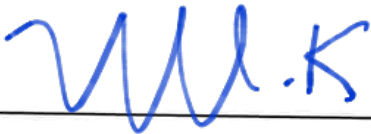


Annual report for 2017/18

Tikun Olam Scandinavia ApS
Hørbakken 1, Smørumvang
2765 Smørum
CVR no. 39 19 94 67

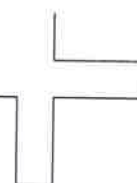
Adopted at the annual general meeting on 16 May 2019



chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Auditor's report on compilation of the financial statements	2
Management's review	
Company details	3
Management's review	4
Financial statements	
Income statement 31 December 2017 - 31 December 2018	5
Balance sheet at 31 December 2018	6
Notes to the annual report	7
Accounting policies	8



Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Tikun Olam Scandinavia ApS for the financial year 31 December 2017 - 31 December 2018.

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 31 December 2018 and of the results of the company's operations for the financial year 31 December 2017 - 31 December 2018.

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

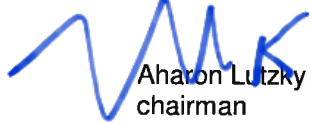
Management recommends that the annual report should be approved by the company in general meeting.

Smørum, 16 May 2019

Executive board


Erez Albo
CEO


Supervisory board

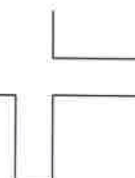

Aharon Lutzky
chairman

Nissim Levy


Lotem Cohen

Dan Tsruya


Erez Albo



Auditor's report on compilation of the financial statements

To the shareholder of Tikun Olam Scandinavia ApS

We have compiled the financial statements of Tikun Olam Scandinavia ApS for the financial year 31 December 2017 - 31 December 2018 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, notes and summary of significant accounting policies

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

København Ø, 16 May 2019

Hartzberg+
statsautoriseret revisionsvirksomhed
CVR no. 17 25 09 81

Hans Peter Hartzberg
statsautoriseret revisor
MNE no. mne24818



Company details

The company

Tikun Olam Scandinavia ApS
Hørbakken 1, Smørumvang
2765 Smørum

CVR no.: 39 19 94 67

Reporting period: 31 December 2017 - 31 December 2018

Incorporated: 31. December 2017

Domicile: Egedal

Supervisory board

Aharon Lutzky, chairman
Nissim Levy
Lotem Cohen
Dan Tsruya
Erez Albo

Executive board

Erez Albo, CEO

Auditors

Hartzberg+
statsautoriseret revisionsvirksomhed
Øster Allé 56, 1.
2100 København Ø



Management's review

Business activities

The company's purpose is to import and sell medical cannabis products in Denmark.

Recognition and measurement uncertainties

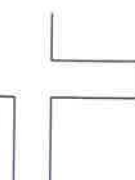
The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Business review

The company's income statement for the year ended 31 December shows a loss of DKK 5.294, and the balance sheet at 31 December 2018 shows equity of DKK 45.706.

Significant events occurring after end of reporting period

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



Income statement
31 December 2017 - 31 December 2018

	<u>Note</u>	<u>2017/18</u> DKK
Gross profit		-5.294
Profit/loss before tax		-5.294
Tax on profit/loss for the year		<u>0</u>
Profit/loss for the year		<u>-5.294</u>
Retained earnings		<u>-5.294</u>
		<u>-5.294</u>



Balance sheet at 31 December 2018

	<u>Note</u>	<u>2017/18</u> DKK
Assets		
Cash at bank and in hand		<u>66.345</u>
Total current assets		<u>66.345</u>
Total assets		<u><u>66.345</u></u>
Equity and liabilities		
Share capital		51.000
Retained earnings		<u>-5.294</u>
Equity	1	<u>45.706</u>
Payables to shareholders and management		<u>20.639</u>
Total current liabilities		<u>20.639</u>
Total liabilities		<u>20.639</u>
Total equity and liabilities		<u><u>66.345</u></u>

Notes

1 Equity

	Share capital	Retained earnings	Total
Equity at 31 December 2017	1	0	1
Cash capital increase	50.999	0	50.999
Net profit/loss for the year	0	-5.294	-5.294
Equity at 31 December 2018	51.000	-5.294	45.706

The share capital consists of 51.000 shares of a nominal value of DKK 1. No shares carry any special rights.

Accounting policies

The annual report of Tikun Olam Scandinavia ApS for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities.

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

The annual report for 2017/18 is presented in DKK

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.

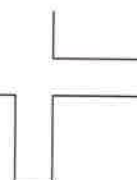
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

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 instalments 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.



Accounting policies

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, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Tax on profit/loss for the year

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

Income tax and deferred tax

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.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

