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Bedrocan Danmark ApS

Egedesvej 38C

4600 Køge

CVR No. 43238779

Annual Report 2024

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 27 June 2025

Anders Birk Sørensen
Chairman

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Contents

Management’s Statement	3
Independent Auditors' Report	4
Company Information	7
Management's Review	8
Accounting Policies	9
Income Statement	14
Balance Sheet	15
Statement of changes in Equity	17
Notes	18

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Management's Statement

Today, Management has considered and adopted the Annual Report of Bedrocan Danmark ApS for the financial year 1 January 2024 - 31 December 2024.

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 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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

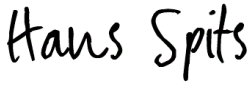
We recommend that the Annual Report be adopted at the Annual General Meeting.

Køge, 27 June 2025

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 1 January 31 December 2024, comprising income statement, balance sheet and notes, including accounting policies. 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 assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities 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 (IESBA Code) and the additional ethical requirements applicable 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.

Material uncertainty related to going concern
We draw attention to note 13 to the financial statements, stating that the Company's short-term liabilities at this date exceed its short-term assets by DKK 44 million. Together with other matters described in note 13, this indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter regarding matters in the financial statements
We draw attention to note 14 to the financial statements setting out that there is material uncertainty related to the valuation of the Company's intercompany receivables. Our opinion is not modified in respect of this matter.

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 that Management determines is 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Independent Auditors' Report

The auditor's responsibility for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions users made on the basis of these financial statements.

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

* Identify and assess the risks of material misstatement of the company 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 one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the 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 Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent 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 that we identify during our audit.

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Independent Auditors' Report

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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 June 2025

KPMG P/S
CVR-no. 25578198



Simon Vinberg Andersen
State Authorised Public Accountant
mne35458

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Company details

Company	Bedrocan Danmark ApS Egedesvej 38C 4600 Køge
CVR No.	43238779
Date of formation	25 April 2022
Financial year	1 January 2024 - 31 December 2024
Executive Board	Jacob Leendert Erkelens Hans Rudolf Spits
Auditors	KPMG P/S Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

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 1 January 2024 - 31 December 2024 shows a result of DKK 10.182.909 and the Balance Sheet at 31 December 2024 a balance sheet total of DKK 219.830.105 and an equity of DKK 103.737.052.

Post financial year events
The GMP certification was delayed in 2024, which caused a delay in the intial production plan. The resulting gap in the cash flow planning was alleviated in April of 2025 with an increase of the Sydbank line of credit from DKK 7.5 million to 9.0 million.

After receival of the GMP certification, the first two GMP test batches were successfully processed in April of 2025 and the third and final test batch in May of 2025. All three baches showed a good yield and healthy growth cycle, confirming the quality and successful setup of the growing equipment. After final inspection of the processed batches by the DKMA in July, the facility will be ready for full commercial exploitation.

Overall market keeps rapidly developing in the EU which makes Management believe that the overall outlook for the group and the Danish plant is positive.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Material uncertainty related to going concern
The Company's short-term liabilities exceed its short-term assets by DKK 44 million and hence the current capital resources are not sufficient to maintain operations throughout the next financial year without financial support from the Parent company or other sources and regulatory approval to commence the sale of product.

Therefore, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management is actively pursuing to secure additional financing until the decision regarding the approval of the products and is confident to succeed in this. After the approval of the products immediate and significant cash-inflows are expected due to respective payment terms in customer contracts already signed under the condition that the approval is obtained.

As Management deems it highly probable that the approval will be obtained, Management asses that the Company will be able to continue its operations and therefore the financial statements are prepared under going concern.

Uncertainty regarding recognition and measurement
The Company's receivables from the parent entity are measured at amortised cost. A material uncertainty regarding going concern exists for the Parent company, and consequently, there is uncertainty related to its ability to repay the receivables in the future.

This leads to a corresponding material uncertainty related to the measurement of the receivables from the Parent company entities. Management has assessed the recoverability of these balances based on the Group's current plans and expectations, and no impairment has been recognized.

