

# NordicCan A/S

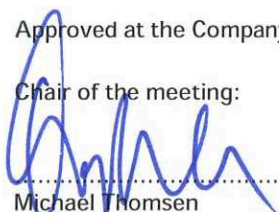
Dandyvej 19, 7100 Vejle

CVR no. 37 63 39 25

## Annual report 2021

Approved at the Company's annual general meeting on 25 May 2022

Chair of the meeting:



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Michael Thomsen

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of NordicCan A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

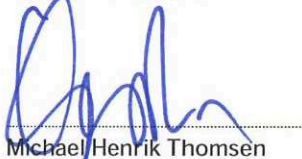
Vejle, 25 May 2022

Executive Board:



Peter Halling

Board of Directors:



Michael Henrik Thomsen  
Chair



Peter Halling



Lene Lind

## Independent auditor's report

To the shareholders of NordicCan A/S

### Opinion

We have audited the financial statements of NordicCan A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 25 May 2022  
EY Godkendt Revisionspartnerselskab  
CVR nr. 30 70 02 28



Tor B. Lassen  
State Authorised Public Accountant  
mne24820



Tobias Jøpermann  
State Authorised Public Accountant  
mne46362

## Management's review

### Company details

Name NordicCan A/S  
Address, Postal code, City Dandyvej 19, 7100 Vejle

CVR no. 37 63 39 25  
Registered office Vejle  
Financial year 1 January - 31 December

Board of Directors Michael Henrik Thomsen, Chair  
Peter Halling  
Lene Lind

Executive Board Peter Halling

Auditors EY Godkendt Revisionspartnerselskab  
Værkmestergade 25, P.O. Box 330, 8100 Aarhus C,  
Denmark

## Management's review

### Business review

The Company's purpose is to develop, produce and sell innovative cannabinoid products within food supplements and pharmaceutical products and to own and manage related IP (patents, trademarks, etc.) as well as directly og indirectly related business activitites based on the Board of Director's assessment.

### Financial review

The income statement for 2021 shows a loss of DKK 4,058 thousand against a loss of DKK 1,987 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 5,767 thousand.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2021	2020
5	Administrative expenses	-4,971	-2,417
	Operating profit/loss	-4,971	-2,417
	Research and development costs	-5	0
	Profit/loss before net financials	-4,976	-2,417
2	Financial expenses	-227	-130
	Profit/loss before tax	-5,203	-2,547
3	Tax for the year	1,145	560
	Profit/loss for the year	-4,058	-1,987
	Recommended appropriation of profit/loss	-4,058	-1,987
	Retained earnings/accumulated loss	-4,058	-1,987



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	<b>ASSETS</b>		
	Fixed assets		
4	Intangible assets		
	Development projects in progress and prepayments for intangible assets	11,423	6,844
		<u>11,423</u>	<u>6,844</u>
	<b>Total fixed assets</b>	<u>11,423</u>	<u>6,844</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	5,000	0
	Income taxes receivable	2,152	1,288
	Other receivables	928	682
		<u>8,080</u>	<u>1,970</u>
	Cash	13	104
	<b>Total non-fixed assets</b>	<u>8,093</u>	<u>2,074</u>
	<b>TOTAL ASSETS</b>	<u>19,516</u>	<u>8,918</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	500	500
	Retained earnings	5,267	-675
	<b>Total equity</b>	<u>5,767</u>	<u>-175</u>
	Provisions		
	Deferred tax	2,318	1,311
	<b>Total provisions</b>	<u>2,318</u>	<u>1,311</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	1,006	477
	Payables to group entities	10,425	7,305
		<u>11,431</u>	<u>7,782</u>
	<b>Total liabilities other than provisions</b>	<u>11,431</u>	<u>7,782</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,516</u>	<u>8,918</u>

1 Accounting policies

6 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	500	-675	-175
Transfer through appropriation of loss	0	-4,058	-4,058
Contribution from group	0	10,000	10,000
Equity at 31 December 2021	500	5,267	5,767

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of NordicCan A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK)

#### Income statement

##### Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

##### Development costs

The item includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

##### Financial expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Intangible assets

Patents are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2021	2020
2 Financial expenses		
Interest expenses, group entities	159	130
Other financial expenses	68	0
	<u>227</u>	<u>130</u>
3 Tax for the year		
Estimated tax charge for the year	-2,152	-1,288
Deferred tax adjustments in the year	1,007	728
	<u>-1,145</u>	<u>-560</u>

### 4 Intangible assets

DKK'000	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2021	6,844
Additions in the year	4,987
Disposals in the year	-408
Cost at 31 December 2021	<u>11,423</u>
Carrying amount at 31 December 2021	<u>11,423</u>

### 5 Staff costs

The Company has no employees in 2021.

### 6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.