

## **Medican A/S**

Skovgårdsvej 27  
3200 Helsingør

CVR no. 39 01 56 84

### **Annual report for 2019/20**

(3rd Financial year)

Adopted at the annual general meeting  
on 17 December 2020

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Ole F. Sigetty  
chairman

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## **Statement by management on the annual report**

The supervisory and executive boards have today discussed and approved the annual report of Medican A/S for the financial year 1 July 2019 - 30 June 2020.

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 company's financial position at 30 June 2020 and of the results of the company's operations for the financial year 1 July 2019 - 30 June 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Helsinge, 14 December 2020

### **Executive board**

Farzad Jahanshahi  
CEO

### **Supervisory board**

May-Britt Frisenberg Buch-  
Kattrup

Jens Koefoed Stadum

Ulf Munkedal

Kim Holm

## **Independent auditor's report**

### **To the shareholder of Medican A/S**

#### **Opinion**

We have audited the financial statements of Medican A/S for the financial year 1 July 2019 - 30 June 2020, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2020 and of the results of the company's operations for the financial year 1 July 2019 - 30 June 2020 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 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

Please note that there is substantial uncertainty that may raise significant doubts about the company's ability to continue operations. We refer to note 8 to the financial statements, which shows the management's plan for raising capital. It is management's assessment that the raising of the capital will be achieved, which is why the financial statements have been prepared accordingly, assuming the company's continued operations. Our conclusion is not modified on this point.

#### **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 the 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.

## **Independent auditor's report**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events 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.

## **Independent auditor's report**

### **Statement on management's review**

Management is responsible for management's review.

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

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

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

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

Hellerup, 14 December 2020

CVR no. 33 25 68 76



Søren Jonassen  
Statsautoriseret revisor  
MNE no. mne18488

## Company details

### **The company**

Medican A/S  
Skovgårdsvej 27  
3200 Helsingør

CVR no.: 39 01 56 84

Reporting period: 1 July 2019 - 30 June 2020

Incorporated: 12. October 2017

Domicile: Helsingør

### **Supervisory board**

May-Britt Frisenberg Buch-Kattrup  
Jens Koefoed Stadum  
Ulf Munkedal  
Kim Holm

### **Executive board**

Farzad Jahanshahi

### **Auditors**

Crowe  
Statsautoriseret Revisionsinteressentskab v.m.b.a.  
Rygårds Allé 104  
2900 Hellerup

## **Management's review**

### **Business review**

The purpose of the company is Medican production of medical cannabis in Denmark controlling subsidiaries and investments internationally in the same industry.

### **Financial review**

The company's income statement for the year ended 30 June 2020 shows a loss of DKK 4.555.962, and the balance sheet at 30 June 2020 shows equity of DKK 39.408.865.

2019/2020 has been an exciting and busy year for Medican, despite the difficulties following Covid19. Related to Covid-19 Medican have experienced difficulties for potential investors to travel to Denmark to inspect production facilities. It's however also our assessment, that the market for medical cannabis in general is resistant to Covid-19 or other pandemics outbreaks.

The main activities in year 2019/2020 have been focused on preparation for inspections by the Danish Medicine agency which resulted in achieving one of the main milestones i.e. bulk product license and permission to initiate the cultivation of Process Performance Qualification (PPQ) batches.

Furthermore the production facility has been expanded by building additional flower room, destruction room, tissue culture laboratory room and post harvesting facilities.

The organization has been also expanded with several employees within QA, RA, production and cultivation.

To have full control of the distribution, Medican established an affiliate, Medican Pharma GmbH in the biggest European cannabis market Germany.

Expanding facility and organization has required heavy investments but necessary to achieve companies short- and long-term strategy.

Finalizing the PPQ batches and continue activities with fundraising is two major focus areas for year 2020/2021.

Expectation for year 2020/2021 is:

- Achievement of primary and intermediate products license
- Achievement of the GDP license in Germany followed by EU GMP license
- Realizing the first sales and export to Germany
- Continue construction in current Danish based facility



## **Management's review**

Until the company obtains a positive liquidity contribution from the sale of products, the company is dependent on capital increases from investors via one or more capital increases, loans, etc. There is uncertainty associated with the implementation of the Board of Directors' plan for raising capital. Continued operation of the company will require adequate capital procurement for the funding of the operation.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## **Accounting policies**

The annual report of Medican A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2019/20 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, production costs and other operating income.

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

## **Accounting policies**

### **Distribution costs**

Distribution costs comprise costs incurred to distribute goods sold during the year and to carry through sales campaigns, etc. in the year, including costs related to sales staff, advertising, exhibitions and amortisation of distribution- and sales-related activities.

