

JOE & THE JUICE A/S

Østergade 26, DK-1100 Copenhagen

CVR No 26 58 93 55

Annual Report for 1 January - 31 December 2022

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on July 10th, 2023

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 JOE & THE JUICE A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, July 10th, 2023

Executive Board

Thomas Kusk Nørøxe
CEO

Jørn Vestergaard
CFO

Board of Directors

Kaspar Basse
Chairman

Tue Mantoni
Deputy Chairman

Björn Lundgren

Melis Zeynep Kahya

Per Forsberg

Laurie Ann Goldman

Andrew William Crawford

Morten Nødgaard Albæk

Independent Auditor's Report

To the Shareholders of JOE & THE JUICE A/S

Opinion

We have audited the financial statements of JOE & THE JUICE A/S for the financial year 1 January 2022 - 31 December 2022, 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 Company's financial position at and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 the cashflow and financing of activities as well as capital management of the company. 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.

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 skepticism 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.

Independent Auditor's Report

- 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.

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.

Statement on the management review

Management is responsible for the management review.

Our opinion on the financial statements does not cover the management 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 the management review and, in doing so, consider whether the management review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management 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 of the management review.

Copenhagen, July 10th, 2023

Deloitte Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Niels Skannerup Vendelbo

State Authorized Public Accountant

Identification No (MNE) mne34532

Company Information

The Company

JOE & THE JUICE A/S
Østergade 26
DK-1100 Copenhagen

CVR No: 26 58 93 55
Financial period: 1 January- 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Kaspar Basse, Chairman
Tue Mantoni, Deputy Chairman
Bjorn Lundgren
Melis Zeynep Kahya
Per Forsberg Laurie
Ann Goldman
Andrew William Crawford
Morten Nødgaard Albæk

Executive Board

Thomas Kusk Nørøxe
Jørn Vestergaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Financial Highlights

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Key figures					
Profit/loss					
Revenue.....	367,524	270,846	221,053	280,826	269,049
Gross profit/loss	131,753	110,059*	101,704*	144,992*	164,492*
Result before depreciations (EBITDA)	(28,390)	(11,299)	1,185	39,759	62,113
Profit/loss before financial income and expenses ...	(55,222)	(39,983)	(24,858)	104	28,382
Net financials.....	(10,210)	(47,076)	(392,534)	(313,267)	(39,401)
Net profit/loss for the year.....	(69,427)	(85,031)	(417,392)	(313,163)	(16,518)
Balance sheet					
Balance sheet total.....	533,859	502,454	430,676	512,839	776,497
Equity	(59,482)	21,269	(114,691)	(338,249)	156,416
Investment in property, plant and equipment	18,888	10,212	25,042	23,348	47,928
Average number of employees.....	637	343	271	312	318
Ratios					
Gross margin	35,8%	40,6%*	46,0%*	51,6%*	61,1%*
EBITDA margin.....	(7,7%)	(4,3%)	0,5%	14,2%	23,1%
Solvency ratio.....	(11,1%)	4,2%	(26,6%)	(66,0%)	20,1%

*Figures and ratios have been restated due to misstatement in presentation in previous years.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. KPIs are defined on page 25.

Management's Review

Key activities

The objective of the Company is to operate JOE & THE JUICE stores in Denmark and related activities and hold shares in entities operating JOE & THE JUICE stores around the world.

Developments in the year

By the end of 2022, the Company operates 67 stores in Denmark, increasing from 63 stores last year.

The Company's revenue for 2022 equaled DKK 367 million compared to DKK 270 million in 2021, corresponding to a growth of 35.7% which is in line with management expectations set out last year. On 31 December 2022 the balance sheet of the Company shows negative equity of DKK 59 million.

The income statement of the Company for 2022 shows a loss of DKK 69 million. 2022 was a year in which the company focused on strengthening and professionalizing the organization. Related one-off costs had an adverse impact of the financial result, mainly in the second part of the year, including non-capitalized costs for implementation of a new enterprise-level ERP system, upgrade of associated processes and positioning of the company for future strategic opportunities, including procurement of further growth funding. Returns on these investments are materializing, confirming that a solid foundation has been built to enable the company continued growth and further improved profitability.

