

LIFE CARE EUROPE ApS

Roskildevej 12 B, 1.
3400 Hillerød
Business Registration No
27635385

Annual report 2019

The Annual General Meeting adopted the annual report on 03.03.2020

Chairman of the General Meeting

Name: Brian Friis

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Entity details

Entity

LIFE CARE EUROPE ApS
Roskildevej 12 B, 1.
3400 Hillerød

Central Business Registration No (CVR): 27635385
Registered in: Hillerød
Financial year: 01.01.2019 - 31.12.2019

Executive Board

Brian Friis

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of LIFE CARE EUROPE ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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

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

Hillerød, 03.03.2020

Executive Board

Brian Friis

Independent auditor's report

To the shareholders of LIFE CARE EUROPE ApS

Opinion

We have audited the financial statements of LIFE CARE EUROPE ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

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.

Hillerød, 03.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 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 annual performance has been in line with the sales growth and has met the expectations with a double-digit growth.

We have worked on optimizing our e-commerce marketing support, to drive further growth into internet sales all over Europe, by developing and acquiring specialized team members and extensive cooperation and outsourcing tasks with industry leaders within e-commerce optimization.

Outlook

We expect a positive performance from the coming year reflecting the growth within the category, further multiplied, by the effect from projects and strategic initiatives implemented in 2019.

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 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		17.530.863	11.536.521
Staff costs	1	(10.958.934)	(8.267.619)
Depreciation, amortisation and impairment losses		<u>(170.873)</u>	<u>(170.873)</u>
Operating profit/loss		6.401.056	3.098.029
Other financial income	2	271.639	18.980
Other financial expenses	3	<u>(100.066)</u>	<u>(55)</u>
Profit/loss before tax		6.572.629	3.116.954
Tax on profit/loss for the year	4	<u>(1.446.068)</u>	<u>(685.729)</u>
Profit/loss for the year		<u>5.126.561</u>	<u>2.431.225</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.500.000	2.400.000
Retained earnings		<u>3.626.561</u>	<u>31.225</u>
		<u>5.126.561</u>	<u>2.431.225</u>

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Other fixtures and fittings, tools and equipment		44.902	106.078
Leasehold improvements		77.392	187.089
Property, plant and equipment	5	122.294	293.167
Deposits		110.765	110.233
Fixed asset investments		110.765	110.233
Fixed assets		233.059	403.400
Receivables from group enterprises		14.300.693	5.148.714
Deferred tax		19.000	1.655
Other receivables		93.381	470.223
Receivables from owners and management	6	293.151	237.063
Receivables		14.706.225	5.857.655
Cash		509.846	486.654
Current assets		15.216.071	6.344.309
Assets		15.449.130	6.747.709

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		6.094.164	67.603
Proposed dividend		1.500.000	2.400.000
Equity		<u>7.719.164</u>	<u>2.592.603</u>
Bank loans		338.351	10.413
Trade payables		206.284	361.088
Payables to group enterprises		287.703	2.249.415
Payables to associates		3.674.024	0
Joint taxation contribution payable		1.463.413	701.271
Other payables		1.760.191	832.919
Current liabilities other than provisions		<u>7.729.966</u>	<u>4.155.106</u>
Liabilities other than provisions		<u>7.729.966</u>	<u>4.155.106</u>
Equity and liabilities		<u>15.449.130</u>	<u>6.747.709</u>
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	67.603	2.400.000	2.592.603
Ordinary dividend paid	0	0	(2.400.000)	(2.400.000)
Group contributions etc	0	2.400.000	0	2.400.000
Profit/loss for the year	0	3.626.561	1.500.000	5.126.561
Equity end of year	125.000	6.094.164	1.500.000	7.719.164

Notes

	2019	2018
	DKK	DKK
1. Staff costs		
Wages and salaries	10.215.266	7.376.472
Pension costs	328.036	544.083
Other social security costs	39.003	101.764
Other staff costs	376.629	245.300
	10.958.934	8.267.619
 Average number of employees	 17	 15
	2019	2018
	DKK	DKK
2. Other financial income		
Financial income arising from group enterprises	173.429	0
Other interest income	98.210	18.980
	271.639	18.980
	2019	2018
	DKK	DKK
3. Other financial expenses		
Financial expenses from group enterprises	7.017	0
Financial expenses from associates	89.610	0
Other financial expenses	3.439	55
	100.066	55
	2019	2018
	DKK	DKK
4. Tax on profit/loss for the year		
Current tax	1.463.413	685.729
Change in deferred tax	(17.345)	0
	1.446.068	685.729

Notes

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment		
Cost beginning of year	183.528	329.090
Cost end of year	183.528	329.090
Depreciation and impairment losses beginning of year	(77.450)	(142.001)
Depreciation for the year	(61.176)	(109.697)
Depreciation and impairment losses end of year	(138.626)	(251.698)
Carrying amount end of year	44.902	77.392
	Person particularly related to members of manageme nt	Total DKK
6. Receivables from owners and management		
Receivables	293.151	293.151
Interest rate	10,05	
Incurred and repaid during the year	5.492	5.492
	2019 DKK	2018 DKK
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	181.770	399.896

8. 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.

Some items have been reclassified in the balance sheet and the income statement, which has no effect on the results.

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.

Accounting policies

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.

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.

Accounting policies

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.