial year 2020/2021 the gender composition at senior management level was as follows:

Senior Management: 33% female to 67% male.

Last Financial year the composition was 22% female to 78% male. This year we have worked even more with recruiting females with the right experience and competencies. As it is the objective of Sticks 'n' Sushi Holdings A/S and Sticks 'n' Sushi A/S to raise the female ratio representation at both the board and management levels and we continue our work within this area.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 30 June 2021 and the results of the activities and cash flows of the Company for the Financial year for 2020/21 have been affected negatively by Covid-19 restrictions during several weeks with closed restaurants and only revenue from take-away.

Income Statement 1 July - 30 June

	Note	2020/21 kDKK	2019/20 kDKK
Revenue	1	268,736	273,191
Other operating income	2	16,916	13,251
Expenses for raw materials and consumables		-80,584	-77,874
Other external expenses		-61,920	-58,239
Gross profit/loss		143,148	150,329
Staff expenses	3	-138,020	-149,653
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-13,402	-14,887
Other operating expenses		-5,517	-2,827
Profit/loss before financial income and expenses		-13,791	-17,038
Financial income	5	4,140	1,207
Financial expenses	6	-2,815	-4,530
Profit/loss before tax		-12,466	-20,361
Tax on profit/loss for the year	7	2,824	4,835
Net profit/loss for the year		-9,642	-15,526

Balance Sheet 30 June

Assets

	Note	2021 kDKK	2020 kDKK
Completed development projects		1,990	4,609
Acquired trademarks		0	0
Intangible assets	8	1,990	4,609
Other fixtures and fittings, tools and equipment		4,578	6,182
Leasehold improvements		32,042	29,148
Property, plant and equipment	9	36,620	35,330
Deposits		3,830	4,006
Fixed asset investments	10	3,830	4,006
Fixed assets		42,440	43,945
Inventories		4,472	4,125
Trade receivables		5,617	4,635
Receivables from group enterprises		32,081	46,714
Other receivables		402	714
Deferred tax asset	11	6,393	3,569
Corporation tax receivable from group enterprises		3,953	3,953
Prepayments	12	523	511
Receivables		48,969	60,096
Cash at bank and in hand		52,101	54,004
Currents assets		105,542	118,225
Assets		147,982	162,170

Balance Sheet 30 June

Liabilities and equity

	Note	2021 kDKK	2020 kDKK
Share capital	13	10,000	10,000
Reserve for development costs		1,552	3,595
Retained earnings		-675	6,924
Equity		10,877	20,519
Other provisions	15	0	6,450
Provisions		0	6,450
Subordinate loan capital		28,865	27,587
Credit institutions		20,000	25,000
Other payables		4,231	3,844
Long-term debt	16	53,096	56,431
Credit institutions	16	5,000	20,087
Trade payables		8,000	11,286
Payables to group enterprises		19,344	19,294
Other payables	16	47,025	25,727
Deferred income	17	4,640	2,376
Short-term debt		84,009	78,770
Debt		137,105	135,201
Liabilities and equity		147,982	162,170
Distribution of profit	14		
Contingent assets, liabilities and other financial obligations	20		
Related parties	21		
Fee to auditors appointed at the general meeting	22		
Accounting Policies	23		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	kDKK	kDKK	kDKK	kDKK
Equity at 1 July	10,000	3,595	6,924	20,519
Development costs for the year	0	299	0	299
Depreciation, amortisation and impairment for the year	0	-2,342	0	-2,342
Net profit/loss for the year	0	0	-7,599	-7,599
Equity at 30 June	10,000	1,552	-675	10,877

Cash Flow Statement 1 July - 30 June

	Note	2020/21 kDKK	2019/20 kDKK
Net profit/loss for the year		-9,642	-15,526
Adjustments	18	9,250	13,375
Change in working capital	19	27,822	2,567
Cash flows from operating activities before financial income and expenses		27,430	416
Financial income		4,140	1,207
Financial expenses		-2,822	-4,529
Cash flows from operating activities		28,748	-2,906
Purchase of intangible assets		-383	-2,690
Purchase of property, plant and equipment		-11,686	-2,859
Fixed asset investments made etc		176	-28
Cash flows from investing activities		-11,893	-5,577
Raising group enterprises		1,329	15,105
Repayment of other long-term debt		0	-44
Credit facilities		-20,087	25,945
Raising of loans from associates		0	2,493
Contribution from group		0	15,000
Cash flows from financing activities		-18,758	58,499
Change in cash and cash equivalents		-1,903	50,016
Cash and cash equivalents at 1 July		54,004	3,988
Cash and cash equivalents at 30 June		52,101	54,004
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		52,101	54,004
Cash and cash equivalents at 30 June		52,101	54,004