Management is overall satisfied with the development and the financial results of the Company in 2022 and believes that the achievements in 2022 illustrate the robustness and growth potential of the JOE & THE JUICE brand and business model.

Financial situation and capital management

The Company is dependent on loan financing from a syndicate of banks to maintain the current capital structure and fund future growth. Loan agreements and irrevocable commitments until May and June 2024 are in place to secure the Company's liquidity needs. Over recent years, the company has realized losses, mainly following the adverse effects of COVID-19 on the Company's capital structure. The company received unconditional waivers from the bank syndicate in June 2023 covering the period from Q3 2022 to Q2 2023. Based on strong operational performance, Management expects to meet financial covenants set out in loan agreements and furthermore expects to achieve a leverage ratio (net debt/EBITDA) at or below 4.0x prior to maturity of loans mid-2024.

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

For further information, reference is made to descriptions in notes 1, 16 and 21 of the financial statements.

Special risks - operating risks and financial risks

Market conditions

Uncertainty remains in the wider market regarding growing inflationary pressure, as well as geopolitical instabilities such as the situation in Ukraine. Management will continue to monitor the situation closely and take necessary action as required.

Currency exposure

The Company is exposed to currency risk, mainly in USD, GBP, NOK and SEK.

Our Growth Strategy

JOE & THE JUICE aims to continue its high growth through the opening of new stores and by growing same-store-sales across the globally existing 332 store portfolio as of 31 December 2022.

JOE & THE JUICE's strategy is to continue the expansion of the successful and proven JOE & THE JUICE experience by focusing exclusively on healthy food and beverage offerings in attractive retail locations in combination with a digital platform that supports customer convenience and operational effectiveness. In addition to opening own stores, the company has entered the Middle East through opening of a total of 6 franchise stores across the UAE, Kuwait, Kingdom of Saudi Arabia and Qatar, which demonstrate first-hand the strong brand

Management's Review

appeal across cultures and geographies.

Expectations for the year ahead

JOE & THE JUICE near-term growth strategy is centered around profitable and sustainable growth. During 2023, the company will continue store openings and with a focus on continuous improvement in operating efficiencies, profitability, and franchise contributions. In parallel, we will continue to nurture JOE & THE JUICE's culture and develop our workforce for improved staff seniority and strengthen our operational skillset.

Management expects revenue to be more than DKK 405 million and EBIT is expected to be positive.

Knowledge resources

The key for JOE & THE JUICE is to continuously develop and retain its employees and to continuously invest in building the culture of JOE & THE JUICE. It is also important for the continued growth of the JOE & THE JUICE to attract and retain new, talented employees.

Report on Corporate Social Responsibility, cf. Section 99 a of the Danish Financial Statements Act

In accordance with section 99 a (6) of the Danish Financial Statements Act, the reporting on corporate social responsibility has been omitted as the parent company JOE & THE JUICE Holding A/S has prepared a corporate social responsibility report. The corporate social responsibility report is included in the Annual Report for JOE & THE JUICE Holding A/S for 2022.

Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act

In accordance with section 99 b (6) of the Danish Financial Statements Act, the reporting on the gender composition in management has been omitted as the parent company JOE & THE JUICE Holding A/S has prepared a report. The gender composition in the Management report is included in the annual report for JOE & THE JUICE Holding A/S for 2022.

Policy on data ethics, cf. Section 99 d of the Danish Financial Statements Act

In accordance with section 99 d (3) of the Danish Financial Statements Act, the reporting on data ethics has been omitted as the parent company JOE & THE JUICE Holding A/S has prepared a policy. The data ethics policy is included in the annual report for JOE & THE JUICE Holding A/S for 2022.

