

# **Aurora Nordic Cannabis A/S**

**Bindekildevej 10, 5250 Odense SV**

**Company reg. no. 39 32 94 33**

## **Annual report**

**1 April 2023 - 31 March 2024**

The annual report was submitted and approved by the general meeting on the 30 September 2024.

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**Michael Simon**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Contents

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	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 April 2023 - 31 March 2024</b>	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Aurora Nordic Cannabis A/S for the financial year 1 April 2023 - 31 March 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Odense, 30 September 2024

### **Managing Director**

Alexander Thier

### **Board of directors**

Michael Simon  
Chairman

André Jérôme

Thorsten Hagemann

## **Independent auditor's report**

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### **To the Shareholders of Aurora Nordic Cannabis A/S**

#### **Opinion**

We have audited the financial statements of Aurora Nordic Cannabis A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. 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 financial position of the Company at 31 March 2024, and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

#### **Basis for conclusion**

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' 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 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 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 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.

### **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.

## **Independent auditor's report**

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Fredericia, 30 September 2024

### **KPMG**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 25 57 81 98

**Nikolaj Møller Hansen**

State Authorised Public Accountant  
mne33220

## Company information

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### **The company**

Aurora Nordic Cannabis A/S  
Bindekildevej 10  
5250 Odense SV

Company reg. no. 39 32 94 33  
Established: 12 February 2018  
Domicile: Odense  
Financial year: 1 April 2023 - 31 March 2024

### **Board of directors**

Michael Simon, Chairman  
André Jérôme  
Thorsten Hagemann

### **Managing Director**

Alexander Thier

### **Auditors**

KPMG Statsautoriseret Revisionspartnerselskab  
Vesterballevej 27  
7000 Fredericia

### **Parent company**

Aurora Cannabis Inc.

## **Management's review**

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### **Business review**

The activity of the Company is to cultivate, produce, distribute, and sell cannabis and other activities that in the discretion of the board of directors is deemed related thereto.

### **Recognition and measurement uncertainties**

Aurora Nordic Cannabis A/S was decided to close after the balance sheet date on 31 March 2023. It was planned to be executed during the financial year 2024, however due to some unforeseen circumstance the liquidation is yet to happen, and it is planned in financial year 2025.

Due to the company's liquidation, it has engaged in fewer activities this financial year. This report provides insights into our activities, financial position, and the rationale behind key decisions made during the liquidation process.

Furthermore, the liquidation process is anticipated to conclude during the financial year 2025.

Management is focused on ensuring that all recoverable assets are realized, and creditor claims are settled fairly and equitably. We are committed to providing timely updates on our progress and any developments affecting the liquidation process.

### **Financial review**

The income statement for 2023/24 shows a loss of DKK 33,357 thousand against a loss of DKK 39,166 thousand last year, and the balance sheet at 31 March 2024 shows a negative equity of DKK 462,373 thousand.

In conclusion, while the liquidation of Aurora Nordic Cannabis A/S presents significant challenges, management remains dedicated to executing the process with integrity and diligence.



## Income statement

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DKK thousand.

<u>Note</u>	<u>1/4 2023 - 31/3 2024</u>	<u>1/7 2022 - 31/3 2023</u>
<b>Gross profit</b>	<b>11.974</b>	<b>31.292</b>
2 Staff costs	-15.808	-25.496
Depreciation and impairment of property, plant, and equipment	<u>-78</u>	<u>-20.167</u>
<b>Profit before net financials</b>	<b>-3.912</b>	<b>-14.371</b>
3 Other financial income	94	1.937
4 Other financial expenses	<u>-29.539</u>	<u>-26.732</u>
<b>Pre-tax net profit or loss</b>	<b>-33.357</b>	<b>-39.166</b>
Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
<b>Net profit or loss for the year</b>	<b><u>-33.357</u></b>	<b><u>-39.166</u></b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	<u>-33.357</u>	<u>-39.166</u>
<b>Total allocations and transfers</b>	<b><u>-33.357</u></b>	<b><u>-39.166</u></b>

## Balance sheet at 31 March

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DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current assets</b>		
Work in progress	0	1.008
Manufactured goods and goods for resale	0	9.942
Total inventories	<u>0</u>	<u>10.950</u>
Trade receivables	0	620
5 Deferred tax assets	0	0
Other receivables	135	288
Total receivables	<u>135</u>	<u>908</u>
Cash and cash equivalents	<u>903</u>	<u>2.053</u>
<b>Total current assets</b>	<b><u>1.038</u></b>	<b><u>13.911</u></b>
<b>Total assets</b>	<b><u>1.038</u></b>	<b><u>13.911</u></b>

