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CVR no. 20 22 26 70

NATURE'S BIOCEUTICALS DENMARK APS

HEDEBOVEJ 47, 5474 VEFLINGE

ANNUAL REPORT

4 DECEMBER 2020 - 30 JUNE 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 November 2021**

David Dean Krenbrink

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 41 91 23 67

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COMPANY DETAILS

Company	Nature's BioCeuticals Denmark ApS Hedebovej 47 5474 Veflinge
	CVR No.: 41 91 23 67 Established: 4 December 2020 Registered Office: Nordfyns Financial Year: 4 December 2020 - 30 June 2021
Executive Board	David Dean Krenbrink
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Nature's BioCeuticals Denmark ApS for the financial year 4 December 2020 - 30 June 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2021 and of the results of the Company's operations for the financial year 4 December 2020 - 30 June 2021.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

I recommend the Annual Report be approved at the Annual General Meeting.

Veflinge, 15 November 2021

Executive Board

David Dean Krenbrink

AUDITOR ´S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholders of Nature's BioCeuticals Denmark ApS

We have compiled these Financial Statements of Nature's BioCeuticals Denmark ApS for the financial year 4 December 2020 - 30 June 2021 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise 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 statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

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

Odense, 15 November 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Svensson
State Authorised Public Accountant
MNE no. mne34505

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise trading and production of medical cannabis and associated activities.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 4 DECEMBER - 30 JUNE

	Note	2020/21 DKK
GROSS LOSS.....		-14.627
Depreciation, amortisation and impairment losses.....		-10.000
LOSS BEFORE TAX.....		-24.627
Tax on profit/loss for the year.....	2	4.611
LOSS FOR THE YEAR.....		-20.016
PROPOSED DISTRIBUTION OF PROFIT		
Retained earnings.....		-20.016
TOTAL.....		-20.016

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2021 DKK
Intangible fixed assets acquired.....		190.000
Intangible assets.....	3	190.000
NON-CURRENT ASSETS.....		190.000
Deferred tax assets.....		2.200
Joint tax contribution receivable.....		2.411
Receivables.....		4.611
Cash and cash equivalents.....		35.373
CURRENT ASSETS.....		39.984
ASSETS.....		229.984
 EQUITY AND LIABILITIES		
Share capital.....		40.000
Retained earnings.....		-20.016
EQUITY.....		19.984
Trade payables.....		10.000
Debt to Group companies.....		200.000
Current liabilities.....		210.000
LIABILITIES.....		210.000
EQUITY AND LIABILITIES.....		229.984
 Contingencies etc.	 4	

EQUITY

	Share capital	Retained earnings	Total
Equity at 4 December 2020.....	40.000	0	40.000
Proposed profit allocation.....		-20.016	-20.016
Equity at 30 June 2021.....	40.000	-20.016	19.984

NOTES

		Note
Staff costs		1
Average number of employees	1	
Tax on profit/loss for the year		2
Calculated tax on taxable income of the year.....	-2.411	
Adjustment of deferred tax.....	-2.200	
	-4.611	
Intangible assets		3
	Intangible fixed assets acquired	
Additions.....	200.000	
Cost at 30 June 2021.....	200.000	
Amortisation for the year.....	10.000	
Amortisation at 30 June 2021.....	10.000	
Carrying amount at 30 June 2021.....	190.000	
Contingencies etc.		4
Contingent liabilities		
None		

ACCOUNTING POLICIES

The Annual Report of Nature's BioCeuticals Denmark ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

INCOME STATEMENT

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible fixed assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.