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Nature's BioCeuticals Denmark ApS

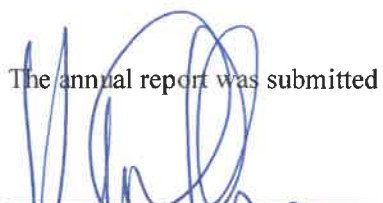
Hedebovej 47, 5474 Veflinge

Company reg. no. 41 91 23 67

Annual report

1 July 2022 - 30 June 2023

The annual report was submitted and approved by the general meeting on the 12 December 2023.



Kim Meurs-Geerken
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the Managing Director has approved the annual report of Nature's BioCeuticals Denmark ApS for the financial year 1 July 2022 - 30 June 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

The Managing Director consider the conditions for audit exemption of the 2022/23 financial statements to be met.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Veflinge, 12 December 2023

Managing Director

Francois Jean-Martin Susini
Managing Director

Practitioner's compilation report

To the Shareholders of Nature's BioCeuticals Denmark ApS

We have compiled the financial statements of Nature's BioCeuticals Denmark ApS for the financial year 1 July 2022 - 30 June 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise 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 International Standard on Related Services 4410 (Revised), 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 requirements under the Danish Act on Approved Auditors and Audit Firms and 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 them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided 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.

Copenhagen, 12 December 2023

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company

Nature's BioCeuticals Denmark ApS
Hedebovej 47
5474 Veflinge

Company reg. no. 41 91 23 67
Financial year: 1 July - 30 June

Managing Director

Francois Jean-Martin Susini, Managing Director

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

Description of key activities of the company

The key activities comprise trading and production of medical cannabis and associated activities

Development in activities and financial matters

The company has in the prior year invested in production facilities and equipment, however have not yet started products of its products. The result is therefore as expected. Since the company is still in a start up phase, the company is dependent on continued financial support of its investors. It is management's expectation that this will be upheld, why the accounts have been prepared on a going concern basis.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Gross profit	-848.625	-943.913
Depreciation and impairment of non-current assets	-477.244	-477.244
Operating profit	-1.325.869	-1.421.157
2 Other financial expenses	-105.821	-95.987
Pre-tax net profit or loss	-1.431.690	-1.517.144
Tax on net profit or loss for the year	-3.200	0
Net profit or loss for the year	-1.434.890	-1.517.144
Proposed distribution of net profit:		
Allocated from retained earnings	-1.434.890	-1.517.144
Total allocations and transfers	-1.434.890	-1.517.144

Balance sheet at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
3 Acquired concessions, patents, licenses, trademarks, and similar rights	170.000	180.000
Total intangible assets	<u>170.000</u>	<u>180.000</u>
4 Land and buildings	13.134.400	13.387.200
5 Other fixtures, fittings, tools and equipment	<u>643.332</u>	<u>857.776</u>
Total property, plant, and equipment	<u>13.777.732</u>	<u>14.244.976</u>
Total non-current assets	<u>13.947.732</u>	<u>14.424.976</u>
Current assets		
Deferred tax assets	0	3.200
Other receivables	<u>103.168</u>	<u>53.907</u>
Total receivables	<u>103.168</u>	<u>57.107</u>
Cash and cash equivalents	<u>100</u>	<u>100</u>
Total current assets	<u>103.268</u>	<u>57.207</u>
Total assets	<u>14.051.000</u>	<u>14.482.183</u>

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	1.600.000	40.000
Share premium	180.000	0
Retained earnings	-2.932.050	-1.537.160
Total equity	-1.152.050	-1.497.160
 Liabilities other than provisions		
Other payables	15.046.302	15.930.249
Total long term liabilities other than provisions	15.046.302	15.930.249
Trade payables	156.748	49.094
Total short term liabilities other than provisions	156.748	49.094
Total liabilities other than provisions	15.203.050	15.979.343
 Total equity and liabilities	14.051.000	14.482.183

1 Uncertainties relating to going concern

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity 1 July 2022	40.000	0	-1.537.160	-1.497.160
Cash capital increase	1.600.000	180.000	0	1.780.000
Retained earnings for the year	0	0	-1.434.890	-1.434.890
Cash capital reduction	<u>-40.000</u>	<u>0</u>	<u>40.000</u>	<u>0</u>
	<u>1.600.000</u>	<u>180.000</u>	<u>-2.932.050</u>	<u>-1.152.050</u>

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

Since the company is still in a start up phase, the company is dependent on continued financial support of its investors. The company has received a letter of support from its investors, why the accounts have been prepared on a going concern basis.

2. Other financial expenses

Other financial costs	105.821	95.987
	<u>105.821</u>	<u>95.987</u>

3. Acquired concessions, patents, licenses, trademarks, and similar rights

Cost 1 July 2022	180.000	190.000
Cost 30 June 2023	<u>180.000</u>	<u>190.000</u>
Amortisation and depreciation for the year	-10.000	-10.000
Amortisation and write-down 30 June 2023	<u>-10.000</u>	<u>-10.000</u>
Carrying amount, 30 June 2023	<u>170.000</u>	<u>180.000</u>

4. Land and buildings

Cost 1 July 2022	13.640.000	0
Additions during the year	0	13.640.000
Cost 30 June 2023	<u>13.640.000</u>	<u>13.640.000</u>
Depreciation and write-down 1 July 2022	-252.800	0
Amortisation and depreciation for the year	-252.800	-252.800
Depreciation and write-down 30 June 2023	<u>-505.600</u>	<u>-252.800</u>
Carrying amount, 30 June 2023	<u>13.134.400</u>	<u>13.387.200</u>

Notes

All amounts in DKK.

	<u>30/6 2023</u>	<u>30/6 2022</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 July 2022	1.072.220	0
Additions during the year	<u>0</u>	<u>1.072.220</u>
Cost 30 June 2023	<u>1.072.220</u>	<u>1.072.220</u>
Depreciation and write-down 1 July 2022	-214.444	0
Amortisation and depreciation for the year	<u>-214.444</u>	<u>-214.444</u>
Depreciation and write-down 30 June 2023	<u>-428.888</u>	<u>-214.444</u>
Carrying amount, 30 June 2023	<u>643.332</u>	<u>857.776</u>

Accounting policies

The annual report for Nature's BioCeuticals Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross loss

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 of the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Statement of financial position

Intangible fixed assets

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

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sale 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.

Accounting policies

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	30 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceed 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 the current liabilities corresponds usually to the nominal value.