### **Administrative costs**

Administrative expenses comprise expenses incurred in the year related to management, administrative staff, office premises, office expenses, depreciation, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

## **Accounting policies**

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-7 years

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Medican A/S is adopted are not taken to the net revaluation reserve.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

## **Accounting policies**

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **Income tax and deferred tax**

As management company, Medican A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

#### **Liabilities**

Liabilities are measured at amortized cost, which is usually equivalent to nominal value.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

## Income statement 1 July 2019 - 30 June 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>Gross profit</b>		<b>-18.387.808</b>	<b>-12.456.628</b>
Distribution costs		-288.709	-405.849
Administrative costs		-3.607.500	-4.849.933
<b>Operating profit/loss</b>		<b>-22.284.017</b>	<b>-17.712.410</b>
Other operating income		12.167	0
<b>Profit/loss before financial income and expenses</b>		<b>-22.271.850</b>	<b>-17.712.410</b>
Income from investments in subsidiaries		10.809.264	-12.971.671
Income from investments in associates		2.035.155	-171.886
Financial income	1	103.391	3.970
Financial costs		-121.194	-87.140
<b>Profit/loss before tax</b>		<b>-9.445.234</b>	<b>-30.939.137</b>
Tax on profit/loss for the year	2	4.889.272	3.882.185
<b>Net profit/loss for the year</b>		<b><u>-4.555.962</u></b>	<b><u>-27.056.952</u></b>
Reserve for net revaluation under the equity method		7.743.933	-7.884.364
Retained earnings		-12.299.895	-19.172.588
		<b><u>-4.555.962</u></b>	<b><u>-27.056.952</u></b>

## Balance sheet at 30 June 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		1.690.723	1.345.014
Leasehold improvements		11.739.688	7.719.923
<b>Tangible assets</b>	3	<u><b>13.430.411</b></u>	<u><b>9.064.937</b></u>
Investments in subsidiaries	4	18.650.888	30.625
Investments in associates	5	2.871.256	458.099
<b>Fixed asset investments</b>		<u><b>21.522.144</b></u>	<u><b>488.724</b></u>
<b>Total non-current assets</b>		<u><b>34.952.555</b></u>	<u><b>9.553.661</b></u>
Receivables from subsidiaries		2.344.698	3.077.011
Receivables from associates		1.955.250	2.853.970
Other receivables		1.869.185	364.753
Deferred tax asset		8.167.461	4.481.009
Corporation tax		1.202.820	0
Prepayments		22.587	0
<b>Receivables</b>		<u><b>15.562.001</b></u>	<u><b>10.776.743</b></u>
<b>Cash at bank and in hand</b>		<u><b>533.281</b></u>	<u><b>4.895.967</b></u>
<b>Total current assets</b>		<u><b>16.095.282</b></u>	<u><b>15.672.710</b></u>
<b>Total assets</b>		<u><u><b>51.047.837</b></u></u>	<u><u><b>25.226.371</b></u></u>

## Balance sheet at 30 June 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>Equity and liabilities</b>			
Share capital		948.205	852.455
Reserve for net revaluation under the equity method		7.743.933	0
Retained earnings		<u>30.716.727</u>	<u>22.027.371</u>
<b>Equity</b>	<b>6</b>	<b><u>39.408.865</u></b>	<b><u>22.879.826</u></b>
Trade payables		572.542	563.234
Payables to subsidiaries		987.466	0
Other payables		<u>10.078.964</u>	<u>1.783.311</u>
<b>Total current liabilities</b>		<b><u>11.638.972</u></b>	<b><u>2.346.545</u></b>
<b>Total liabilities</b>		<b><u>11.638.972</u></b>	<b><u>2.346.545</u></b>
<b>Total equity and liabilities</b>		<b><u>51.047.837</u></b>	<b><u>25.226.371</u></b>
Staff	7		
Uncertainty about the continued operation (going concern)	8		
Contingent liabilities	9		
Mortgages and collateral	10		



## Notes

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
<b>1 Financial income</b>		
Interest received from subsidiaries	35.249	0
Interest received from associates	10.676	3.970
Exchange adjustments	57.466	0
	<u><b>103.391</b></u>	<u><b>3.970</b></u>
<b>2 Tax on profit/loss for the year</b>		
Deferred tax for the year	-4.889.272	-3.882.185
	<u><b>-4.889.272</b></u>	<u><b>-3.882.185</b></u>
<b>3 Tangible assets</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 July 2019	1.699.386	9.058.527
Additions for the year	1.044.141	5.958.759
Disposals for the year	-275.000	0
Cost at 30 June 2020	<u>2.468.527</u>	<u>15.017.286</u>
Impairment losses and depreciation at 1 July 2019	354.372	1.338.605
Depreciation for the year	542.599	1.938.993
Reversal of impairment and depreciation of sold assets	-119.167	0
Impairment losses and depreciation at 30 June 2020	<u>777.804</u>	<u>3.277.598</u>
<b>Carrying amount at 30 June 2020</b>	<u><b>1.690.723</b></u>	<u><b>11.739.688</b></u>

