
MY OWN OBSERVATIONS

SUBJECT MATTER:

JUICY FIELDS

It has been a number of days now since I have publicly made any comments or statements as it pertains to the Juicy Fields developments. I have had quite a number of emails, WhatsApp, Telegram messages from people purportedly wanting to know if I knew anything more than what has been reported in chat rooms, and now by one or two newspapers and or TV channels. I have made a concerted effort to answer most if not every single one of these messages. There have been a handful of purely nasty messages, which I guess one can expect and which I have naturally ignored. The majority of messages that I received actually fell into two main categories;

- (i) The people that simply wanted to try and get clarity on the situation as so many statements had been doing the rounds, that nobody really knows what to believe as accurate or not, and
- (ii) those people that simply wanted to know if the owners of Juicy Fields actually stole their money.

Nobody actually ask the following two pertinent questions:

- (i) Why did I leave and resign almost immediately after becoming involved with Juicy Fields?
- (ii) Can Juicy Fields actually be saved, and if the business is salvaged, can people recover their funds?

Let me first answer these two questions above, before I share some further comments from my side, including some questions of my own. Firstly, I was first approached by Juicy Fields at the beginning of 2022 to consider coming to help them with business and compliance issues. I was initially reluctant to share my time as I am already involved in my own companies. In May, I finally conceded and started working with Juicy Fields on June 1st. Within 5 days of starting an internal due diligence, I wrote quite a strongly worded memorandum to the board members and owners (the ones that I was told were the owners), advising them to urgently address issues such as securing cannabis plants, preparing and filing the requisite applications and paperwork with the authorities in various countries in Europe such as Germany, to become operationally compliant, and to change the product offering from an investment product to a commodity product offering, which it essentially should be. Now, although a person by the name of Frederich von Luxburg did not appear on any company registration documents in Germany, Holland, or Switzerland, he appeared to have made himself the voice of the owners. He informed me soon after my memo dated the 5th of June 2022, that the owners rejected my proposals for these changes outright, and that he is busy with a company prospectus already.

A week later I was informed by a counter faction within the Juicy Fields owners/ board members group, that they actually did support my recommended changes, that Von Luxburg has not delivered for almost a year of being paid large sums of money on facilitating a company prospectus and the required regulatory compliance issues for the Juicy Fields group, and they wished for me to start implementation as soon as possible of a new updated platform for the company. At the time I made announcements in this regard to the Juicy Fields employees and members.

Just after this happened, the team that I had assembled for the transition process, started seeing news releases contradicting my own statements. This included sensitive news such as the BaFin instructions to Juicy Fields, informing the company that it may not offer any further investments into Juicy Fields to German, Italian and Swiss citizens. Virtually two days after we made the announcement of temporary restrictions applying to specifically German citizens, somebody within the Juicy Fields organisation posted a news release, stating that it is all fine now, Germans, Italians and Swiss citizens can now again invest, which was totally false. We tried to determine who was responsible for these false and counter productive statements, but each time ended up in a dead-end street.

When we tried to intervene on the website and some social message platforms, we were actually shut out and permissions limited to restrict all together. It became a game of cat and mouse, to the frustration of the members, employees and most certainly me personally, who found the whole situation very unprofessional. In addition, and despite my best efforts, I was refused information on how many e-growers the company actually had, how much money had been received from e-growers, where and how this money was managed etc. I was actually refused as the newly appointed CEO of the Juicy Fields company, to know the company's financial status, or even if we can at least have a monthly operating budget secured to pay employees and service providers, as is customary in all good businesses. When the situation deteriorated to this point where I could no longer fulfil my mandate and had to question the very reason, I was employed in the first place, I decided to quit. That happened on July 14th, 2022, 43 days into my starting date.

Until today, I have had very little verified knowledge of who really owned, operated, and managed the funds of Juicy Fields. My involvement for the short 43-day period, was with Juicy Fields AG, the Swiss registered company, who to the best of my knowledge never received or managed e-grower investors funds. Juicy Holdings BV is a separately run company all together, registered in the Netherlands (Holland). The original Juicy Fields company (as far as I could find out), was and remains to be a German registered company who traded under the name Juicy Grow GmbH. I never dealt with, or assume management control over any of these two additional companies.

Insofar as asking whether the Juicy Fields business can actually be saved, and the business salvaged, resulting in people recovering there funds, the short answer is yes. This being said, it will rely on two critical issues;

- a) How many e-grower investors there actually are, and
- b) How much money did these e-growers invest, and how much is still with Juicy Fields?

