

# Bedrocan Danmark ApS

C/O TMF Denmark A/S  
H.C. Andersens Boulevard 38, 3. th  
1553 København V

CVR No. 43238779

## Annual Report 2022

1. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 28 June 2023

DocuSigned by:

*Dorthe Christine Hvidkjaer*

A7AD2E85F8094DD  
Dorthe Christine Hvidkjaer  
Chairman

## **Bedrocan Danmark ApS**

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## Bedrocan Danmark ApS

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### Management's Statement

Today, Management has considered and adopted the Annual Report of Bedrocan Danmark ApS for the financial year 25 April 2022 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 25 April 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

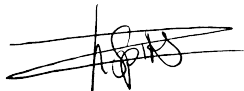
Copenhagen, 28 June 2023

### Executive Board

Jacob Leendert Erkelens  
Man. Director



Hans Rudolf Spits  
Chief Financial Officer



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**Independent Auditors' Report****To the shareholders of Bedrocan Danmark ApS****Opinion**

We have audited the financial statements of Bedrocan Danmark ApS for the financial year 25 April 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of its operations for the financial year 25 April 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

**The auditor's responsibility for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

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**Independent Auditors' Report**

Company's internal control.

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

**Statement on Management's Review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 28 June 2023

**KPMG P/S**

CVR-no. 25578198



Morten Høgh-Petersen  
State Authorised Public Accountant  
mne34283



Stine Julie Nielsen  
State Authorised Public Accountant  
mne47763

## Bedrocan Danmark ApS

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### Company details

<b>Company</b>	Bedrocan Danmark ApS C/O TMF Denmark A/S H.C. Andersens Boulevard 38, 3. th 1553 København V
CVR No.	43238779
Financial year	25 April 2022 - 31 December 2022
<b>Executive Board</b>	Jacob Leendert Erkelens Hans Rudolf Spits
<b>Auditors</b>	KPMG P/S Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

## **Bedrocan Danmark ApS**

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### **Management's Review**

#### **The Company's principal activities**

The Company's objects are to conduct business within cultivating, finishing, storing, packaging and supplying cannabis products for medical purposes.

#### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 25 April 2022 - 31 December 2022 shows a result of DKK -793.308 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 22.479.039 and an equity of DKK 21.556.792.

#### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

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### Accounting Policies

#### Reporting Class

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report of Bedrocan Danmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

As the financial year 2022 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

#### Reporting currency

The annual report is presented in Danish kroner.

#### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

### General information

#### Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



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**Accounting Policies****Income statement****Gross profit/loss**

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

**Other external expenses**

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

**Tax on loss for the year**

Tax on loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

**Balance sheet****Deposits**

Deposits are measured at cost.

**Receivables**

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

**Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

**Equity**

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

**Other payables**

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

**Bedrocan Danmark ApS****Income Statement**

	<b>Note</b>	<b>2022 DKK</b>
<b>Gross profit</b>		<b>-1.009.823</b>
<b>Profit from ordinary operating activities</b>		<b>-1.009.823</b>
Finance expenses	2	-7.239
<b>Profit from ordinary activities before tax</b>		<b>-1.017.062</b>
Tax expense on ordinary activities	3	223.754
<b>Profit</b>		<b>-793.308</b>
 <b>Proposed distribution of results</b>		
Retained earnings		-793.308
<b>Distribution of profit</b>		<b>-793.308</b>

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**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2022 DKK</b>
<b>Assets</b>		
Deposits, investments		1.000.000
<b>Investments</b>		<u>1.000.000</u>
<b>Fixed assets</b>		<u>1.000.000</u>
Current deferred tax		223.754
Other short-term receivables		179.986
<b>Receivables</b>		<u>403.740</u>
<b>Cash and cash equivalents</b>		<u>21.075.299</u>
<b>Current assets</b>		<u>21.479.039</u>
<b>Assets</b>		<u>22.479.039</u>

**Bedrocan Danmark ApS****Balance Sheet as of 31 December**

	<b>Note</b>	<b>2022 DKK</b>
<b>Liabilities and equity</b>		
Contributed capital		50.000
Share premium		22.300.100
Retained earnings		-793.308
<b>Equity</b>		<b>21.556.792</b>
Trade payables		899.932
Other payables		22.315
<b>Short-term liabilities other than provisions</b>		<b>922.247</b>
<b>Liabilities other than provisions within the business</b>		<b>922.247</b>
<b>Liabilities and equity</b>		<b>22.479.039</b>
Contingent liabilities	4	
Ownership	5	
Related parties	6	

**Bedrocan Danmark ApS****Statement of changes in Equity**

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity 25 April 2022	40.000	0	0	40.000
Increase of capital	10.000	22.300.100	0	22.310.100
Profit (loss)	0	0	793.308	793.308
<b>Equity 31 December 2022</b>	<b>50.000</b>	<b>22.300.100</b>	<b>793.308</b>	<b>23.143.408</b>

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**Notes**

**2022**  
**DKK**

**1. Staff expenses**

The company has no employees.

**2. Finance expenses**

Other finance expenses

7.239

7.239

**3. Tax expense**

Adjustments for deferred tax

-223.754

-223.754

**4. Contingent liabilities**

In December 2022 the Company closed a lease contract for a building in Køge. The term of the lease is 11 years and the lease will commence 1 April 2023. The annual lease expense will amount to DKK 7.7 million in the first 5 years and DKK 8.1 million in the last 6 years. The total lease liability amounts to DKK 86.7 million.

**5. Ownership**

The following shareholders are subject to section 55 of Danish Public Companies Act:  
Bedrocan International B.V.

**6. Related parties**

Name and registered office of the parent preparing consolidated financial statements:  
Bedrocan International B.V. The Zwaaiikom 4 9 641KV, Veendam, Holland