

Eurox Denmark ApS

c/o NJORD Law Firm, Pilestræde 58, 1112 København K

Annual report

2022

Company reg. no. 40 45 62 79

The annual report was submitted and approved by the general meeting on the 12 June 2023.

Bernhard Babel
Chairman of the meeting

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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 %.

Management's statement

Today, the Executive Board has approved the annual report of Eurox Denmark ApS for the financial year 2022.

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 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Executive Board consider the conditions for audit exemption of the 2022 financial statements to be met.

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.

København K, 12 June 2023

Executive board

Brita Kaltenbrunner Bernitz

Bernhard Babel

Neil Smith

Practitioner's compilation report

To the Shareholder of Eurox Denmark ApS

We have compiled the financial statements of Eurox Denmark ApS for the financial year 1 January - 31 December 2022 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Risskov, 12 June 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Lars Greve Jensen

State Authorised Public Accountant
mne32199

Company information

The company	Eurox Denmark ApS c/o NJORD Law Firm Pilestræde 58 1112 København K
	Company reg. no. 40 45 62 79 Established: 16 April 2019 Domicile: Copenhagen K Financial year: 1 January - 31 December 4th financial year
Executive board	Brita Kaltenbrunner Bernitz Bernhard Babel Neil Smith
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov
Parent company	Eurox Deutschland Invest GmbH

Management´s review

The principal activities of the company

The principal activity is to cultivate and produce medical cannabis.

Development in activities and financial matters

The gross loss for the year totals DKK -11.191 against DKK -13.750 last year. Income or loss from ordinary activities after tax totals DKK -16.208 against DKK -19.604 last year. Management considers the net loss for the year as expected.

The management expect to close the company in 2023.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	-11.191	-13.750
1 Other financial expenses	-5.017	-5.854
Pre-tax net profit or loss	-16.208	-19.604
Tax on ordinary results	0	0
Net profit or loss for the year	-16.208	-19.604
Proposed distribution of net profit:		
Allocated from retained earnings	-16.208	-19.604
Total allocations and transfers	-16.208	-19.604

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	<u>77.559</u>	<u>80.000</u>
Total current assets	<u>77.559</u>	<u>80.000</u>
Total assets	<u>77.559</u>	<u>80.000</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		<u>2022</u>	<u>2021</u>
<u>Note</u>			
Equity			
Contributed capital		50.000	50.000
Results brought forward		-454.747	-438.539
Total equity		<u>-404.747</u>	<u>-388.539</u>
Liabilities other than provisions			
2 Payables to subsidiaries		38.811	24.699
3 Payables to shareholders and management		423.281	419.090
Total long term liabilities other than provisions		<u>462.092</u>	<u>443.789</u>
Trade creditors		9.214	13.750
Other payables		11.000	11.000
Total short term liabilities other than provisions		<u>20.214</u>	<u>24.750</u>
Total liabilities other than provisions		<u>482.306</u>	<u>468.539</u>
Total equity and liabilities		<u>77.559</u>	<u>80.000</u>
4 Contingencies			
5 Uncertainties concerning the enterprise's ability to continue as a going concern			

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	50.000	-418.935	-368.935
Profit or loss for the year brought forward	0	-19.604	-19.604
Equity 1 January 2022	50.000	-438.539	-388.539
Profit or loss for the year brought forward	0	-16.208	-16.208
	<u>50.000</u>	<u>-454.747</u>	<u>-404.747</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Other financial expenses		
Financial costs, group enterprises	362	883
Other financial costs	<u>4.655</u>	<u>4.971</u>
	<u>5.017</u>	<u>5.854</u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
2. Payables to subsidiaries		
Total payables to subsidiaries	38.811	24.699
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total payables to subsidiaries	<u>38.811</u>	<u>24.699</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
3. Payables to shareholders and management		
Total payables to shareholders and management	423.281	419.090
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total payables to shareholders and management	<u>423.281</u>	<u>419.090</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

4. Contingencies

Contingent assets

The company has a non-recognised deferred tax asset of DKK 100.044.

Joint taxation

With Carham ApS, company reg. no 40537686 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Notes

All amounts in DKK.

4. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

5. Uncertainties concerning the enterprise's ability to continue as a going concern

The enterprise has lost its equity capital. The management however expects that they with future earning can reestablish the lost equity capital. It is the opinion of that management that the enterprise has got enough funds for the coming year. The parent company has confirmed that the loan should not be paid back as long as there are not enough profits made to repay.

Accounting policies

The annual report for Eurox Denmark ApS 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 last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross loss

Gross loss comprises other external costs.

Other external costs comprise costs incurred for administration.

Financial expenses

Financial expenses are recognised in the income statement with the amounts concerning the financial year. Financial expenses comprise interest expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Liabilities other than provisions

Liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.