

Carham ApS

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

Annual report

2019

Company reg. no. 40 53 76 86

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

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

Today, the managing director has presented the annual report of Carham ApS for the financial year 2019 of Carham ApS.

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 2019 and of the company's results of activities in the financial year 22 May - 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 managing director consider the conditions for audit exemption 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, 2 September 2020

Managing Director

Brita Kaltenbrunner Bernitz

Independent auditor's report on extended review

To the shareholder of Carham ApS

Opinion

We have performed an extended review of the financial statements of Carham ApS for the financial year 22 May 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 22 May - 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

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

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: 22 May - 31 December
1st 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 -992.467. Loss from ordinary activities after tax totals DKK -1.532.657. 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

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 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

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 income and expenses

Financial income and expenses comprise interest. Financial income and 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.

Liabilities other than provisions

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

Income statement

All amounts in DKK.

<u>Note</u>	22/5 2019 - 31/12 2019
Gross loss	-992.467
2 Staff costs	-523.488
Operating profit	-1.515.955
3 Other financial costs	-16.702
Net profit or loss for the year	-1.532.657
 Proposed appropriation of net profit:	
Allocated from retained earnings	-1.532.657
Total allocations and transfers	-1.532.657

Statement of financial position

All amounts in DKK.

Assets		
<u>Note</u>		<u>31/12 2019</u>
Current assets		
Other receivables		<u>243.578</u>
Total receivables		<u>243.578</u>
Total current assets		<u>243.578</u>
Total assets		<u>243.578</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Equity and liabilities	
Equity	
4 Contributed capital	40.000
5 Retained earnings	-1.532.657
Total equity	-1.492.657
 Liabilities other than provisions	
Payables to group enterprises	1.229.795
Total long term liabilities other than provisions	1.229.795
Trade creditors	272.373
Other payables	234.067
Total short term liabilities other than provisions	506.440
Total liabilities other than provisions	1.736.235
 Total equity and liabilities	 243.578

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

6 Contingencies

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.

	22/5 2019
	<u>- 31/12 2019</u>
2. Staff costs	
Salaries and wages	521.500
Other costs for social security	<u>1.988</u>
	<u>523.488</u>
Average number of employees	<u>1</u>
3. Other financial costs	
Financial costs, group enterprises	6.359
Other financial costs	<u>10.343</u>
	<u>16.702</u>
	<u>31/12 2019</u>
4. Contributed capital	
Cash capital increase	<u>40.000</u>
	<u>40.000</u>
5. Retained earnings	
Profit or loss for the year brought forward	<u>-1.532.657</u>
	<u>-1.532.657</u>
6. Contingencies	
Contingent assets	
The company has a non-recognised deferred tax asset of DKK 331.609.	

Notes

All amounts in DKK.

6. 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.