

Balancial Danmark ApS

Herlev Hovedgade 195A, 3. tv., 2730 Herlev
CVR no. 41 39 04 84

Annual report for the financial year 27.05.20 - 31.12.20

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.06.21

Lars Erik Råen
Dirigent



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The company

Balancial Danmark ApS
Herlev Hovedgade 195A, 3. tv.
2730 Herlev
Registered office: Herlev
CVR no.: 41 39 04 84
Financial year: 01.01 - 31.12

Executive Board

Bo Tandrup

Board of Directors

Nedim Mavric
Lars Erik Råen
Leif Bo Ølgaard

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 27.05.20 - 31.12.20 for Balancial Danmark ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

The financial statements have not been audited, and we declare that the relevant conditions have been met.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 27.05.20 - 31.12.20.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Beierholm Statsautoriseret Revisionspartnerselskab has assisted with business service, and we hereby confirm having reviewed and approved the result of this assistance.

Herlev, June 29, 2021

Executive Board

Bo Tandrup

Board of Directors

Nedim Mavric
Chairman

Lars Erik Råen

Leif Bo Ølgaard

To the management of Balancial Danmark ApS

Based on the company's book-keeping and other information provided by the management, we have compiled the financial statements of Balancial Danmark ApS for the financial year 27.05.20 - 31.12.20.

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

We have performed our compilation engagement in accordance with the ISRS 4410 standard on Engagements to Compile Financial Statements.

We have applied our professional expertise to assist the management with the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms (Revisorloven) and the code of ethics of FSR – Danish Auditors, including principles concerning integrity, objectivity, professional competence and due care.

Management retains responsibility for the financial statements and for the accuracy and completeness of the financial information on the basis of which the financial statements are prepared and presented.

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

Soeborg, Copenhagen, June 29, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Thomsen
State Authorized Public Accountant
MNE-no. mne34079

Primary activities

The company's activities comprise import, storage and distribution of medical cannabis products in Denmark. The company has been granted necessary regulatory license to operate by the Danish Medicines Agency.

Development in activities and financial affairs

The income statement for the period 27.05.20 - 31.12.20 shows a profit/loss of DKK -2,154,951. The balance sheet shows equity of DKK -2,114,951.

The management considers the net profit for the year as expected.

Subsequent events

No important events have occurred after the end of the financial year.

	27.05.20	31.12.20
Note	DKK	
Gross loss		-2,061,788
1 Staff costs		-28,125
Loss before depreciation, amortisation, write-downs and impairment losses		-2,089,913
Depreciation and impairments losses of property, plant and equipment		-8,177
Loss before net financials		-2,098,090
Financial income		458
Financial expenses		-57,319
Loss before tax		-2,154,951
Tax on loss for the year		0
Loss for the year		-2,154,951
Proposed appropriation account		
Retained earnings		-2,154,951
Total		-2,154,951

ASSETS		31.12.20
		DKK
Note		
	Leasehold improvements	378,910
	Total property, plant and equipment	378,910
	Deposits	83,525
	Total investments	83,525
	Total non-current assets	462,435
	Other receivables	601,430
	Prepayments	18,404
	Total receivables	619,834
	Cash	11,752
	Total current assets	631,586
	Total assets	1,094,021

EQUITY AND LIABILITIES		31.12.20
		DKK
Note		
	Share capital	40,000
	Retained earnings	-2,154,951
	Total equity	-2,114,951
2	Payables to group enterprises	2,288,473
	Total long-term payables	2,288,473
	Trade payables	906,404
	Other payables	14,095
	Total short-term payables	920,499
	Total payables	3,208,972
	Total equity and liabilities	1,094,021
3	Contingent liabilities	

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 27.05.20 - 31.12.20			
Capital contributed on establishment	40,000	0	40,000
Net profit/loss for the year	0	-2,154,951	-2,154,951
Balance as at 31.12.20	40,000	-2,154,951	-2,114,951

27.05.20
31.12.20
DKK

1. Staff costs

Wages and salaries	28,125
Average number of employees during the year	1

2. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 26.05.20
Payables to group enterprises	2,232,677	2,288,473	2,288,473
Total	2,232,677	2,288,473	2,288,473

3. Contingent liabilities

Lease commitments

The company has concluded rent agreements with terms to maturity of 15 months and average lease payments of DKK 14k, a total of DKK 209k.

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

No comparative figures have been provided as this is the company's first financial year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

4. Accounting policies - continued -**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross loss**

Gross loss comprises raw materials and consumables and other external expenses.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Leasehold improvements	5	0

4. Accounting policies - continued -

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

4. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

4. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.