



## Balancial Danmark ApS

Herlev Hovedgade 195, 3.  
2730 Herlev  
CVR No. 41390484

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 10.05.2022

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**Lars Erik Råen**

Chairman of the General Meeting

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# Entity details

## Entity

Balancial Danmark ApS  
Herlev Hovedgade 195, 3.  
2730 Herlev

Business Registration No.: 41390484  
Registered office: Herlev  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Leif Bo Ølgaard  
Nedim Mavric  
Lars Erik Råen

## Executive Board

Bo Tandrup

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

Lead Client Service Partner : Mads Fauerskov

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Balancial Danmark ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2021 - 31.12.2021 as complied with.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 10.05.2022

## Executive Board

**Bo Tandrup**

## Board of Directors

**Leif Bo Ølgaard**

**Nedim Mavric**

**Lars Erik Råen**

# The independent auditor's compilation report

## To Management of Balancial Danmark ApS

We have compiled the financial statements of Balancial Danmark ApS for the financial year 01.01.2021 - 31.12.2021 based on the Entity's bookkeeping records and other information Management has provided.

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

We performed this compilation engagement in accordance with ISRS 4410, 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 provisions of the Danish Public Accountants Act and the 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 the financial statements are Management's responsibility.

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

Aarhus, 10.05.2022

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

## **Brian Charles Schmidt**

State Authorised Public Accountant  
Identification No (MNE) mne45845

# Management commentary

## 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 finances

The income statement for the period shows a loss of t.dkk. -1.582. The balance sheet shows equity of t.dkk. -3.697. The management considers the net profit for the year as expected.

Management is aware that the entire working capital has been lost. The working capital is expected to be re-established by a capital increase as a result of a loan conversion and future operations.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(966,498)</b>	<b>(2,061,788)</b>
Staff costs	1	(180,843)	(28,125)
Depreciation, amortisation and impairment losses		(77,417)	(8,177)
<b>Operating profit/loss</b>		<b>(1,224,758)</b>	<b>(2,098,090)</b>
Other financial income		695	458
Other financial expenses	2	(358,201)	(57,319)
<b>Profit/loss for the year</b>		<b>(1,582,264)</b>	<b>(2,154,951)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(1,582,264)	(2,154,951)
<b>Proposed distribution of profit and loss</b>		<b>(1,582,264)</b>	<b>(2,154,951)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Development projects in progress	4	2,596,398	0
<b>Intangible assets</b>	3	<b>2,596,398</b>	<b>0</b>
Leasehold improvements		301,493	378,910
<b>Property, plant and equipment</b>	5	<b>301,493</b>	<b>378,910</b>
Deposits		83,525	83,525
<b>Financial assets</b>		<b>83,525</b>	<b>83,525</b>
<b>Fixed assets</b>		<b>2,981,416</b>	<b>462,435</b>
Other receivables		135,413	601,430
Prepayments		18,366	18,404
<b>Receivables</b>		<b>153,779</b>	<b>619,834</b>
<b>Cash</b>		<b>2,139,863</b>	<b>11,752</b>
<b>Current assets</b>		<b>2,293,642</b>	<b>631,586</b>
<b>Assets</b>		<b>5,275,058</b>	<b>1,094,021</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		40,000	40,000
Reserve for development expenditure		2,025,190	0
Retained earnings		(5,762,405)	(2,154,951)
<b>Equity</b>		<b>(3,697,215)</b>	<b>(2,114,951)</b>
Trade payables		96,533	906,404
Payables to group enterprises		8,784,882	2,288,473
Payables to shareholders and management		5,250	0
Other payables		85,608	14,095
<b>Current liabilities other than provisions</b>		<b>8,972,273</b>	<b>3,208,972</b>
<b>Liabilities other than provisions</b>		<b>8,972,273</b>	<b>3,208,972</b>
<b>Equity and liabilities</b>		<b>5,275,058</b>	<b>1,094,021</b>

Unrecognised rental and lease commitments

6

# Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	40,000	0	(2,154,951)	(2,114,951)
Transfer to reserves	0	2,025,190	(2,025,190)	0
Profit/loss for the year	0	0	(1,582,264)	(1,582,264)
<b>Equity end of year</b>	<b>40,000</b>	<b>2,025,190</b>	<b>(5,762,405)</b>	<b>(3,697,215)</b>

Management is aware that the entire working capital has been lost. The working capital is expected to be re-established by a capital increase as a result of a loan conversion and future operations.

# Notes

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	697,294	28,125
Other social security costs	1,878	0
Other staff costs	13,386	0
	<b>712,558</b>	<b>28,125</b>
Staff costs classified as assets	(531,715)	0
	<b>180,843</b>	<b>28,125</b>
Average number of full-time employees	2	2

## 2 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	11,792	1,523
Exchange rate adjustments	346,409	55,796
	<b>358,201</b>	<b>57,319</b>

## 3 Intangible assets

	Development projects in progress DKK
Additions	2,596,398
<b>Cost end of year</b>	<b>2,596,398</b>
<b>Carrying amount end of year</b>	<b>2,596,398</b>

## 4 Development projects

The development project consist of developing a QMS system, facility and organisation to obtain the licenses and authorisations from the Danish Medicines Agency.

## 5 Property, plant and equipment

	<b>Leasehold improvements DKK</b>
Cost beginning of year	387,087
<b>Cost end of year</b>	<b>387,087</b>
Depreciation and impairment losses beginning of year	(8,177)
Depreciation for the year	(77,417)
<b>Depreciation and impairment losses end of year</b>	<b>(85,594)</b>
<b>Carrying amount end of year</b>	<b>301,493</b>

## 6 Unrecognised rental and lease commitments

	<b>2021 DKK</b>	<b>2020 DKK</b>
Liabilities under rental or lease agreements until maturity in total	131,587	233,933

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Non-comparability

There is a lack of comparability between last year's annual report and this year's annual report. Last year's annual report consisted of 5 months, while the current financial year consists of 12 months.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises interest income etc.

**Other financial expenses**

Other financial expenses comprise interest expenses etc.

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	5 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.