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Life Care Europe ApS

Sundkrogsgade 19, 2. 2100 Copenhagen CVR No. 27635385

Annual report 2022

The Annual General Meeting adopted the annual report on 23.06.2023

Brian Friis Chairman of the General Meeting

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Entity details

Entity

Life Care Europe ApS Sundkrogsgade 19, 2. 2100 Copenhagen

Business Registration No.: 27635385 Registered office: Copenhagen Financial year: 01.01.2022 - 31.12.2022

Executive Board

Brian Friis

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Life Care Europe ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Copenhagen, 23.06.2023

Executive Board

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Brian Friis
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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 01.01.2022 -31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 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.

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.

Copenhagen, 23.06.2023

Deloitte Statsautoriseret Revisionspartnerselskab CVR No. 33963556

Bjørn Winkler Jakobsen State Authorised Public Accountant Identification No (MNE) mne32127 **Rasmus Villadsen Madsen** State Authorised Public Accountant Identification No (MNE) mne45822

Management commentary

Primary activities

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

Development in activities and finances

The negative result for 2022 is expected primarily due to the effects of the general financial situation in Europe with rising inflation and war in Ukraine as well as a significant increase in the US dollar exchange rate.

The company has found a material mistatement relating to the groups internal transfer pricing agreement for 2021. The misstatement has been corrected in the 2022 annual report and the comparison numbers have been adjusted. See the section "Material erros in previous years" in accounting policies for further description.

Outlook

The focus in 2023 is to increase margins realized through the completed price increases and a firmer discount policy. Long-term growth is to be achieved through efficient marketing focus and further product compliance development activities.

Events after the balance sheet date

In May 2023 a capital expenditure rising from external investments in the parent company has taken place reestablishing a positive equity level in the company on group-level.

Income statement for 2022

		2022	2021
	Notes	DKK	DKK
Gross profit/loss		10,930,583	4,125,984
Staff costs	2	(12,615,827)	(14,202,281)
Operating profit/loss		(1,685,244)	(10,076,297)
Other financial income	3	223,786	360,472
Other financial expenses	4	(757,916)	(232,798)
Profit/loss before tax		(2,219,374)	(9,948,623)
Tax on profit/loss for the year	5	(3,000)	(17,000)
Profit/loss for the year		(2,222,374)	(9,965,623)
Proposed distribution of profit and loss			
Retained earnings		(2,222,374)	(9,965,623)
Proposed distribution of profit and loss		(2,222,374)	(9,965,623)

Balance sheet at 31.12.2022

Assets

		2022	2021
	Notes	DKK	DKK
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	6	0	0
Deposits		374,534	374,533
Financial assets		374,534	374,533
Fixed assets		374,534	374,533
Receivables from group enterprises		14,399,674	9,180,123
Deferred tax		7,000	10,000
Other receivables		825,748	791,541
Receivables		15,232,422	9,981,664
Cash		77,594	3,432
Current assets		15,310,016	9,985,096
Assets		15,684,550	10,359,629

Equity and liabilities

Notes 7	DKK 125,000 (4,993,254) (4,868,254) 878,032 878,032	DKK 125,000 (2,770,880) (2,645,880) 0 0
7	(4,993,254) (4,868,254) 878,032	(2,770,880) (2,645,880) 0
7	(4,868,254) 878,032	(2,645,880) 0
7	878,032	0
7		
7		
7	878,032	0
	336,593	398,564
	782,673	1,838,651
	15,321,980	5,045,165
	2,411,545	3,212,834
	0	265,912
	821,981	2,244,383
	19,674,772	13,005,509
	20,552,804	13,005,509
	15,684,550	10,359,629
1		
8		
9		
-	8	782,673 15,321,980 2,411,545 0 821,981 19,674,772 20,552,804 15,684,550 1 8

Statement of changes in equity for 2022

	Contributed	Retained	
	capital	earnings	Total
	DKK	DKK	DKK
Equity beginning of year	125,000	(14,554,041)	(14,429,041)
Corrections of material errors	0	11,783,161	11,783,161
Adjusted equity beginning of year	125,000	(2,770,880)	(2,645,880)
Profit/loss for the year	0	(2,222,374)	(2,222,374)
Equity end of year	125,000	(4,993,254)	(4,868,254)

Notes

1 Going concern

There has been an investment round in Life Care Holding II in May 2023, where sufficient capital has been invested for the group to continue its operation until 31.12.2023

2 Staff costs

	2022	2022 202	2021
	DKK	DKK	
Wages and salaries	11,892,340	13,239,443	
Pension costs	442,591	466,069	
Other social security costs	215,198	148,576	
Other staff costs	65,698	348,193	
	12,615,827	14,202,281	
Average number of full-time employees	20	21	

3 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	223,786	360,472
	223,786	360,472

4 Other financial expenses

	2022 DKK	2021
		DKK
Financial expenses from group enterprises	274,753	29,494
Financial expenses from associates	116,544	78,362
Other financial expenses	366,619	124,942
	757,916	232,798

5 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Change in deferred tax	3,000	17,000
	3,000	17,000

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	122,961
Cost end of year	122,961
Depreciation and impairment losses beginning of year	(122,961)
Depreciation and impairment losses end of year	(122,961)
Carrying amount end of year	0

7 Non-current liabilities other than provisions

	Due after more than 12 months 2022	Outstanding after 5 years 2022
	DKK	DKK
Other payables	878,032	878,032
	878,032	878,032

Other payables consists of long term Holiday pay obligations.

8 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	4,186,092	5,205,125

9 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 a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to presentation of salary reimbursements.

The change in accounting policies has not led to a decrease or increase in equity, assets or liabilities. Salary reimbursements was previous shown as a deduct of staff cost, but is now presented on a seperate line, as part of gross profit.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Material errors in previous years

The company has identified has identified a material error concerning transfer pricing regulation with other group companies.

This has led to a an increase in revenue, equity and assets of DKK 11,783,161. This includes a tax effect of DKK -2.592.295.

The comparative figures have been restated following the correction of the material error.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

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 of manufactured goods and 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 operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 and wages, and social security contributions, pension contributions, etc. for entity staff.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment aremeasured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3 Years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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 cash in hand and bank deposits.

Other financial liabilities

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