

**Eurox Denmark ApS**

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

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**Annual report**

**2019**

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**Company reg. no. 40 45 62 79**

The annual report was submitted and approved by the general meeting on the 2 September 2020.

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**Bernhard Babel**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 report**

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Today, the executive board has presented the annual report of Eurox Denmark ApS for the financial year 2019 of Eurox Denmark ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 16 April - 31 December 2019.

At the general meeting held on 2 September 2020, a decision will be made not to have the financial statements audited as from 2020 onwards. The executive board consider the conditions for audit exemption to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København K, 2 September 2020

### **Executive board**

Brita Kaltenbrunner Bernitz

Bernhard Babel

Neil Smith

## **Independent auditor's report on extended review**

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**To the shareholder of Eurox Denmark ApS**

### **Opinion**

We have performed an extended review of the financial statements of Eurox Denmark ApS for the financial year 16 April to 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 16 April - 31 December 2019 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matters in the financial statements**

We draw attention to note 1 and the mentioning in the management commentary in the annual report stating that there are uncertainties concerning the enterprise's ability to continue as a going concern. Our opinion has not been modified concerning this matter.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report on extended review**

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### **Auditor's responsibilities for the extended review of the financial statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Risskov, 2 September 2020

### **Martinsen**

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

Kaj Kromann Laschewski  
State Authorised Public Accountant  
mne32783

## Company information

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<b>The company</b>	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: 16 April - 31 December 1st financial year
<b>Executive board</b>	Brita Kaltenbrunner Bernitz Bernhard Babel Neil Smith
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov
<b>Parent company</b>	Eurox Deutschland Invest GmbH

## **Management commentary**

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### **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 -392.933. Loss from ordinary activities after tax totals DKK -396.276. Management considers the net loss as expected.

It is the first annual year of the enterprise with many start up costs.

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

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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 annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

### 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 transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

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

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### Income statement

#### Gross loss

Gross loss comprises external costs.

Other external costs comprise costs incurred for administration.

#### Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

#### Financial expenses

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

### Statement of financial position

#### Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

#### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

#### Liabilities other than provisions

Liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

## Income statement

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All amounts in DKK.

<u>Note</u>	16/4 2019 - 31/12 2019
<b>Gross loss</b>	<b>-392.933</b>
2 Other financial costs	-3.343
<b>Net profit or loss for the year</b>	<b>-396.276</b>
 <b>Proposed appropriation of net profit:</b>	
Allocated from retained earnings	-396.276
<b>Total allocations and transfers</b>	<b>-396.276</b>

## Statement of financial position

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All amounts in DKK.

<b>Assets</b>	<b>31/12 2019</b>
<u>Note</u>	<u></u>
<b>Current assets</b>	
Other receivables	<u>94.434</u>
Total receivables	<u>94.434</u>
Available funds	<u>1.040.000</u>
<b>Total current assets</b>	<b><u>1.134.434</u></b>
<b>Total assets</b>	<b><u>1.134.434</u></b>

## Statement of financial position

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All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
3 Contributed capital	50.000
4 Retained earnings	-396.276
<b>Total equity</b>	<b>-346.276</b>
<b>Liabilities other than provisions</b>	
Payables to group enterprises	426.751
Total long term liabilities other than provisions	426.751
Trade creditors	39.626
Other payables	1.014.333
Total short term liabilities other than provisions	1.053.959
<b>Total liabilities other than provisions</b>	<b>1.480.710</b>
<b>Total equity and liabilities</b>	<b>1.134.434</b>
1 Uncertainties concerning the enterprise's ability to continue as a going concern	
5 Contingencies	

## Notes

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All amounts in DKK.

**1. 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.

	16/4 2019
	<u>- 31/12 2019</u>
<b>2. Other financial costs</b>	
Financial costs, group enterprises	2.510
Other financial costs	<u>833</u>
	<u><b>3.343</b></u>
	<u>31/12 2019</u>
<b>3. Contributed capital</b>	
Cash capital increase	<u>50.000</u>
	<u><b>50.000</b></u>
<b>4. Retained earnings</b>	
Profit or loss for the year brought forward	<u>-396.276</u>
	<u><b>-396.276</b></u>

**5. Contingencies**

**Contingent assets**

The company has a non-recognised deferred tax asset of DKK 87.181.

The enterprise is part of a legal disagreement with the previous owner regarding a claim of DKK 1.000.000.

**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.

## Notes

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All amounts in DKK.

### 5. Contingencies (continued)

#### Joint taxation (continued)

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.

The total tax payable under the joint taxation scheme totals DKK 0.

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