

JOE & THE JUICE A/S

Østergade 26, DK-1100 Copenhagen

CVR No 26 58 93 55

Annual Report for January 01, 2023 to December 31, 2023

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on June 26, 2024

Anders Hagstrøm
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 (the Company) for the financial year January 01 - December 31, 2023.

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 December 31, 2023 of the Company and of the results of the Company's operations for 2023.

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, June 25, 2024

Executive Board

Thomas Kusk Nørøxe
CEO

Jørn Vestergaard
CFO

Board of Directors

Andrew William Crawford
Chairman

Tue Mantoni

Andrea Calabro

Melis Zeynep Kahya

Nassef Sawiris

Harrison Robert DiGia

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 January 01 - December 31, 2023, 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 January 01 - December 31, 2023 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.

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.
- 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.

Independent Auditor's Report

- 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, June 25, 2024

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: January 01- December 31
Municipality of reg. office: Copenhagen

Board of Directors

Andrew William Crawford, Chairman
Tue Mantoni
Andrea Calabro
Melis Zeynep Kahya
Nassif Sawiris
Harrison Robert DiGia

Executive Board

Thomas Kusk Nørøxe
Jørn Vestergaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Financial Highlights

Key figures

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

<i>In thousands DKK</i>	2023	2022	2021	2020	2019
Income Statements					
Revenue.....	464,867	375,855	270,846	221,053	280,826
Gross profit.....	236,604	131,753	110,059	101,704	144,992
Result before depreciations (EBITDA)	86,505	(28,390)	(11,299)	1,185	39,759
Profit (loss) before financial income and expenses.....	57,310	(55,222)	(39,983)	(24,858)	104
Net financials.....	(14,186)	(10,210)	(47,076)	(392,534)	(313,267)
Net profit (loss) for the year	19,498	(69,427)	(85,031)	(417,392)	(313,163)
Balance Sheet					
Balance sheet total.....	646,067	533,859	502,454	430,676	512,839
Equity	(29,036)	(59,482)	21,269	(114,691)	(338,249)
Investment in property, plant and equipment	28,018	18,888	10,212	25,042	23,348
Ratios					
Gross margin	50.9%	35.1%	40.6%	46.0%	51.6%
EBITDA margin.....	18.6%	(7.6%)	(4.3%)	0.5%	14.2%
Solvency ratio.....	(4.5%)	(11.1%)	4.2%	(26.6%)	(66.0%)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. KPI's are defined on page 26.

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 2023, the Company operates 69 stores in Denmark, increasing from 67 stores last year.

The Company's revenue for 2023 equaled DKK 465 million compared to DKK 376 million in 2022, corresponding to a growth of 24% which is in line with management expectations set out last year. On December 31, 2023, the balance sheet of the Company shows negative equity of DKK 29 million (2022: DKK -59 million).

The income statement of the Company for 2023 shows a profit of DKK 19 million. Revenue growth was mainly driven by increase in same-store-sales and price increases to absorb impacts of a high inflationary pressure on input prices throughout 2023. Revenue growth was also supported by 3 new store openings, despite 1 store closing, in Denmark and the opening of 23 new franchise stores in the Middle East.

Management is satisfied with the Company's operational performance, exceeding previously communicated expectations, and believes 2023 results underline the robustness and growth capacity of the JOE & THE JUICE brand and business model.

Financing and capital management

The Company, together with its parent entities, is dependent on loan financing to maintain the current capital structure. Loan agreements until December 2027 are in place to secure liquidity needs. Following the capital increase and refinancing completed in December 2023 together with its parent entities, Management deems that capital resources for group entities, including the Company's capital requirements, are adequate to cover future obligations as they arise.

For further information, reference is made to Notes 1 and 16 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 its existing store portfolio as of December 31, 2023 including both own stores and franchise stores.

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.

The Company aims to continue its store expansion in Denmark and internationally through its subsidiaries. In addition to opening own stores, the number of its franchise stores in the Middle East has increased to a total of 29 stores across the UAE, Kuwait, Kingdom of Saudi Arabia, Qatar and Bahrain, which demonstrate first-hand the strong brand appeal across cultures and geographies.

