



Balancial Danmark ApS

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

Annual report 2022

The Annual General Meeting adopted the
annual report on 09.05.2023

Lars Erik Råen

Chairman of the General Meeting

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Entity details

Entity

Balancial Danmark ApS

Herlev Hovedgade 195 A, 3. tv

2730 Herlev

Business Registration No.: 41390484

Registered office: Herlev

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Leif Bo Ølgaard

Lars Erik Råen

Executive Board

Bo Tandrup

Auditors

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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 01.01.2022 - 31.12.2022 to be complied with.

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

Herlev, 09.05.2023

Executive Board

Bo Tandrup

Board of Directors

Leif Bo Ølgaard

Lars Erik Råen

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 01.01.2022 - 31.12.2022 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, 09.05.2023

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. -927. The balance sheet shows equity of t.dkk. 8.050. The management considers the net profit for the year as expected.

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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		288,283	(434,784)
Staff costs	1	(1,233,750)	(712,558)
Depreciation, amortisation and impairment losses		(80,541)	(77,417)
Operating profit/loss		(1,026,008)	(1,224,759)
Other financial income	2	110,994	695
Other financial expenses	3	(12,027)	(358,200)
Profit/loss for the year		(927,041)	(1,582,264)
Proposed distribution of profit and loss			
Retained earnings		(927,041)	(1,582,264)
Proposed distribution of profit and loss		(927,041)	(1,582,264)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Development projects in progress	5	4,659,823	2,596,398
Intangible assets	4	4,659,823	2,596,398
Other fixtures and fittings, tools and equipment		40,051	0
Leasehold improvements		223,813	301,493
Property, plant and equipment	6	263,864	301,493
Deposits		83,525	83,525
Financial assets		83,525	83,525
Fixed assets		5,007,212	2,981,416
Receivables from group enterprises		478,396	0
Other receivables		145,470	135,413
Prepayments		7,685	18,366
Receivables		631,551	153,779
Cash		2,928,258	2,139,863
Current assets		3,559,809	2,293,642
Assets		8,567,021	5,275,058

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		42,000	40,000
Reserve for development expenditure		3,634,662	2,025,190
Retained earnings		4,373,202	(5,762,405)
Equity		8,049,864	(3,697,215)
Trade payables		475,181	96,533
Payables to group enterprises		0	8,784,882
Payables to owners and management		0	5,250
Other payables		41,976	85,608
Current liabilities other than provisions		517,157	8,972,273
Liabilities other than provisions		517,157	8,972,273
Equity and liabilities		8,567,021	5,275,058

Unrecognised rental and lease commitments

7

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	40,000	2,025,190	(5,762,405)	(3,697,215)
Capital increase by debt conversion	2,000	0	12,672,120	12,674,120
Transfer to reserves	0	1,609,472	(1,609,472)	0
Profit/loss for the year	0	0	(927,041)	(927,041)
Equity end of year	42,000	3,634,662	4,373,202	8,049,864

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	1,212,683	697,294
Other social security costs	12,157	1,878
Other staff costs	8,910	13,386
	1,233,750	712,558
Average number of full-time employees	2	2

2 Other financial income

	2022	2021
	DKK	DKK
Other interest income	232	695
Exchange rate adjustments	110,762	0
	110,994	695

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	12,027	11,792
Exchange rate adjustments	0	346,408
	12,027	358,200

4 Intangible assets

	Development projects in progress DKK
Cost beginning of year	2,596,398
Additions	2,063,425
Cost end of year	4,659,823
Carrying amount end of year	4,659,823

5 Development projects

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

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	0	387,087
Additions	42,912	0
Cost end of year	42,912	387,087
Depreciation and impairment losses beginning of year	0	(85,594)
Depreciation for the year	(2,861)	(77,680)
Depreciation and impairment losses end of year	(2,861)	(163,274)
Carrying amount end of year	40,051	223,813

7 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	90,213	131,587

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. However with reclassifications.

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.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

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.