



Life Care Europe ApS

Sundkrogsgade 19, 2.
2100 Copenhagen
CVR No. 27635385

Annual report 2020

The Annual General Meeting adopted the
annual report on 12.05.2021

Brian Friis

Chairman of the General Meeting

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Entity details

Entity

Life Care Europe ApS

Sundkrogsgade 19, 2.

2100 Copenhagen

CVR No.: 27635385

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Brian Friis

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board have today considered and approved the annual report of Life Care Europe ApS for the financial year 01.01.2020 - 31.12.2020.

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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

København, 12.05.2021

Executive Board

Brian Friis

Independent auditor's report

To the shareholders of Life Care Europe ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Life Care Europe ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 of users taken 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of company law and similar legislation

Contrary to the Danish Companies Act, the Company has granted loans to persons particularly related to members of management, for which Management may be held liable. The loan including interest has been repaid before the end of 2020.

København, 12.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Management commentary

Primary activities

Life Care Europe ApS performs consultancy, marketing and administration support for Life Extension Europe B.V.

Development in activities and finances

The 2020 performance followed the strategic initiatives and projects planned, and was in line with the expectations with a +20% top line growth.

The profit result reflects substantial activities into optimizing processes and support regarding Expectations for 2021 are a positive EBITDA result which will be better than 2020.

The performance for 2020 are in line with expectations driven by very high focus on process optimization and due diligence activities, driven towards further improving the performance for Life Care Group.

Outlook

We expect to increase our momentum towards our 2025 goals, where we aim to further improve our footprint in Europe, driven by the effect of combining synergies from quality health and vitamin products, and a state-of-the-art e-commerce platform.

Expectations for 2021 are a positive EBITDA result which will be better than 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		13,951,655	17,530,863
Staff costs	1	(12,568,049)	(10,958,934)
Depreciation, amortisation and impairment losses		(122,294)	(170,873)
Operating profit/loss		1,261,312	6,401,056
Other financial income	2	446,884	271,639
Other financial expenses	3	(228,932)	(100,066)
Profit/loss before tax		1,479,264	6,572,629
Tax on profit/loss for the year	4	(378,685)	(1,446,068)
Profit/loss for the year		1,100,579	5,126,561
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	1,500,000
Retained earnings		1,100,579	3,626,561
Proposed distribution of profit and loss		1,100,579	5,126,561

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		0	44,902
Leasehold improvements		0	77,392
Property, plant and equipment	5	0	122,294
Deposits		0	110,765
Financial assets		0	110,765
Fixed assets		0	233,059
Receivables from group enterprises		18,135,991	14,300,693
Deferred tax		27,000	19,000
Other receivables		2,364,626	93,381
Receivables from owners and management		0	293,151
Prepayments		120,405	0
Receivables		20,648,022	14,706,225
Cash		1,011,640	509,846
Current assets		21,659,662	15,216,071
Assets		21,659,662	15,449,130

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,000	125,000
Retained earnings		7,194,743	6,094,164
Proposed dividend		0	1,500,000
Equity		7,319,743	7,719,164
Bank loans		375,863	338,351
Trade payables		6,438,278	206,284
Payables to group enterprises		1,804,618	287,703
Payables to associates		1,399,328	3,674,024
Joint taxation contribution payable		386,685	1,463,413
Other payables		3,935,147	1,760,191
Current liabilities other than provisions		14,339,919	7,729,966
Liabilities other than provisions		14,339,919	7,729,966
Equity and liabilities		21,659,662	15,449,130
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125,000	6,094,164	1,500,000	7,719,164
Ordinary dividend paid	0	0	(1,500,000)	(1,500,000)
Profit/loss for the year	0	1,100,579	0	1,100,579
Equity end of year	125,000	7,194,743	0	7,319,743

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	11,696,011	10,215,266
Pension costs	443,622	328,036
Other social security costs	95,902	39,003
Other staff costs	332,514	376,629
	12,568,049	10,958,934
Average number of full-time employees	19	17

2 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	446,884	173,429
Other interest income	0	98,210
	446,884	271,639

3 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	44,014	7,017
Financial expenses from associates	34,130	89,610
Other financial expenses	150,788	3,439
	228,932	100,066

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	386,685	1,463,413
Change in deferred tax	(8,000)	(17,345)
	378,685	1,446,068

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	183,528	329,090
Cost end of year	183,528	329,090
Depreciation and impairment losses beginning of year	(138,626)	(251,698)
Depreciation for the year	(44,902)	(77,392)
Depreciation and impairment losses end of year	(183,528)	(329,090)
Carrying amount end of year	0	0

6 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	54,532	181,770

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where G & B FRIIS HOLDING ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries, bonuses and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	3 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.