Management's Review

Expectations for the year ahead

JOE & THE JUICE's near-term growth strategy is centered around profitable and sustainable growth. Complementary to opening new stores, the Company intends to continue driving increased same-store-sales in heritage stores. Efforts build on reinforcing guest loyalty by driving innovation across menu and offerings, enhancing convenience and guest service through digital initiatives, and further cultivating brand awareness. In parallel, JOE & THE JUICE's unique culture will continue to be nurtured and development of workforce for improved staff seniority and strengthening of operational skillset.

Building on the strong financial performance in 2023 and revenue growth trajectory from prior years. Management expects 2024 results to continue the upward trend. Revenue is forecasted to be more than DKK 530 million in 2024 and a continuing positive net result. The expectation is affected by full-year impact from organizational investments made in 2023 and continued investments planned for 2024.

Knowledge resources

JOE & THE JUICE continuously develops its employees and invests in building the culture of JOE & THE JUICE. It is also important for the continued growth of 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 2023.

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

Gender distribution

The Management and the Board of Directors aim to follow the recommendations of the Danish Business Authority concerning underrepresented gender.

In 2023, the gender composition of the Board of Directors changed, and the percentage of women decreased from 25% in 2022 to 17% in the end of 2023. That means that only one out of the six Board of Directors is female. A new target was set in 2023, that by 2028 a minimum of 29% of the Board of Directors are of the under-represented gender.

	<u>2023</u>	<u>2028 target</u>
Top Management Body:		
Total number	6	7
Percentage of the underrepresented gender	17%	29%
Other Management Levels:		
Total number	22	29
Percentage of the underrepresented gender	5%	24%

The Company recognizes the importance of attracting, developing, and retaining the right talent of all genders, nationalities, and races, who are all chosen without bias or prejudice.

In 2023, JOE & THE JUICE A/S continued focusing on attracting and hiring employees of all genders equally to increasing employee diversity. The gender composition of the entire workforce in 2023 remained similar to 2022, with a slight increase of the percentage of female employees from 53% in 2022 to 55% female employees and 45% male employees in 2023.

The percentage of women in managerial roles in 2023 was 5%. The Company has set the target to reach 24% of the under-represented gender in managerial roles by 2028.

Management's Review

In 2024, the Company will continue focusing on attracting and hiring employees of all genders with a focus on increasing the underrepresented gender percentage to 50% over time. The Company will be particularly focusing on increasing the percentage of women in managerial roles over the course of the upcoming years.

In 2024, the Company aims to increase awareness about career opportunities for all employees, with a particular focus on the underrepresented gender, and encourage female candidates to pursue their career goals within the Company.

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 2023.

Subsequent events

The Company has determined that there are no material events which occurred after the reporting date but before the financial statements are authorized for issue.

Income Statements for the years ended December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenue	2	464,867	375,855
Work on own account recognized in assets.....		3,733	1,929
Other operating income.....		–	985
Expenses for raw materials and consumables.....		(81,087)	(70,805)
Other external expenses.....		(150,909)	(176,211)
Gross profit		236,604	131,753
Staff expenses.....	3	(150,099)	(160,143)
Result before depreciations (EBITDA)		86,505	(28,390)
Depreciation and amortization of property, plant and equipment and intangible assets.....		(29,195)	(26,832)
Profit (loss) before financial income and expenses		57,310	(55,222)
Result from investments in subsidiaries.....	4	(36,998)	(36,811)
Financial income.....	5	47,208	47,747
Financial expenses.....	6	(24,396)	(21,146)
Profit (loss) before tax		43,124	(65,432)
Tax on profit (loss) for the year.....	7	(23,626)	(3,995)
Net profit (loss) for the year		19,498	(69,427)

Balance Sheet as of December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Assets			
Completed development project.....		9,800	22,442
Trademarks and rights.....		2,875	3,853
Intangible assets in progress.....		<u>17,260</u>	<u>10,334</u>
Intangible assets	9	29,935	36,629
Other fixtures and fittings, tools and equipment		29,024	21,817
Leasehold improvements.....		<u>36,838</u>	<u>31,485</u>
Property, plant and equipment	10	65,862	53,302
Receivables from group enterprises	12	370,296	303,899
Investments in subsidiaries.....	11	129,024	117,035
Deposits.....	12	<u>1,911</u>	<u>1,488</u>
Fixed asset investments		501,231	422,422
Fixed assets		597,028	512,353
Inventories		<u>4,556</u>	<u>3,574</u>
Trade receivables.....		19,034	13,111
Other receivables.....		12,322	985
Prepayments	13	<u>10,369</u>	<u>3,836</u>
Receivables		41,725	17,932
Cash		<u>2,758</u>	<u>–</u>
Currents assets		<u>49,039</u>	<u>21,506</u>
Assets		<u>646,067</u>	<u>533,859</u>