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

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 2024 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.

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 has 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.

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

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.

Staff costs
Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Other staff expenses are recognised in other external expenses.

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

Property, plant and equipment
Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Accounting Policies

	Useful life	Residual value
Plant and machinery	5-10 years	0%

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.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

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.

Financial debts
Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Accounting Policies

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(ii) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(iii) the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

(1) the Group has the right to operate the asset; or

(2) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, for the leases of land and buildings and cars in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(i) fixed payments, including in-substance fixed payments;

(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(iii) amounts expected to be payable under a residual value guarantee; and

(iiii) the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Accounting Policies

an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of land and buildings that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Income Statement

	Note	2024 DKK	2023 DKK
Gross profit		**44.176.363**	**-2.599.674**
Employee benefits expense	1	-10.770.958	-6.669.650
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-12.930.825	-4.569.005
Other operating expenses		-1.596.922	-852.619
Profit from ordinary operating activities		**18.877.658**	**-14.690.948**
Other finance income	2	143.199	95.125
Other finance expenses	3	-5.965.845	-3.183.330
Profit from ordinary activities before tax		**13.055.012**	**-17.779.153**
Tax expense on ordinary activities	4	-2.872.103	3.911.414
Profit		**10.182.909**	**-13.867.739**
Proposed distribution of results			
Retained earnings		10.182.909	-13.867.739
Distribution of profit		**10.182.909**	**-13.867.739**

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Balance Sheet as of 31 December

	Note	2024 DKK	2023 DKK
Assets			
Right-of-use assets	5	65.954.363	68.322.812
Land and buildings	6	13.161.630	0
Plant and machinery	7	63.590.286	0
Fixtures, fittings, tools and equipment	8	1.447.946	76.726
Property, plant and equipment in progress	9	29.287.791	52.563.370
Property, plant and equipment		**173.442.016**	**120.962.908**
Long-term receivables from group enterprises		42.588.563	0
Deferred tax		1.263.055	4.135.168
Deposits, investments		0	5.751.646
Financial fixed assets		**43.851.618**	**9.886.814**
Fixed assets		**217.293.634**	**130.849.722**
Raw materials and consumables		658.517	0
Prepayments for goods		338	0
Inventories		**658.855**	**0**
Other short-term receivables		1.214.544	2.336.255
Receivables		**1.214.544**	**2.336.255**
Other short-term investments		659.263	786.525
Short-term investments		**659.263**	**786.525**
Cash and cash equivalents	10	**3.809**	**20.991.247**
Current assets		**2.536.471**	**24.114.027**
Assets		**219.830.105**	**154.963.749**

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Balance Sheet as of 31 December

	Note	2024 DKK	2023 DKK
Liabilities and equity			
Contributed capital		88.419	65.057
Share premium		108.126.771	55.936.654
Retained earnings		-4.478.138	-14.661.047
Equity		**103.737.052**	**41.340.664**
Other provisions		9.225.299	5.440.617
Provisions		**9.225.299**	**5.440.617**
Debt to other credit institutions		24.002.383	24.597.890
Lease commitments	11	54.716.950	59.650.974
Derivative financial instruments		219.848	310.459
Long-term liabilities other than provisions	12	**78.939.181**	**84.559.323**
Debt to banks	10	2.896.496	0
Debt to other credit institutions	12	4.003.617	3.402.110
Trade payables		11.733.683	9.111.823
Payables to group enterprises		0	2.350.459
Other payables		3.625.429	3.712.635
Lease commitments	11	5.405.530	4.876.777
Short-term derivative financial instruments	12	263.818	169.341
Short-term liabilities other than provisions		**27.928.573**	**23.623.145**
Liabilities other than provisions within the business		**106.867.754**	**108.182.468**
Liabilities and equity		**219.830.105**	**154.963.749**

Uncertainties relating to going concern	13
Uncertainty connected with recognition or measurement	14
Ownership	15
Liabilities under off-balance sheet leases	16
Related parties	17