Subsequent events

After the reporting date, a condition associated with the waiver granted in December 2022 was not met following the failure of a committed financing partner to contribute capital in Q1 2023. As a result, the Group entered negotiations with the bank syndicate and obtained retrospective unconditional waivers, covering the period from the first breach of covenants in Q3 2022 until Q2 2023. Concurrently, a new banking agreement was finalized and signed in June 2023, whereby covenants until debt maturity in May and June 2024 were adapted the Group's updated business plans following strong operational results in the first half of 2023.

Income Statements for the years ended December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Revenue	2	367,524	270,846
Work on own account recognized in assets.....		1,929	4,107
Other operating income.....	3	6,149	24,309
Other external expenses		(173,044)	(139,682)
Expenses for raw materials and consumables.....		(70,805)	(49,521)
Gross profit		131,753	110,059
Staff expenses.....	4	(160,143)	(121,358)
Result before depreciations (EBITDA)		(28,390)	(11,299)
Depreciation and amortization of property, plant and equipment and intangible assets.....		(26,832)	(28,684)
Loss before financial income and expenses		(55,222)	(39,983)
Result from investments in subsidiaries.....	5	(36,811)	(65,454)
Financial income.....	6	47,747	36,497
Financial expenses.....	7	(21,146)	(18,119)
Loss before tax		(65,432)	(87,059)
Tax on profit/loss for the year.....	8	(3,995)	2,028
Net loss for the year		(69,427)	(85,031)

Balance Sheet as of December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Assets			
Completed development project.....		22,442	32,948
Trademarks and rights.....		3,853	4,444
Intangible assets in progress.....		10,334	–
Intangible assets	9	<u>36,629</u>	<u>37,392</u>
Other fixtures and fittings, tools and equipment.....		21,817	22,116
Leasehold improvements.....		31,485	26,658
Property, plant and equipment in progress.....		–	530
Property, plant and equipment	10	<u>53,302</u>	<u>49,304</u>
Investments in subsidiaries.....	11	117,035	116,855
Receivables from group enterprises.....	12	303,899	233,449
Deposits.....	12	1,488	1,195
Fixed asset investments		<u>422,422</u>	<u>351,499</u>
Fixed assets		512,353	438,195
Inventories		<u>3,574</u>	<u>4,996</u>
Trade receivables.....		13,111	11,997
Receivables from group enterprises.....		–	8,774
Other receivables.....		985	–
Prepayments.....	13	3,836	25,025
Receivables		<u>17,932</u>	<u>45,796</u>
Cash at bank and in hand		<u>–</u>	<u>13,467</u>
Currents assets		<u>21,506</u>	<u>64,259</u>
Assets		<u>533,859</u>	<u>502,454</u>

Balance Sheet as of December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Liabilities and equity			
Share capital.....		618	618
Reserve for development costs.....		25,553	25,700
Other statutory reserves.....		236	(20,554)
Retained earnings.....		(85,889)	15,505
Equity		(59,482)	21,269
Other provisions.....	15	15,511	14,851
Provisions		15,511	14,851
Credit institutions.....	16	326,858	318,772
Lease obligations.....	16	346	2,059
Payables to group enterprises.....	16	22,564	14,532
Other payables.....	16	2,383	2,334
Deferred income.....	17	48,670	24,788
Long-term liabilities		400,821	362,485
Lease obligations.....	16	1,730	2,940
Trade payables.....		31,587	79,023
Payables to group enterprises.....	16	103,391	–
Corporation tax.....		–	2
Other payables.....	16	25,711	17,153
Deferred income.....	17	14,583	4,731
Short-term liabilities		177,009	103,849
Liabilities		593,342	481,185
Liabilities and equity		533,859	502,454
Financial situation and capital management.....	1		
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Statement of changes in equity as of December 31

2022					
<i>In thousands DKK</i>	<u>Share capital</u>	<u>Reserve for development costs</u>	<u>Other statutory reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January	618	25,700	(20,554)	15,505	21,269
Exchange adjustments, relating to foreign entities	–	–	(11,560)	–	(11,560)
Transfer to retained earnings	–	–	32,115	(32,115)	–
Amortization of hedging instruments	–	–	236	–	236
Developments costs for the year	–	8,853	–	(8,853)	–
Depreciation, amortization and impairment for the year	–	(9,000)	–	9,000	–
Net loss for the year	–	–	–	(69,427)	(69,427)
Equity at 31 December	<u>618</u>	<u>25,553</u>	<u>236</u>	<u>(85,889)</u>	<u>(59,482)</u>

Notes to the Financial Statements

1 Financial situation and capital management

In relation to the going concern assessment as of 31 December 2022, the Company's equity is negative, originating in historical losses from planned growth investments, followed by significant industry-wide activity decline in connection with the outbreak of COVID-19, and the current liabilities exceed current assets.