Balance Sheet as of December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Liabilities and equity			
Share capital.....	14	618	618
Reserve for development costs.....		20,951	25,553
Other statutory reserves.....		10,948	236
Retained earnings.....		<u>(61,553)</u>	<u>(85,889)</u>
Equity		(29,036)	(59,482)
Other provisions.....	15	<u>21,296</u>	<u>15,511</u>
Provisions		21,296	15,511
Credit institutions.....	16	305,757	326,858
Deferred income.....	17	77,278	48,670
Payables to group enterprises.....	16	54,952	22,564
Other payables.....	16	2,383	2,383
Lease obligations.....	16	–	346
Long-term liabilities		440,370	400,821
Deferred income.....	17	17,579	14,583
Trade payables.....		46,134	31,587
Payables to group enterprises.....	16	129,725	103,391
Other payables.....	16	19,771	25,718
Lease obligations.....	16	228	1,730
Short-term liabilities		213,437	177,009
Liabilities		675,103	593,341
Liabilities and equity		646,067	533,859
Financial situation and capital management.....	1		
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Statement of Changes in Equity as of December 31

<i>In thousands DKK</i>	Share capital	Reserve for development costs	Other statutory reserves	Retained earnings	Total
2022:					
Equity at January 01	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 December 31	618	25,553	236	(85,889)	(59,482)
2023:					
Equity at January 01	618	25,553	236	(85,889)	(59,482)
Exchange adjustments, relating to foreign entities	–	–	10,948	–	10,948
Transfer to retained earnings	–	–	(236)	236	–
Developments costs for the year.....	–	5,721	–	(5,721)	–
Depreciation, amortization and impairment for the year	–	(10,323)	–	10,323	–
Net profit for the year	–	–	–	19,498	19,498
Equity at December 31	618	20,951	10,948	(61,553)	(29,036)

Notes to the Financial Statements

1. Financial situation and capital management

In 2023, the Company realized a net profit following historical net losses in the previous years. Although total equity remains negative as at December 31, 2023, Management expects that equity will further improve in the future. Following the capital increase in JOE & THE JUICE Holding A/S (the Ultimate Parent Company in Denmark) and the subsequent refinancing in December 2023, Management has assessed that the Company can obtain adequate liquidity and financial resources to continue its operations in the foreseeable future, which has been formalized in a letter of support issued by JOE & THE JUICE Holding A/S.

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

2. Revenue

Revenue consists of retail revenue and franchise revenue as follows:

<i>In thousands DKK</i>	2023	2022
Retail revenue	434,598	367,524
Franchise revenue	30,269	8,331
	464,867	375,855

Unchanged from prior year, retail revenue is solely derived in Denmark. Franchise revenue consists of revenue from the Middle East amounting to 25,417 TDKK (2022: 4,815 TDKK) and other regions amounting to 4,852 TDKK (2022: 3,515 TDKK).

Franchise expenses in 2022 amounting to 3,167 TDKK was reclassified from “franchise revenue” to “other external expenses”.

3. Staff expenses

<i>In thousands DKK</i>	2023	2022
Wages and salaries	141,894	147,433
Pensions.....	5,487	4,927
Other social security expenses.....	2,391	1,139
Other staff expenses	327	6,644
	150,099	160,143
Average number of full-time equivalent employees	516	464

The activities and duties of the Executive Board and the Board of Directors are fulfilled at group level. Therefore, their remuneration is assumed nil for both years.