Notes to the Financial Statements

	2020/21 kDKK	2019/20 kDKK
1 Revenue		
Geographical segments		
Denmark	268,736	273,191
	268,736	273,191
Business segments		
Restaurants	268,736	273,191
	268,736	273,191
2 Special items		
In 2020/21 the Company received compensation via the Covid-19 Government help packages of kDKK 8,001. For the financial year 2019/20 the Company received compensation via the Covid-19 Government help packages of kDKK 9,553. The compensation is recognized as other operating income in the profit and loss statement.		
3 Staff expenses		
Wages and salaries	124,043	132,093
Pensions	6,906	9,828
Other social security expenses	781	926
Other staff expenses	6,290	6,806
	138,020	149,653
Including remuneration to the Executive Board	2,435	2,140
Average number of employees	344	407
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3,002	3,716
Depreciation of property, plant and equipment	10,400	11,136
Impairment of property, plant and equipment	0	35
	13,402	14,887

Notes to the Financial Statements

	<u>2020/21</u>	<u>2019/20</u>
	kDKK	kDKK
5 Financial income		
Interest received from group enterprises	1,172	1,205
Other financial income	22	0
Exchange gains	2,946	2
	<u>4,140</u>	<u>1,207</u>
6 Financial expenses		
Interest paid to group enterprises	1,384	918
Other financial expenses	1,431	2,389
Exchange adjustments, expenses	0	1,223
	<u>2,815</u>	<u>4,530</u>
7 Tax on profit/loss for the year		
Current tax for the year	0	-973
Deferred tax for the year	-2,721	-4,041
Adjustment of tax concerning previous years	0	-75
Adjustment of deferred tax concerning previous years	-103	254
	<u>-2,824</u>	<u>-4,835</u>

Notes to the Financial Statements

8 Intangible assets

	Completed development projects kDKK	Acquired trade- marks kDKK
Cost at 1 July	19,406	40
Additions for the year	383	0
Cost at 30 June	<u>19,789</u>	<u>40</u>
Impairment losses and amortisation at 1 July	14,797	40
Amortisation for the year	3,002	0
Impairment losses and amortisation at 30 June	<u>17,799</u>	<u>40</u>
Carrying amount at 30 June	<u>1,990</u>	<u>0</u>

Development projects consists of a new app to secure a better uptime as well as a new platform to drive traffic to our take away. The project includes a product database hosted outside of the current one and owned by Sticks'n'Sushi.

Notes to the Financial Statements

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <small>kDKK</small>	Leasehold improvements <small>kDKK</small>
Cost at 1 July	54,344	104,555
Additions for the year	<u>1,261</u>	<u>10,429</u>
Cost at 30 June	<u>55,605</u>	<u>114,984</u>
Impairment losses and depreciation at 1 July	48,162	75,407
Depreciation for the year	<u>2,865</u>	<u>7,535</u>
Impairment losses and depreciation at 30 June	<u>51,027</u>	<u>82,942</u>
Carrying amount at 30 June	<u>4,578</u>	<u>32,042</u>

10 Fixed asset investments

	Deposits <small>kDKK</small>
Cost at 1 July	4,006
Disposals for the year	<u>-176</u>
Cost at 30 June	<u>3,830</u>
Carrying amount at 30 June	<u>3,830</u>

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
11 Deferred tax asset		
Deferred tax asset at 1 July	3,569	-217
Amounts recognised in the income statement for the year	2,824	4,041
Amounts recognised in equity for the year	0	-255
Deferred tax asset at 30 June	6,393	3,569

Deferred tax assets mainly consists of tax losses to carry forward. The Group expects to utilize the tax losses within the next 3-5 years.

12 Prepayments

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

13 Equity

The share capital consists of 1,000,000 shares of a nominal value of kDKK 10. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

14 Distribution of profit

Transfer for the year to other reserves	-2,043	1,201
Retained earnings	-7,599	-16,727
	-9,642	-15,526

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
15 Other provisions		
Other provisions consisted of expected loss from onerous rent contracts in 2019/20.		
Other provisions	0	6,450
	0	6,450

16 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:

Subordinate loan capital

Between 1 and 5 years	28,865	27,587
Long-term part	28,865	27,587
Within 1 year	0	0
	28,865	27,587

Credit institutions

After 5 years	0	5,000
Between 1 and 5 years	20,000	20,000
Long-term part	20,000	25,000
Other short-term debt to credit institutions	5,000	20,087
	25,000	45,087