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity 1 January 2024	65.057	55.936.654	-14.661.047	41.340.664
Increase of capital	23.362	52.190.117	0	52.213.479
Profit (loss)	0	0	10.182.909	10.182.909
Equity 31 December 2024	**88.419**	**108.126.771**	**-4.478.138**	**103.737.052**

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Notes

1. Employee benefits expense

	2024	2023
	DKK	DKK
Wages and salaries	5.473.533	1.416.635
Post-employement benefit expense	536.737	131.206
Social security contributions	81.158	5.394
Other employee expense	4.679.530	5.116.415
	10.770.958	**6.669.650**
Average number of employees	10	2

2. Finance income

	2024	2023
	DKK	DKK
Other finance income	143.199	95.125
	143.199	**95.125**

3. Finance expenses

	2024	2023
	DKK	DKK
Other finance expenses	5.965.845	3.183.330
	5.965.845	**3.183.330**

4. Tax expense

	2024	2023
	DKK	DKK
Current tax expense	2.872.103	-3.911.414
	2.872.103	**-3.911.414**

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Notes

5. Right-of-use assets

The Group leases land and buildings, and vehicles. Information about leases for which the Group is a lessee is presented below.

	2024 Property	2024 Other	2024 Total
Cost at the beginning of the year	66.989.873	1.332.939	68.322.812
Cost at the end of the year	**66.989.873**	**1.332.939**	**68.322.812**
Revaluations for the year	4.520.191	0	4.520.191
Revaluations at the end of the year	**4.520.191**	**0**	**4.520.191**
Depreciation charge for the year	-6.612.859	-275.781	-6.888.640
Impairment losses and amortisation at the end of the year	**-6.612.859**	**-275.781**	**-6.888.640**
Carrying amount at the end of the year	**64.897.205**	**1.057.158**	**65.954.363**

6. Land and buildings

	2024 DKK	2023 DKK
Addition during the year, incl. improvements	14.012.630	0
Cost at the end of the year	**14.012.630**	**0**
Amortisation for the year	-851.000	0
Impairment losses and amortisation at the end of the year	**-851.000**	**0**
Carrying amount at the end of the year	**13.161.630**	**0**

7. Plant and machinery

	2024 DKK	2023 DKK
Addition during the year, incl. improvements	68.642.219	0
Cost at the end of the year	**68.642.219**	**0**
Amortisation for the year	-5.051.933	0
Impairment losses and amortisation at the end of the year	**-5.051.933**	**0**
Carrying amount at the end of the year	**63.590.286**	**0**

Docusign Envelope ID: E2927517-5AE6-4407-BEB7-517DEFE52D5E

Notes

8. Fixtures, fittings, tools and equipment

	2024	2023
	DKK	DKK
Cost at the beginning of the year	87.077	0
Addition during the year, incl. improvements	1.510.472	87.077
Cost at the end of the year	**1.597.549**	**87.077**
Depreciation and amortisation at the beginning of the year	-10.351	0
Amortisation for the year	-139.252	-10.351
Impairment losses and amortisation at the end of the year	**-149.603**	**-10.351**
Carrying amount at the end of the year	**1.447.946**	**76.726**

9. Property, plant and equipment in progress

	2024	2023
	DKK	DKK
Cost at the beginning of the year	52.563.370	0
Addition during the year, incl. improvements	-23.275.579	52.563.370
Cost at the end of the year	**29.287.791**	**52.563.370**
Carrying amount at the end of the year	**29.287.791**	**52.563.370**

10. Gæld til banker

	2024	2023
	DKK	DKK
Bank balances	-2.892.687	8.991.247
1-month deposit (cash equivalent)	0	12.000.000
	-2.892.687	**20.991.247**

11. Lease liabilities

Maturity analysis - contractual undiscounted cash flows	2024	2023
	DKK	DKK
Less than one year	8.272.831	7.979.081
One to five years	32.729.399	32.154.869
More than five years	33.841.096	42.293.270
Total undiscounted lease liabilities at 31 December	**74.843.326**	**82.427.220**
Lease liabilities included in the statement of financial position at 31 December		
Non-current	54.716.950	59.650.974
Current	5.405.530	4.876.777
	60.122.480	**64.527.751**