In 2022, the Company displayed improved operating performance and related cash flows following stabilization of key markets in the post-COVID-19 period. When correcting for income and expense items of one-off nature, operating results of 2022 were positive.

Loan agreements and irrevocable commitments until May and June 2024 are in place to secure the Company's liquidity needs. Following the Company's historic and future growth strategy, cash flows from operations are not expected to cover the repayment obligation upon maturity. Management expects to replace existing loans at market terms before maturity.

On December 22, 2022, the Company obtained a waiver from the Bank Syndicate. Following adverse effects of COVID-19 on the Company's capital structure and the failure of a committed financing partner to contribute capital in Q1 2023, the Company ended up being in breach with loan covenants from Q3 2022 until Q1 2023. The Company received waivers from the bank syndicate in June 2023 covering the period from Q3 2022 to Q2 2023 and updated covenants for the remaining loan term until mid-2024.

In 2023, Management expects positive cash flows from operations supported by realized figures in January - May 2023. As such, operating cash flows are expected to cover financing cash flows related to interest payments in 2023. Planned investment in new stores is expected to result in a negative total cash flows from investments for the year, and total cash flows are expected to be positive and if not it will be due increased cash flows from investments, which will be balanced taken available liquidity and loan covenants into account.

Management's assessments are based on current loan agreements, dialogue with lenders and owners, and the Company's business plans building on strong realized operational performance and cash conversion achieved in 2023. Additionally, Management is pursuing long-term funding opportunities through potential new investors to secure capital resources for future growth, and furthermore expects to achieve a leverage ratio (net debt/EBITDA) at or below 4.0x prior to maturity of loans mid-2024.

Based on the above assessments, the Annual Report is presented under the going concern assumption.

2 Revenue

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Revenue.....	367,524	270,846
	<u>367,524</u>	<u>270,846</u>

Revenue for 2021 has been increased by DKK 6.8m with a corresponding increase in other external expenses because of correction of presentation of delivery fees.

3 Other operating income

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Other income.....	6,149	24,309
	<u>6,149</u>	<u>24,309</u>

Other operating income consist of franchise fee of DKK 6.1 million (DKK 0 million) and government grants & salary compensation of DKK 0 million (2021: DKK 20,9 million).

Notes to the Financial Statements

4 Staff expenses

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Wages and salaries	147,433	113,917
Pensions.....	4,927	2,926
Other social security expenses.....	1,139	840
Other staff expenses	6,644	3,675
	<u>160,143</u>	<u>121,358</u>
Including remuneration to the Executive and Board of Directors of:		
Executive Board*	<u>0</u>	<u>2,340</u>
Board of Directors*	<u>0</u>	<u>0</u>
Average number of employees	<u>637</u>	<u>343</u>

* Remuneration of the Executive Board and the Board of Directors is based on the proportional time spent on the assignment of the Executive Board and the Board of Directors. The disclosed remuneration will therefore differ from the actual total remuneration of the Executive Board and the Board of Directors.