Other payables

Between 1 and 5 years	4,231	3,844
Long-term part	4,231	3,844
Other short-term payables	47,025	25,727
	51,256	29,571

17 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

	<u>2020/21</u>	<u>2019/20</u>
	kDKK	kDKK
18 Cash flow statement - adjustments		
Financial income	-4,140	-1,207
Financial expenses	2,815	4,530
Depreciation, amortisation and impairment losses, including losses and gains on sales	13,399	14,887
Tax on profit/loss for the year	-2,824	-4,835
	<u>9,250</u>	<u>13,375</u>
19 Cash flow statement - change in working capital		
Change in inventories	-346	-248
Change in receivables	13,952	3,936
Change in other provisions	-6,450	1,850
Change in trade payables, etc	20,666	-2,971
	<u>27,822</u>	<u>2,567</u>

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations

Charges and security

As collateral for bank debt a bill of sale has been issued, nominal value of TDKK 5,000.

The company has pledged a company charge of TDKK 10,000 as collateral for debt. At 30 June 2021, the company charge comprises the following assets with the following carrying amounts:

	2021	2020
	kDKK	kDKK
Property, plant and equipment	39,844	35,330
Inventories	4,472	4,125
Trade receivables	5,617	4,635

Rental and lease obligations

Lease obligations under rental and other operating lease agreements. Total future lease payments:

Within 1 year	14,884	15,994
Between 1 and 5 years	34,158	43,073
After 5 years	21,849	27,425
	70,891	86,492

Guarantee obligations

The company has issued guarantee of payment against its sister companies.

The company has provided guarantees in respect of landlords at 30 June 2021, which amounts to TDKK 5,925.

Other contingent liabilities

The Entity has contingent liabilities regarding partial outsourcing of inventories to third party of TDKK 9,753.

The Entity participates in an international joint taxation in which MIE4 Holding 2 ApS serves as administration company. The Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements as at 30 June 2021.

Notes to the Financial Statements

21 Related parties

Basis

Controlling interest

MIE4 Holding 2 ApS, Copenhagen	Ultimate parent company
Sticks 'n' Sushi Holding A/S, Copenhagen	Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

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

Consolidated Financial Statements

The Company is included in the Group Report of the parent companies

Name	Place of registered office
MIE4 Holding 2 ApS	Copenhagen
Sticks 'n' Sushi Holding A/S	Copenhagen

22 Fee to auditors appointed at the general meeting

Referring to the Danish Statements Act § 96, sub section 3, information on fees to Auditors elected on a general meeting, has been omitted. We refer to the financial statement of Sticks 'n' Sushi Holding A/S.

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of Sticks 'n' Sushi A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Financial Statements for 2020/21 are presented in kDKK.

Changes in accounting policies

In 2019/20 salary compensation and compensation on operating expenses received via the Covid-19 Government help package was booked in P/L, which included and reduced staff expenses and operating expenses, respectively.

In 2019/20 staff expenses have been increased by DKK 8,505k. Other operating expenses has increased by DKK 1,048k. Correspondingly other operating income has increased by DKK 9,553k.

The change has not affected the Company's assets, liabilities or equity.

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.

Leases

Leases in terms of which the Company 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 Company.

Notes to the Financial Statements

23 Accounting Policies (continued)

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

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 business segments and geographical segments based on the Company'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 Company.

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 year.

Notes to the Financial Statements

23 Accounting Policies (continued)

Other external expenses

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

Staff expenses

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

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 Company, including royalties paid from sister company, gains and losses on the sale of intangible assets and property, plant and equipment.

Government support packages

The company has received compensation via Government help packages in the financial year 2020/21. The compensation is recognized under the respective financial statement line items for each compensation.

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 and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

23 Accounting Policies (continued)

Balance Sheet

Intangible assets

Acquired trademarks are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired trademarks are amortised over 10 years.

Costs of development projects comprise salaries and other expenses directly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-10 years.

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Notes to the Financial Statements

23 Accounting Policies (continued)

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	3-5 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.

Fixed asset investments

Fixed asset investments consist of deposits paid regarding rented premises.

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 raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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

23 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest. Prepayments are measured at cost.

Equity

Provisions

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

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 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Company'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 Company'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.

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" and "Overdraft facilities".

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

Notes to the Financial Statements

23 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Solvency ratio

$$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

Solvency ratio, equity incl. subordinated loan capital

$$\frac{\text{Equity incl. subordinated loan capital at year end x 100}}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$