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Notes

12. Long-term liabilities

	Due within 1 year DKK	Due after 1-5 years DKK	Due after 5 years DKK
Debt to other credit institutions	4.003.617	24.002.383	0
Derivative financial instruments	263.818	219.848	0
	4.267.435	**24.222.231**	**0**

In 2023 the Company closed a credit facility at Danmarks Eksport-&Investeringsfond consisting of a loan of DKK 28,0 million with a variable interest rate of 3-months CIBOR + 6.8% to be repaid in 18 quarterly annuities of DKK 1,85 million starting April 2, 2024 followed by a last annuity of DKK 1,20 million at January 2, 2029 (Loan F).
In 2024 the repayment schedule was asjusted to quarterly annuities of DKK 2,107 million starting July first 2025 followed by a last annuity of 2,117 million at April 2029.
The facility from Danmarks Eksport-&Investeringsfond is secured with a lien on the assets of the borrowing entity Bedrocan Danmark ApS and a suretyship issued by Bedrocan International B.V.

In 2023 the Company closed a credit facility at Sydbank consisting of the following components:
-Overdraft facility with a limit of DKK 7,5 million with a variable interest rate equal to 3-months CIBOR + 3.00%. At 31 December 2023 no funds were drawn (Overdraft facility C).
-Bank guarantee of DKK 5,8 million issued to the owner of the Company's leased premises in Køge, Denmark.
The Sydbank facility is secured with a lien on the assets of the borrowing entity Bedrocan Danmark ApS and a suretyship issued by Bedrocan International B.V.
In 2024 the bank guarantee was increased to DKK 9.3 million.

13. Material uncertainty related to going concern

The Company's short-term liabilities exceed its short-term assets by DKK 44 million and hence the current capital resources are not sufficient to maintain operations throughout the next financial year without financial support from the Parent company or other sources and regulatory approval to commence the sale of product.

Therefore, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management is actively pursuing to secure additional financing until the decision regarding the approval of the products and is confident to succeed in this. After the approval of the products immediate and significant cash-inflows are expected due to respective payment terms in customer contracts already signed under the condition that the approval is obtained.

As Management deems it highly probable that the approval will be obtained, Management asses that the Company will be able to continue its operations and therefore the financial statements are prepared under going concern.

14. Uncertainty regarding recognition and measurement

The Company's receivables from the parent entity are measured at amortised cost. A material uncertainty regarding going concern exists for the Parent company, and consequently, there is uncertainty related to its ability to repay the receivables in the future.

This leads to a corresponding material uncertainty related to the measurement of the receivables from the Parent company entities. Management has assessed the recoverability of these balances based on the Group's current plans and expectations, and no impairment has been recognized.

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Notes

15. Ownership

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

16. Disclosure for License fees

In December 2024, Bedrocan Danmark ApS and its parent company Bedrocan International B.V. entered into a licensing agreement. Under this agreement, Bedrocan International B.V. (Licensor) grants Bedrocan Danmark ApS (Licensee) a license to use intellectual property rights related to the manufacturing process developed by Bedrocan International B.V..

The agreement stipulates an arm's length remuneration for the functions performed by the Licensee, based on the application of the Transactional Net Margin Method (TNMM). This method determines the arm's length remuneration of the Licensee by referencing the Net Cost Plus Margin ("NCP") achieved by independent enterprises performing similar functions and assuming substantially the same market and business risks as the Licensee. NCP is defined as: Net operating profit divided by total operational expenses. Based on a benchmark study conducted, the NCP margin for Bedrocan Danmark ApS is 10.64%.

The agreement has retroactive effect as of January 1, 2023. The license fee under this agreement for the year 2023 involves a charge from Bedrocan Danmark ApS to Bedrocan International B.V. amounting to DKK 15,6 million, which is recognised in the financial statements 2024.
The license fee under this agreement for the year 2024 involves a charge from Bedrocan Danmark ApS to Bedrocan International B.V. amounting to DKK 35,3 million.

17. Related parties

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