

ROESGAARD

NÅR OVERBLIK SKABER VÆRDI

Purification Concepts ApS

**Drechselsgade 6B, 5. tv
2300 København S**

Central Business Registration No. 41 77 51 73

Annual Report for 2023

Compiled without audit or review

The Annual Report was presented and
approved at the Annual General Meeting
of the Company on 02/07 2024

Christian Graversen
Chairman



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Company details

The company

Purification Concepts ApS
Drechselsgade 6B, 5. tv
2300 København S

CVR no.: 41 77 51 73
Reporting period: 1 January - 31 December 2023
Incorporated: 20 October 2020
Domicile: Copenhagen

Executive board

Christian Graversen, director

Auditors

Roesgaard
Godkendt Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Purification Concepts ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 2 July 2024

Executive board

Christian Graversen
Director

Auditor's report on compilation of the financial statements

To the kapitalejerne of Purification Concepts ApS

We have compiled the financial statements of Purification Concepts ApS for the financial year 1 January - 31 December 2023 based on the company's bookkeeping records and other information made available by enterprise.

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

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

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

Horsens, 2 July 2024

Roesgaard

Godkendt Revisionspartnerselskab
CVR no. 37 54 31 28

Søren Roesgaard
Statsautoriseret revisor
MNE no. mne33225

Management's review

Business review

The company's purpose is sale and purchase of hempbased materials associated with related activities

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 475.417, and the balance sheet at 31 December 2023 shows equity of DKK 858.057.

The managment finds the profit acceptable.

Accounting policies

The annual report of Purification Concepts ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, liabilities and foreign currency transactions and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		1.230.708	703.438
Staff costs	1	<u>(614.739)</u>	<u>(382.228)</u>
Profit/loss before net financials		615.969	321.210
Financial income		131	0
Financial costs	2	<u>(955)</u>	<u>(9.625)</u>
Profit/loss before tax		615.145	311.585
Tax on profit/loss for the year	3	<u>(139.728)</u>	<u>(72.138)</u>
Profit/loss for the year		<u>475.417</u>	<u>239.447</u>
Proposed dividend for the year		200.000	200.000
Retained earnings		<u>275.417</u>	<u>39.447</u>
		<u>475.417</u>	<u>239.447</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Trade receivables		1.647.765	543.752
Other receivables		0	46.737
Receivables		<u>1.647.765</u>	<u>590.489</u>
Cash at bank and in hand		<u>736.659</u>	<u>939.974</u>
Total current assets		<u>2.384.424</u>	<u>1.530.463</u>
Total assets		<u>2.384.424</u>	<u>1.530.463</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		42.000	42.000
Retained earnings		616.057	340.640
Proposed dividend for the year		200.000	200.000
Equity		<u>858.057</u>	<u>582.640</u>
Trade payables		757.834	514.471
Payables to participating interests		200.000	0
Corporation tax		94.554	72.138
Other payables		473.979	361.214
Total current liabilities		<u>1.526.367</u>	<u>947.823</u>
Total liabilities		<u>1.526.367</u>	<u>947.823</u>
Total equity and liabilities		<u>2.384.424</u>	<u>1.530.463</u>

Statement of Changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2023	42.000	340.640	200.000	582.640
Ordinary dividend paid	0	0	(200.000)	(200.000)
Net profit/loss for the year	0	275.417	200.000	475.417
Equity at 31 December 2023	42.000	616.057	200.000	858.057

Notes to the annual report

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	614.013	380.757
Other social security costs	<u>726</u>	<u>1.471</u>
	<u>614.739</u>	<u>382.228</u>
Number of fulltime employees on average	<u>1</u>	<u>1</u>
2 Financial costs		
Other financial costs	<u>955</u>	<u>9.625</u>
	<u>955</u>	<u>9.625</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>139.728</u>	<u>72.138</u>
	<u>139.728</u>	<u>72.138</u>