## Notes

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
<b>4 Investments in subsidiaries</b>		
Cost at 1 July 2019	5.117.932	750.000
Additions for the year	7.913.377	4.367.932
Disposals for the year	<u>-125.000</u>	<u>0</u>
Cost at 30 June 2020	<u>12.906.309</u>	<u>5.117.932</u>
Revaluations at 1 July 2019	-5.087.307	7.884.364
Disposals for the year	22.622	0
Net profit/loss for the year	<u>10.809.264</u>	<u>-12.971.671</u>
Revaluations at 30 June 2020	<u>5.744.579</u>	<u>-5.087.307</u>
<b>Carrying amount at 30 June 2020</b>	<b><u>18.650.888</u></b>	<b><u>30.625</u></b>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Nube Serena Holding B.V.	Amsterdam, Holland	58,8%
Medican Pharma Ltd.	London, UK	100%
Medican Pharma GmbH	Weimar, Tyskland	90%

## Notes

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
<b>5 Investments in associates</b>		
Cost at 1 July 2019	629.985	0
Additions for the year	413.803	629.985
Disposals for the year	<u>-171.886</u>	<u>0</u>
Cost at 30 June 2020	<u>871.902</u>	<u>629.985</u>
Revaluations at 1 July 2019	-171.886	0
Disposals for the year	136.085	0
Net profit/loss for the year	<u>2.035.155</u>	<u>-171.886</u>
Revaluations at 30 June 2020	<u>1.999.354</u>	<u>-171.886</u>
<b>Carrying amount at 30 June 2020</b>	<b><u>2.871.256</u></b>	<b><u>458.099</u></b>

Investments in associates are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Medizinalhenf GmbH	Hamborg, Germany	25%
Aureum A/S	Allerød	24,7%
Kannaabis ApS	Hillerød	50%

## Notes

### 6 Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 July 2019	852.455	0	22.027.372	22.879.827
Cash capital increase	95.750	0	20.989.250	21.085.000
Net profit/loss for the year	0	7.743.933	-12.299.895	-4.555.962
<b>Equity at 30 June 2020</b>	<b>948.205</b>	<b>7.743.933</b>	<b>30.716.727</b>	<b>39.408.865</b>

The share capital has developed as follows:

	2019/20	2018/19	2017/18	2016/17	2015/16
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 July 2019	852.455	770.680	770.680	0	0
Additions for the year	95.750	81.775	0	0	0
<b>Share capital</b>	<b>948.205</b>	<b>852.455</b>	<b>770.680</b>	<b>0</b>	<b>0</b>

## Notes

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
<b>7 Staff</b>		
Wages and Salaries	9.277.021	5.782.578
Pensions	624.365	214.830
Other social security expenses	<u>125.433</u>	<u>62.949</u>
	<b><u>10.026.819</u></b>	<b><u>6.060.357</u></b>
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Cost of sales	8.222.065	4.446.598
Administrative expenses	<u>1.804.754</u>	<u>1.613.759</u>
	<b><u>10.026.819</u></b>	<b><u>6.060.357</u></b>
Average number of employees	<u>17</u>	<u>10</u>

## 8 Uncertainty about the continued operation (going concern)

Until the company obtains a positive liquidity contribution from the sale of products, the company is dependent on capital increases from investors via one or more capital increases, loans, etc. There is uncertainty associated with the implementation of the Board of Directors' plan for raising capital. Continued operation of the company will require adequate capital procurement for the funding of the operation.

## 9 Contingent liabilities

A convertible bond loan of DKK 6.0 million has been issued. The loan is recognized under the item "other payables" and bears interest at 10% p.a. The conversion price was fixed at DKK 105.5. The loan is due for full repayment in April 2021.

The parent company is jointly taxed with its danish group entities.

The Company has entered commercial leasing tenancy agreement with a remaining contract period to 25 months with a residual commitment at the amount of DKK 3.8 million. DKK 1.8 is fall due within an year.

The Company has entered commercial leasing contracts with an average remaining period of 55 months. The total leasing commitment as of June 30, 2020 is DKK 1.1 million.

## Notes

### 10 Mortgages and collateral

Investments in subsidiaries and associates at a carrying amount of DKK 2.9 million at 30 June 2020 have been provided as security for other payables totalling DKK 6,0 million.