5 Result from investments in subsidiaries

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Share of losses of subsidiaries.....	<u>(36,811)</u>	<u>(65,454)</u>
	<u>(36,811)</u>	<u>(65,454)</u>

6 Financial income

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Interest received from group enterprises.....	44,719	35,708
Exchange adjustments, income	2,569	–
Fair value adjustments of derivatives	459	–
Other financial income.....	–	789
	<u>47,747</u>	<u>36,497</u>

7 Financial expenses

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Interest paid to group enterprises.....	673	1,389
Exchange adjustments, expenses.....	–	325
Recycling of fair value adjustments of derivatives.....	236	645
Other financial expenses	20,237	15,760
	<u>21,146</u>	<u>18,119</u>

Notes to the Financial Statements

8 Tax on profit/loss for the year

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Adjustment of tax concerning previous years.....	3,995	(2,028)
	<u>3,995</u>	<u>(2,028)</u>

9 Intangible assets

2022	Completed development project	Trademarks and rights	Intangible assets in progress
<i>In thousands DKK</i>			
Cost at 1 January	52,223	11,680	–
Additions for the year.....	<u>1,033</u>	<u>351</u>	<u>10,334</u>
Cost at 31 December	<u>53,256</u>	<u>12,031</u>	<u>10,334</u>
Impairment losses and amortization at 1 January	19,275	7,236	–
Amortization for the year.....	<u>11,539</u>	<u>942</u>	<u>–</u>
Impairment losses and amortization at 31 December.....	<u>30,814</u>	<u>8,178</u>	<u>–</u>
Carrying amount at 31 December	<u>22,442</u>	<u>3,853</u>	<u>10,334</u>

10 Property, plant and equipment

2022	Other fixtures and fittings, tools, and equipment	Leasehold improvements	Property, plant and equipment in progress
<i>In thousands DKK</i>			
Cost at 1 January	117,810	37,028	530
Additions for the year.....	10,033	8,855	–
Disposals for the year	(220)	–	–
Other adjustments.....	<u>3,958</u>	<u>–</u>	<u>(530)</u>
Cost at 31 December	<u>131,581</u>	<u>45,883</u>	<u>–</u>
Impairment losses and depreciation at 1 January	95,694	10,370	–
Depreciation for the year.....	10,108	4,243	–
Other adjustments.....	<u>3,962</u>	<u>-215</u>	<u>–</u>
Impairment losses and amortization at 31 December	<u>109,764</u>	<u>14,398</u>	<u>–</u>
Carrying amount at 31 December.....	<u>21,817</u>	<u>31,485</u>	<u>–</u>

Notes to the Financial Statements

11 Investments in subsidiaries

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Cost at 1 January	497,621	497,621
Additions for the year	186	–
Cost at 31 December	497,807	497,621
Value adjustments at 1 January	(898,562)	(803,455)
Exchange adjustment.....	(11,560)	(29,653)
Net loss for the year	(36,811)	(65,454)
Value adjustments at 31 December.....	(946,933)	(898,562)
Equity investments with negative net asset value set-off against receivables from Group enterprises	566,161	517,796
Carrying amount at 31 December.....	<u>117,035</u>	<u>116,855</u>

Investments in subsidiaries are specified as follows:

<u>Name of entity</u>	<u>Place of registered office</u>	<u>Ownership interest</u>	
		<u>2022</u>	<u>2021</u>
JOE & THE JUICE (Switzerland) AG.....	Switzerland	100%	100%
JOE & THE JUICE NICE SARL.....	France	100%	100%
JOE & THE JUICE UK Ltd.....	England	100%	100%
JOE & THE JUICE Bleichenhof GmbH.....	Germany	100%	100%
JOE & THE JUICE Finland Oy	Finland	100%	100%
JOE & THE JUICE Netherlands B.V.....	Netherlands	100%	100%
JOE & THE JUICE NG AB.....	Sweden	100%	100%
JOE & THE JUICE Norge AS.....	Norway	100%	100%
JOE & THE JUICE Sydney Pty Limited	Australia	100%	100%
JOE & THE JUICE US HOLDINGS INC.....	USA	100%	100%
JOE & THE JUICE LA LLC	USA	100%	100%
JOE & THE JUICE MIAMI LLC	USA	100%	100%
JOE & THE JUICE SFO LLC.....	USA	100%	100%
JOE & THE JUICE NEW YORK LLC	USA	100%	100%
JOE & THE JUICE WTC LLC	USA	100%	100%
JOE & THE JUICE PITTSBURGH LLC	USA	100%	100%
JJ-PCG MSP VENTURE, LLC	USA	82%	82%
JOE & THE JUICE Belgium NV	Belgium	100%	100%
JOE & THE JUICE VANCOUVER AIRPORT LIMITED	Canada	100%	100%
NFB Asia Pte. Ltd.	Singapore	100%	100%
NFB Asia (Hong Kong) Limited.....	Hong Kong	100%	100%
JOE & THE JUICE (SHANGHAI) FOOD AND BEVERAGE MANAGEMENT COMPANY LIMITED	China	100%	100%
JOE & THE JUICE 1165 Broadway LLC	USA	100%	100%
JOE & THE JUICE MANAGEMENT LLC	USA	100%	100%
JOE & THE JUICE CENTRAL STREET LLC	USA	100%	100%
JOE & THE JUICE 286 MADISON LLC	USA	100%	100%

