

Balancial Danmark ApS

Herlev Hovedgade 195 A 3 tv, 2730 Herlev
CVR no. 41 39 04 84

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 27.06.25

Lars Erik Råen
Dirigent

Company information etc.	3
Statement by the Executive Board and Board of Directors on the annual report	4
Practitioner's compilation report	5
Management's review	6
Income statement	7
Balance sheet	8 - 9
Statement of changes in equity	10
Notes	11 - 18

The company

Balancial Danmark ApS
Herlev Hovedgade 195 A 3 tv
2730 Herlev
Danmark
Registered office: Herlev
CVR no.: 41 39 04 84
Financial year: 01.01 - 31.12

Executive Board

Bo Tandrup

Board of Directors

Lars Erik Råen
Leif Bo Ølgaard

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Balancial Danmark ApS.

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

The financial statements have not been audited, and we declare that the relevant conditions have been met.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.24 and of the results of the company's activities for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Beierholm Godkendt Revisionspartnerselskab has assisted with bookkeeping, and we hereby confirm having reviewed and approved the result of this assistance.

Herlev, June 27, 2025

Executive Board

Bo Tandrup

Board of Directors

Lars Erik Råen
Chairman

Leif Bo Ølgaard

To the management of Balancial Danmark ApS

Based on the company's accounting material and other information provided by management, we have compiled the financial statements of Balancial Danmark ApS for the financial year 01.01.24 - 31.12.24.

The financial statements comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information.

We performed this compilation engagement in accordance with ISRS 4410, Engagements to Compile Financial Statements.

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

The financial statements and the accuracy and completeness of the information used to compile them 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 information provided by management for the compilation of the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Soeborg, Copenhagen, June 27, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Thomsen

State Authorised Public Accountant
MNE-no. mne34079

Primary activities

The company's activities comprise of importing and distributing medical cannabis in Denmark and conducting related business.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2024	2023
		DKK	DKK
	Gross profit	474.549	837.399
1	Staff costs	-1.929.757	-1.595.647
	Depreciation and impairments losses of property, plant and equipment	-85.999	-86.020
	Operating loss	-1.541.207	-844.268
	Financial income	702	8.293
	Financial expenses	-722	-30.251
	Loss before tax	-1.541.227	-866.226
	Tax on loss for the year	0	0
	Loss for the year	-1.541.227	-866.226
Proposed appropriation account			
	Retained earnings	-1.541.227	-866.226
	Total	-1.541.227	-866.226

Balance sheet

ASSETS			
Note		31.12.24 DKK	31.12.23 DKK
	Development projects in progress	8.090.841	6.253.699
2	Total intangible assets	8.090.841	6.253.699
	Other fixtures and fittings, tools and equipment	91.845	177.844
3	Total property, plant and equipment	91.845	177.844
	Total non-current assets	8.182.686	6.431.543
	Receivables from group enterprises	1.413.207	1.413.207
	Other receivables	127.662	133.663
	Prepayments	0	6.985
	Total receivables	1.540.869	1.553.855
	Cash	964.010	1.123.822
	Total current assets	2.504.879	2.677.677
	Total assets	10.687.565	9.109.220

Balance sheet

EQUITY AND LIABILITIES

Note	31.12.24 DKK	31.12.23 DKK
Share capital	42.000	42.000
Reserve for development costs	6.310.857	4.877.885
Retained earnings	992.192	2.263.753
Total equity	7.345.049	7.183.638
Payables to group enterprises	2.950.000	1.702.638
Total long-term payables	2.950.000	1.702.638
Payables to other credit institutions	851	851
Trade payables	311.042	51.304
Other payables	80.623	170.789
Total short-term payables	392.516	222.944
Total payables	3.342.516	1.925.582
Total equity and liabilities	10.687.565	9.109.220

Statement of changes in equity

Figures in DKK	Share capital	Reserve for development costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24				
Balance as at 01.01.24	42.000	4.877.885	2.263.753	7.183.638
Group contribution	0	0	1.702.638	1.702.638
Transfers to/from other reserves	0	1.432.972	-1.432.972	0
Net profit/loss for the year	0	0	-1.541.227	-1.541.227
Balance as at 31.12.24	42.000	6.310.857	992.192	7.345.049

	2024	2023
	DKK	DKK

1. Staff costs

Wages and salaries	1.823.143	1.569.383
Pensions	32.760	0
Other social security costs	7.425	7.574
Other staff costs	66.429	18.690
Total	1.929.757	1.595.647
Average number of employees during the year	2	2

2. Intangible assets

Figures in DKK	Development projects in progress
Cost as at 01.01.24	6.253.697
Additions during the year	1.837.144
Cost as at 31.12.24	8.090.841
Carrying amount as at 31.12.24	8.090.841
Carrying amount of assets held under finance leases as at 31.12.24	0

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

3. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.24	429.999
Cost as at 31.12.24	429.999
Depreciation and impairment losses as at 01.01.24	-252.155
Depreciation during the year	-85.999
Depreciation and impairment losses as at 31.12.24	-338.154
Carrying amount as at 31.12.24	91.845

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, work performed for own account and capitalised and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

4. Accounting policies - continued -

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Other plant, fixtures and fittings, tools and equipment	5 years	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

4. Accounting policies - continued -

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

4. Accounting policies - continued -

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

4. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

4. Accounting policies - continued -

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.