4. Result from investments in subsidiaries

<i>In thousands DKK</i>	2023	2022
Share in losses of subsidiaries	(36,998)	(36,811)
	(36,998)	(36,811)

Notes to the Financial Statements

5. Financial income

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Interest received from group enterprises.....	44,993	44,719
Exchange adjustments, income	2,215	2,569
Fair value adjustments of derivatives	–	459
	<u>47,208</u>	<u>47,747</u>

6. Financial expenses

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Interest expense, external	17,392	20,237
Interest paid to group enterprises.....	434	673
Recycling of fair value adjustments of derivatives.....	–	236
Other financial expenses	6,570	–
	<u>24,396</u>	<u>21,146</u>

7. Tax on profit (loss) for the year

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Adjustment of tax concerning previous years.....	10,586	3,995
Current tax for the year	13,040	–
	<u>23,626</u>	<u>3,995</u>

8. Distribution of profit (loss)

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Retained earnings	29,231	(69,427)
	<u>29,231</u>	<u>(69,427)</u>

9. Intangible assets

<i>In thousands DKK</i>	<u>Completed development project</u>	<u>Trademarks and rights</u>	<u>Intangible assets in progress</u>
2022			
Cost at January 01	52,223	11,680	–
Additions for the year.....	1,033	351	10,334
Cost at December 31	<u>53,256</u>	<u>12,031</u>	<u>10,334</u>
Impairment losses and amortization at January 01	19,275	7,236	–
Amortization for the year.....	11,539	942	–
Impairment losses and amortization at December 31	<u>30,814</u>	<u>8,178</u>	<u>–</u>
Carrying amount at December 31	<u>22,442</u>	<u>3,853</u>	<u>10,334</u>

Notes to the Financial Statements

<i>In thousands DKK</i>	Completed development project	Trademarks and rights	Intangible assets in progress
2023			
Cost at January 01	53,256	12,031	10,334
Additions for the year	409	–	6,926
Cost at December 31	<u>53,665</u>	<u>12,031</u>	<u>17,260</u>
Impairment losses and amortization at January 01	30,814	8,178	–
Amortization for the year	<u>13,051</u>	<u>978</u>	<u>–</u>
Impairment losses and amortization at December 31	<u>43,865</u>	<u>9,156</u>	<u>–</u>
Carrying amount at December 31	<u>9,800</u>	<u>2,875</u>	<u>17,260</u>

10. Property, plant and equipment

<i>In thousands DKK</i>	Other fixtures and fittings, tools, and equipment	Leasehold improvements	Property, plant and equipment in progress
2022			
Cost at January 01	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 December 31	<u>131,581</u>	<u>45,883</u>	<u>–</u>
Impairment losses and depreciation at January 01	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 December 31	<u>109,764</u>	<u>14,398</u>	<u>–</u>
Carrying amount at December 31	<u>21,817</u>	<u>31,485</u>	<u>–</u>
2023			
Cost at January 01	131,581	45,883	–
Additions for the year	17,281	10,737	–
Disposals for the year	<u>(694)</u>	<u>(454)</u>	<u>–</u>
Cost at December 31	<u>148,168</u>	<u>56,166</u>	<u>–</u>
Impairment losses and depreciation at January 01	109,764	14,398	–
Depreciation for the year	9,925	5,243	–
Other adjustments	<u>(545)</u>	<u>(313)</u>	<u>–</u>
Impairment losses and amortization at December 31	<u>119,144</u>	<u>19,328</u>	<u>–</u>
Carrying amount at December 31	<u>29,024</u>	<u>36,838</u>	<u>–</u>

Notes to the Financial Statements

11. Investments in subsidiaries

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Cost at January 01	497,807	497,621
Additions for the year	—	186
Cost at December 31	497,807	497,807
Value adjustments at January 01	(946,933)	(898,562)
Exchange adjustment	10,948	(11,560)
Net loss for the year	(36,998)	(36,811)
Value adjustments at December 31	(972,983)	(946,933)
Equity investments with negative net asset value set-off against receivables from Group enterprises	604,199	566,161
Carrying amount at December 31	<u>129,024</u>	<u>117,035</u>

Investments in subsidiaries are specified as follows:

<u>Name of entity</u>	<u>Place of registered office</u>	<u>Ownership interest</u>	
		<u>2023</u>	<u>2022</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%
JOE & THE JUICE DE GmbH	Germany	100%	100%

JOE & THE JUICE DE GmbH was incorporated in 2022. JOE & THE JUICE Sydney Pty Limited became dormant in 2023.