If the majority of the principal investment funds are still there, the company can for sure get everyone their outstanding principal investments repaid, even if it means having to trade for another 6 – 12 months. The basic business model is sound. What has never been sound is the management of the model which was conducted by a bunch of amateurs and inexperienced people. The simple truth is that a changed model where you sell a plant for say €60 and in 120 days buy it back the flower for say €90, affording a realistic 33% plus return on capital, is realistic. The business of raising funds through agricultural commodity trading is not new, it has actually been around for a very long time.

But here are the problems with the evolution of the Juicy Fields business model;

The Juicy Fields management up and until now made several mistakes with the business model;

- i. They never properly processed KYC for new clients or investors, opening themselves up for problems with unsavoury characters such as money launderers. It also caused a huge tax compliancy issue all around, if you have little to no client verification details/ information.
- ii. The management offered e-growers an opportunity to simply “roll over” or re-invest through extension plans, original investment amounts, which if you do the math, results in the principal becoming leveraged way above realistic returns. That kills your profitability very quickly, as you start paying profits on profits, not principal investment amounts.
- iii. The management used a ridiculous “commission based” incentive program, paying solicitors and marketeers and brand ambassadors between 4% and 11% in exchange for soliciting/ securing investments into Juicy Fields. This commission becomes a huge cost to the company overall and is totally unsustainable if added to the compounded returns on offer.
- iv. On top of the unsustainable financial models that were offered to the market & investors, the company insisted on continuing offering “investment” products, not commodities for sale. The requirements for any company to offer financial products, are clear and precise, and Juicy Fields were informed time and again by BaFin and FINMA to stop doing this, and to first become compliant with requisite licenses and prospectuses before they should continue offering investments. All of this was simply ignored by the management or owners.
- v. Another item that I want to point out, is that there was no transparency or accountability in the overall Juicy Fields operations. Nobody for starters actually knew (and probably still don't know) who the real owners or shareholders of Juicy Fields are. What we do know, is who the management teams were who continued to sell investments, despite the fact that the regulators told them not to.

It was inevitable that the company's business was going to fall apart. It was already on the cards before my involvement, and I assume they knew they needed help to fix it. Despite my efforts with such a short window of time left, I could not introduce these much-needed changes for the company to have half a chance, without full support. The rest is now becoming history. But even despite this now happening, and the fact that the proverbial writing is on the wall, nobody asks the hard questions, but instead, have adopted a “one shoe fits all” reporting and commentary approach. Yes, the owners must assume responsibility, and yes, the past management must assume responsibility, but what about for example those salespeople that made hundreds of thousands of Euros in commissions, continuing without accountability, to solicit and sell these questionable investment products to unsuspecting investors? Another question. How many e-growers stand to lose their original investment amounts? Are some now loudly complaining because they stand to lose their profits generated on previous profits or on their original investments? Greed made them continue to roll their original monies over and over, actually contributing to the collapse of a financial unsustainable business model.

Maybe we as a collective should get together, revive the business model by getting the investors who made hundreds of thousands since the beginning, to repay their profits so that we can assist the most recent investors to actually get their monies back. I bet every person/ e-grower that made thousands in profits after already recovering their initial investments, will react very negatively to this suggestion. Add to that the repayment of thousands in Euros of commissions that was paid to the people who lured unsuspecting, inexperienced e-grower investors to invest, while never informing them of the risks associated with this type of investment scheme. Let's get those commissions back as well please.

Do not misinterpret my statements here for your convenience, I am not suggesting for one moment that you should not hold accountable the management people and owners that caused this problem in the first place, but the problem is much more deeply rooted than just the greed of the owners. The greed of investors and the greed of salespeople and company ambassadors must also be considered. Stop looking constantly for a few scapegoats. If you want to voice an opinion, let it be an informed opinion, and look at the total problem that was created and from who so many ended up feeding.

You want to turn this around and make it better and help people to get their hard-earned cash back? Then do it with a concise plan, and with everyone contributing to help out those investors, who clearly jumped on the band wagon way too late, instead of simply just focussing on looking for the people to blame. These people you are seeking to identify, are clearly not interested to help recover investors funds, otherwise they would have done so already. They have all gone into hiding, while stoking the fire by continuing to spread rumours and disinformation, same way they did when I was trying to help out. If these owners and previous management types had one ounce of decency in them, they would have already worked on a solution, a plan, instead of hiding in their castles in Poland.

I am really under no obligation to do anything, never mind even write this document or render commentary, but despite all my reservations to even go there, I am still willing to contribute towards a solution in an effort to assist those people who never saw a cent of profit and try guide them in trying to recover their principal investment funds. Who knows, we might even have an opportunity to turn this whole damn business around and create some realistic opportunities in future, where a company owned by the public can participate in real cannabis business operations after all.

Is it too late?? It is never to late if you have the desire and the aptitude to seek a workable solution to a problem you face.

Without prejudice
Willie van der Merwe
(Yes the real one)