Notes to the Financial Statements

JOE & THE JUICE DE GmbH Germany 100% N/A

JOE & THE JUICE CENTRAL STREET LLC was incorporated in 2021 while JOE & THE JUICE DE GmbH was incorporated in 2022.

12 Other fixed asset investments

2022	Receivables from group enterprises	Deposits
<i>In thousands DKK</i>		
Cost at 1 January	751,245	1,195
Additions for the year	118,816	293
Cost at 31 December	870,061	1,488
Impairment losses at 1 January	517,796	–
Adjustment for negative equity values for the year	48,365	–
Impairment losses at 31 December	566,161	–
Carrying amount at 31 December	303,899	1,488

13 Prepayments

Prepayments consist of prepaid expenses concerning utilities, insurance premiums and subscriptions as well.

14 Distribution of profit

<i>In thousands DKK</i>	2022	2021
Retained earnings	(69,427)	(85,031)
	(69,427)	(85,031)

15 Other provisions

<i>In thousands DKK</i>	2022	2021
Provision for restoration obligations on leases	14,520	14,851
Other provisions	991	–
	15,511	14,851

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognized in short-term debt. Other debt is recognized in long-term debt. The debt falls due for payment as specified below:

<i>In thousands DKK</i>	<u>2022</u>	<u>2021</u>
Credit institutions:		
Between 1 and 5 years.....	326,858	318,772
Long-term part.....	326,858	318,772
Within 1 year.....	–	–
	326,858	318,772
Lease obligations:		
Between 1 and 5 years.....	346	2,059
Long-term part.....	346	2,059
Within 1 year.....	1,730	2,940
	2,076	4,999
Payables to group enterprises:		
Between 1 and 5 years.....	22,564	14,532
Long-term part.....	22,564	14,532
Other short-term debt to group enterprises.....	103,391	–
	125,955	14,532
Other payables:		
Between 1 and 5 years.....	2,383	2,334
Long-term part.....	2,383	2,334
Other short-term payables.....	25,719	17,153
	28,102	19,487

On December 22, 2022, the Company obtained a waiver from the Bank Syndicate. Following adverse effects of COVID-19 on the Company's capital structure and the failure of a committed financing partner to contribute capital in Q1 2023, the Company ended up being in breach with loan covenants from Q3 2022 until Q1 2023. The Company received waivers from the bank syndicate in June 2023 covering the period from Q3 2022 to Q2 2023 and updated covenants for the remaining loan term until mid-2024. Reference is made to note 21.

Short term debt to group enterprises relates to the cash pool arrangement, where JOE & THE JUICE A/S is the legal owner.

17 Deferred income

Deferred income consists of payments received in respect of income in subsequent years and is related to franchise arrangements, prepaid loyalty vouchers, and gifts and rewards under the customer loyalty program which constitute material rights.

18 Contingent 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 US Holdings Inc., JOE & THE JUICE New York LLC, JOE & THE JUICE SFO LLC, 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 (Switzerland) AG, JOE & THE JUICE SFO LLC and JOE & THE JUICE Netherlands B.V., with a booked value of DKK 116 million at 31 December 2022, have been provided as security under certain circumstances for all accounts with SEB.

