

Carham ApS

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

Annual report

2020

Company reg. no. 40 53 76 86

The annual report was submitted and approved by the general meeting on the 6 July 2021.

Bernhard Babel
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 Auditor's report on compilation of the financial statements

Management commentary

- 3 Company information
- 4 Management commentary

Financial statements 1 January - 31 December 2020

- 5 Accounting policies
- 7 Income statement
- 8 Statement of financial position
- 10 Statement of changes in equity
- 11 Notes

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

Today, the managing director has presented the annual report of Carham ApS for the financial year 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

The managing director consider the conditions for audit exemption of the 2020 financial statements to be met.

I am 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, 6 July 2021

Managing Director

Brita Kaltenbrunner Bernitz

Auditor's report on compilation of the financial statements

To the shareholder of Carham ApS

We have compiled the financial statements of Carham ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

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

As 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 in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Risskov, 6 July 2021

Martinsen

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

Lars Greve Jensen

State Authorised Public Accountant
mne32199

Company information

The company	Carham ApS c/o NJORD Law Firm Pilestræde 58 1112 København K
	Company reg. no. 40 53 76 86 Established: 22 May 2019 Domicile: Copenhagen Financial year: 1 January - 31 December 2nd financial year
Managing Director	Brita Kaltenbrunner Bernitz
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov
Parent company	Eurox Deutschland Invest GmbH

Management commentary

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 -15.500 against DKK -992.467 last year. Income or loss from ordinary activities after tax totals DKK -32.049 against DKK -1.532.657 last year. Management considers the net profit or loss as expected.

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 Carham 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

Income statement

Gross loss

Gross loss comprises external costs.

Other external costs comprise costs incurred for administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Financial expenses

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

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross loss	-15.500	-992.467
2 Staff costs	<u>0</u>	<u>-523.488</u>
Operating profit	-15.500	-1.515.955
3 Other financial costs	<u>-16.549</u>	<u>-16.702</u>
Net profit or loss for the year	<u>-32.049</u>	<u>-1.532.657</u>
Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-32.049</u>	<u>-1.532.657</u>
Total allocations and transfers	<u>-32.049</u>	<u>-1.532.657</u>

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Current assets		
Other receivables	4.693	243.578
Total receivables	4.693	243.578
Total current assets	4.693	243.578
Total assets	4.693	243.578

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
Contributed capital		40.000	40.000
Results brought forward		<u>-1.564.706</u>	<u>-1.532.657</u>
Total equity		<u>-1.524.706</u>	<u>-1.492.657</u>
Liabilities other than provisions			
4 Payables to group enterprises		<u>1.495.011</u>	<u>1.229.795</u>
Total long term liabilities other than provisions		<u>1.495.011</u>	<u>1.229.795</u>
Trade creditors		23.388	272.373
Other payables		<u>11.000</u>	<u>234.067</u>
Total short term liabilities other than provisions		<u>34.388</u>	<u>506.440</u>
Total liabilities other than provisions		<u>1.529.399</u>	<u>1.736.235</u>
Total equity and liabilities		<u>4.693</u>	<u>243.578</u>

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

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	0	0	0
Cash capital increase	40.000	0	40.000
Profit or loss for the year brought forward	<u>0</u>	<u>-1.532.657</u>	<u>-1.532.657</u>
Equity 1 January 2020	40.000	-1.532.657	-1.492.657
Profit or loss for the year brought forward	<u>0</u>	<u>-32.049</u>	<u>-32.049</u>
	<u>40.000</u>	<u>-1.564.706</u>	<u>-1.524.706</u>

Notes

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.

	<u>2020</u>	<u>2019</u>
2. Staff costs		
Salaries and wages	0	521.500
Other costs for social security	<u>0</u>	<u>1.988</u>
	<u>0</u>	<u>523.488</u>
Average number of employees	<u>0</u>	<u>1</u>
3. Other financial costs		
Financial costs, group enterprises	13.381	6.359
Other financial costs	<u>3.168</u>	<u>10.343</u>
	<u>16.549</u>	<u>16.702</u>
	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Payables to group enterprises		
Total payables to group enterprises	1.495.011	1.229.795
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total payables to group enterprises	<u>1.495.011</u>	<u>1.229.795</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

5. Contingencies

Contingent assets

The company has a non-recognised deferred tax asset of DKK 338.158.

Notes

All amounts in DKK.

5. Contingencies (continued)

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay 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.

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