Notes to the Financial Statements

12. Other fixed asset investments

<i>In thousands DKK</i>	Receivables from group enterprises	Deposits
2022		
Cost at January 01	751,245	1,195
Additions for the year	118,816	293
Cost at December 31	870,061	1,488
Impairment losses at January 01	517,796	–
Adjustment for negative equity values for the year	48,365	–
Impairment losses at December 31	566,161	–
Carrying amount at December 31	303,899	1,488
2023		
Cost at January 01	870,061	1,488
Additions for the year	104,434	423
Cost at December 31	974,495	1,911
Impairment losses at January 01	566,161	–
Adjustment for negative equity values for the year	38,038	–
Impairment losses at December 31	604,199	–
Carrying amount at December 31	370,296	1,911

13. Prepayments

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

14. Share capital

<i>In thousands DKK</i>	2023	2022
Analysis of share capital:		
618,490 shares of DKK 1.00 nominal value each.....	618	618
	618	618

15. Other provisions

<i>In thousands DKK</i>	2023	2022
Provision for restoration obligations on leases.....	18,900	14,520
Other provisions.....	2,396	991
	21,296	15,511

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>2023</u>	<u>2022</u>
Credit institutions:		
Between 1 and 5 years.....	305,757	326,858
Long-term part.....	305,757	326,858
Within 1 year.....	–	–
	<u>305,757</u>	<u>326,858</u>
Lease obligations:		
Between 1 and 5 years.....	–	346
Long-term part.....	–	346
Within 1 year.....	228	1,730
	<u>228</u>	<u>2,076</u>
Payables to group enterprises:		
Between 1 and 5 years.....	54,952	22,564
Long-term part.....	54,952	22,564
Other short-term debt to group enterprises.....	129,725	103,391
	<u>184,677</u>	<u>125,955</u>
Other payables:		
Between 1 and 5 years.....	2,383	2,383
Long-term part.....	2,383	2,383
Other short-term payables.....	19,771	25,719
	<u>22,154</u>	<u>28,102</u>

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:

As of December 31, 2023, upon execution of the new Senior Facilities Agreement, shares in the Company have been pledged as security for all accounts with Skandinaviska Enskilda Banken AB (publ).

Rental obligations

Total future minimum rental payments amounted to 30,122 TDKK (2022: 28,530 TDKK), whereas 30,122 TDKK (2022: 28,530 TDKK) falls due within 1 year. No amount falls due within 2-5 years nor after 5 years for both 2023 and 2022.

Notes to the Financial Statements

Other contingent liabilities

The Company has performance and payment guarantees to third parties, issued on its behalf by its Parent Company.

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>
General Atlantic JTJ B.V.	Ultimate Controlling Party
JOE & THE JUICE Holding A/S	Ultimate Parent Company in Denmark
JTJ HEARTBEAT A/S	Parent Company

Information regarding the Company's subsidiaries are disclosed in Note 11.

Transactions

Payables and receivables to group entities are recognized in the balance sheet.

As of December 31, 2023 and 2022, the Company had several intercompany transactions with other group entities including net invoicing and cost recharges amounting to 91,481 TDKK (2022: 13,957 TDKK), joint income tax amounting to 27,623 TDKK (2022: 3,997 TDKK) as a result of reclassification, intercompany cash pool debt amounting to 129,725 TDKK (2022: 103,391 TDKK), and other adjustments relating to its investments in subsidiaries amounting to 604,199 TDKK (2022: 545,477 TDKK). No other intercompany transactions have occurred other than these. All transactions have been made on an arm's length basis.

Remuneration to Executive Board and Board of Directors is disclosed in Note 3.

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

The Company has determined that there are no material events which occurred after the reporting date but before the financial statements are authorized for issue.

Notes to the Financial Statements

22. Accounting Policies

The Annual Report of JOE & THE JUICE A/S for 2023 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 2023 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 consists of retail revenue and franchise revenue.

Retail revenue comprises the gross sales price less value-added tax and discounts. All revenue within this category is recognized at a point in time and is recognized when payment is tendered at the point of sale, net of discounts.

Franchise revenue is generated from franchise agreements which typically comprise a bundle of services including a franchise right, access to software and support and IT applications. When entering such arrangements, the Company identifies the performance obligations included in the contract and allocates consideration to each of them and recognizes revenue at fulfillment of the respective performance obligations over the term of the arrangement.

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.

Notes to the Financial Statements

Other operating income

Other operating income comprise items of a secondary nature to the main activities of the Company which consists of compensation for government grants.

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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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 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 part of receivables from group enterprises or payables to group enterprises, 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	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$