Notes to the Financial Statements

Rental obligations

Total future minimum rental payments amount to TDKK 28,530 (2021: TDKK 102,394), whereas TDKK 28,530 (2021: TDKK 29,857) falls due within 1 year, TDKK 0 (2021: TDKK 71,326) falls due within 2-5 years and TDKK 0 (2021: 1,211) falls due after 5 years.

Other contingent liabilities

The Company has provided guarantee of payments for subsidiaries' outstanding balances with Skandinaviska Enskilda Banken.

The company has issued unlimited support letters to the company's subsidiaries, JOE & THE JUICE UK LTD, JOE & THE JUICE Norge AS, JOE & THE JUICE Belgium NV and NFB Asia Pte. Ltd.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of JOE & THE JUICE Holding A/S. 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.

19 Related parties

Controlling interest

<u>Name</u>	<u>Basis</u>
JOE & THE JUICE Holding A/S	Ultimate Parent Company

Transactions

Payables and receivables to group entities are disclosed in the balance sheet. Apart from loans to subsidiaries, which have been written down, no other intercompany transactions have occurred.

Remuneration to Executive management and Board of Directors is disclosed in note 4.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of the Ultimate Parent Company JOE & THE JUICE Holding A/S.

<u>Name</u>	<u>Place of registered office</u>
JOE & THE JUICE Holding A/S	Copenhagen, Denmark

20 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 JOE & THE JUICE Holding A/S.

21 Subsequent events

After the reporting date, a condition associated with the waiver granted in December 2022 was not met following the failure of a committed financing partner to contribute capital in Q1 2023. As a result, the Group entered negotiations with the bank syndicate and obtained retrospective unconditional waivers, covering the period from the first breach of covenants in Q3 2022 until Q2 2023. Concurrently, a new banking agreement was finalized and signed in June 2023, whereby covenants until debt maturity in May and June 2024 were adapted the Group's updated business plans following strong operational results in the first half of 2023.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of JOE & THE JUICE A/S for 2022 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 2022 are presented in TDKK.

The accounting policies are unchanged from last year.

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.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of JOE & THE JUICE Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

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

Assets are recognized 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 recognized 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 amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization 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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized 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. The remaining lease obligation is capitalized and recognized 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 recognized in the income statement on a straight-line basis over the lease term. The company's total obligation relating to operating leases is disclosed in contingencies.

Notes to the Financial Statements

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. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

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 transaction date rates are recognized in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognized directly in equity.

Hedge accounting

If a cash flow hedge is considered no longer 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 recognized in the income statement as financial items.

Income Statement

Revenue

Revenue from the sale of goods is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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.

Other external expenses

Other external expenses comprise 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.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income

Other operating income comprise items of a secondary nature to the main activities of the Company, including management and franchise fees and compensation for government grants.

Notes to the Financial Statements

Result from investments in subsidiaries

The result "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year, including interest expenses to banks, loan expenses, lease liabilities, fair value adjustments of derivatives and gains/losses on foreign currency.

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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

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

Balance Sheet

Intangible assets

Trademarks and rights comprise key money paid related to rented premises. Key money is measured at the lower of cost less accumulated amortization and recoverable amount. Key money is amortized over the remaining rent period which in average is 10 years.

Development projects are measured at the lower of cost less accumulated amortization and recoverable amount. Development projects are amortized on a straight-line basis over its useful life, which is assessed at 5 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 recognized in cost over the period of construction.

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:

Leasehold improvements 10 years or the lease term, if shorter
Other fixtures and fittings, tools and equipment 3 years

The fixed assets' scrap values are determined at nil. The 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 amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Other statutory reserve” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits and receivables from group enterprises.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value.

The net realizable 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 realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods comprises the cost of raw materials, consumables and direct labor.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Provisions

Provisions are recognized 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 realized, 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

Notes to the Financial Statements

the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized 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 liabilities

Loans are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Other liabilities are measured at amortized cost, substantially corresponding to nominal value.

Deferred income

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$