## Balance sheet at 31 March

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DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	500	500
Retained earnings	-462.873	-429.516
<b>Total equity</b>	<b>-462.373</b>	<b>-429.016</b>
 <b>Liabilities other than provisions</b>		
Other payables	0	33
Total long term liabilities other than provisions	0	33
Trade payables	315	938
Payables to group enterprises	461.304	429.683
Income tax payable	0	181
Other payables	1.792	12.092
Total short term liabilities other than provisions	463.411	442.894
<b>Total liabilities other than provisions</b>	<b>463.411</b>	<b>442.927</b>
 <b>Total equity and liabilities</b>	 <b>1.038</b>	 <b>13.911</b>
 <b>1 Special items</b>		
<b>6 Contingencies</b>		
<b>7 Related parties</b>		

## Statement of changes in equity

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DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 July 2022	500	-390.350	-389.850
Retained earnings for the year	<u>0</u>	<u>-39.166</u>	<u>-39.166</u>
Equity 1 April 2023	500	-429.516	-429.016
Retained earnings for the year	<u>0</u>	<u>-33.357</u>	<u>-33.357</u>
	<b><u>500</u></b>	<b><u>-462.873</u></b>	<b><u>-462.373</u></b>

## Notes

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DKK thousand.

### 1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items are specified below, indicating where they are recognised in the income statement.

	1/4 2023 - 31/3 2024	1/7 2022 - 31/3 2023
Expenses:		
Impairment losses of assets recognized at realization value	0	17.797
Expensed liabilities and commitments	0	7.654
	<u>0</u>	<u>25.451</u>
Special items are recognised in the following items in the financial statements:		
Depreciation and impairment of property, plant, and equipment	0	17.797
Other external expenses	0	7.654
<b>Profit of special items, net</b>	<u><b>0</b></u>	<u><b>25.451</b></u>
<b>2. Staff costs</b>		
Salaries and wages	13.637	21.887
Pension costs	1.994	3.329
Other costs for social security	173	254
Other staff costs	4	26
	<u><b>15.808</b></u>	<u><b>25.496</b></u>
Average number of employees	<u>27</u>	<u>72</u>
<b>3. Other financial income</b>		
Interest income, intercompany	0	1.911
Other financial income	94	26
	<u><b>94</b></u>	<u><b>1.937</b></u>

## Notes

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DKK thousand.

	1/4 2023 - 31/3 2024	1/7 2022 - 31/3 2023
<b>4. Other financial expenses</b>		
Interest expenses, intercompany	29.398	26.330
Other financial expenses	<u>141</u>	<u>402</u>
	<b><u>29.539</u></b>	<b><u>26.732</u></b>

### 5. Deferred tax assets

The company's preliminary net deferred tax asset at 31 March 2024 amounted to approx. DKK 90 million. Due to the decision of closing down the company deferred tax asset is not capitalized as it does not represent an asset going forward.

### 6. Contingencies

#### Contingent liabilities

Rent and lease liabilities:

The company has not entered into rent and leases and has no outstanding payments at 31 March 2024.

### 7. Related parties

#### Controlling interest

Aurora Cannabis Inc., Vancouver, Canada

Majority shareholder

#### Consolidated financial statements

The company is included in the consolidated financial statements of:

Aurora Cannabis Inc., Suite 1500-1055, West Georgia Street, Vancouver, BC V6E 4N7, Canada.

Requisitioning of the parent company's consolidated financial statements:

[www.investor.auroramj.com](http://www.investor.auroramj.com)

## **Accounting policies**

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The annual report for Aurora Nordic Cannabis A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year. The accounting period was changed in the financial year before last and, consequently, the comparative figures in the income statement comprise the period 1 July 2022 - 31 March 2023 (9 months).

### **Reporting currency**

The financial statements are presented in Danish kroner (DKK'000).

### **Income statement**

#### **Gross profit**

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

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms 2010.

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to consulting, sale, advertising, administration etc.

#### **Staff costs**

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

#### **Depreciation, amortisation, and write-down for impairment**

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets, respectively.

## Accounting policies

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### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

### Tax on net profit or loss for the year

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.

## Statement of financial position

### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and direct production overheads. Indirect production overheads and borrowing costs are not included in the cost.

### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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 has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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. The effective interest rate for the individual receivable or portfolio is used as discount rate.



## **Accounting policies**

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### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Equity**

#### **Contributed capital**

Contributed capital comprise share capital.

#### **Retained earnings**

Retained earnings comprise accumulated profit and loss.

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

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

#### **Liabilities other than provisions**

Other payables are measured at net realisable value.