



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Skjøth Holding ApS

Amaliegade 42, 1256 København K

Company reg. no. 28 84 22 87

Annual report

1 January - 31 December 2019

The annual report has been submitted and approved by the general meeting on the 13 July 2020.

Mette Marie Louise Skjøth
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



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Management's report

The managing director has today presented the annual report of Skjøth Holding ApS for the financial year 1 January to 31 December 2019.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København K, 13 July 2020

Managing Director

Lars Skjøth



Independent auditor's report

To the shareholder of Skjøth Holding ApS

Opinion

We have audited the annual accounts of Skjøth Holding ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:



Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.



Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 13 July 2020

Christensen Kjarulff

Company reg. no. 15 91 56 41

Elan Schapiro
State Authorised Public Accountant
mne33765



Company information

The company	Skjøth Holding ApS Amaliegade 42 1256 København K
	Company reg. no. 28 84 22 87 Established: 10 June 2005 Domicile: Copenhagen Financial year: 1 January - 31 December 15th financial year
Managing Director	Lars Skjøth
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
Subsidiary	Hårklinikken ApS, Copenhagen



Management commentary

The principal activities of the company

The principal activities are management of rights and know-how related to hair transplants techniques for effective treatment of hair loss and scalp diseases. Moreover, the company operates in financing activities and subsidiaries.

Development in activities and financial matters

The gross loss for the year is t.DKK -16 against t.DKK -18 last year. The results from ordinary activities after tax are t.DKK 802 against t.DKK 324 last year. The management consider the results satisfactory.

Capital structure:

The company's equity is positive at t.DKK 56 at 31 December 2019. However, the company's equity amounts to less than half of the share capital. Management expects the equity to be restored through a reduction in the company's capital.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-16.036	-16.316
Income from equity investment in related parties	3.528.890	983.518
Other financial income	458	54.855
1 Other financial costs	<u>-223.979</u>	<u>-270.526</u>
Pre-tax net profit or loss	3.289.333	751.531
2 Tax on ordinary results	<u>717.676</u>	<u>50.475</u>
Net profit or loss for the year	<u>4.007.009</u>	<u>802.006</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>4.007.009</u>	<u>802.006</u>
Total allocations and transfers	<u>4.007.009</u>	<u>802.006</u>



Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Non-current assets		
3 Equity investment in group enterprise	0	2.353.318
Total investments	0	2.353.318
Total non-current assets	0	2.353.318
Current assets		
Receivables from related parties	4.782.208	0
Receivable corporate tax	104.685	179.236
Other debtors	6.284	3.094
Total receivables	4.893.177	182.330
Other securities and equity investments	14.100	13.642
Total financial instruments	14.100	13.642
Available funds	6.789	59.587
Total current assets	4.914.066	255.559
Total assets	4.914.066	2.608.877



Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
4	Contributed capital	125.000	125.000
5	Results brought forward	-68.640	-4.075.649
	Total equity	56.360	-3.950.649
Provisions			
	Provisions for deferred tax	0	672.539
	Total provisions	0	672.539
Liabilities other than provisions			
	Bank debts	0	109.770
	Other debts	2.346.584	2.256.333
6	Total long term liabilities other than provisions	2.346.584	2.366.103
6	Short-term part of long-term liabilities	107.561	701.190
	Trade creditors	29.375	29.875
	Debt to group enterprises	0	2.789.819
	Debt to related parties	2.374.186	0
	Total short term liabilities other than provisions	2.511.122	3.520.884
	Total liabilities other than provisions	4.857.706	5.886.987
	Total equity and liabilities	4.914.066	2.608.877
7 Charges and security			
8 Contingencies			



Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Other financial costs		
Financial costs, group enterprises	103.640	110.787
Other financial costs	<u>120.339</u>	<u>159.739</u>
	<u>223.979</u>	<u>270.526</u>
2. Tax on ordinary results		
Tax of the results for the year, parent company	-52.685	-50.475
Adjustment for the year of deferred tax	-672.539	0
Adjustment of tax for previous years	<u>7.548</u>	<u>0</u>
	<u>-717.676</u>	<u>-50.475</u>



Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
3. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January	7.048.294	7.048.294
Disposals during the year	<u>-7.048.294</u>	<u>0</u>
Cost 31 December	<u>0</u>	<u>7.048.294</u>
Revaluations, opening balance 1 January	-4.051.512	-4.467.181
Translation by use of the exchange rate valid on balance sheet date	0	-10.841
Reversals for the year concerning disposals	4.618.888	0
Dividend	-1.100.000	-700.000
Share of results for the year	<u>532.624</u>	<u>1.126.510</u>
Revaluation 31 December	<u>0</u>	<u>-4.051.512</u>
Amortisation of goodwill, opening balance 1 January	-643.464	-500.472
Amortisation of goodwill for the year	0	-142.992
Reversal of amortisation of goodwill concerning disposals	<u>643.464</u>	<u>0</u>
Depreciation on goodwill 31 December	<u>0</u>	<u>-643.464</u>
Book value 31 December	<u>0</u>	<u>2.353.318</u>
Group enterprise:		
	Domicile	Share of ownership
Hårklinikken ApS	Copenhagen	0 %
The group enterprise has been sold as of 31 December 2019.		
4. Contributed capital		
Contributed capital 1 January	<u>125.000</u>	<u>125.000</u>
	<u>125.000</u>	<u>125.000</u>



Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Results brought forward		
Results brought forward 1 January	-4.075.649	-4.866.814
Profit or loss for the year brought forward	4.007.009	802.006
Adjustment	<u>0</u>	<u>-10.841</u>
	<u>-68.640</u>	<u>-4.075.649</u>

6. Liabilities

	<u>Debt in total 31 Dec 2019</u>	<u>Short-term part of long- term liabilities</u>	<u>Long-term debt 31 Dec 2019</u>	<u>Outstanding debt after 5 years</u>
Bank debts	107.561	107.561	0	0
Other debts	<u>2.346.584</u>	<u>0</u>	<u>2.346.584</u>	<u>0</u>
	<u>2.454.145</u>	<u>107.561</u>	<u>2.346.584</u>	<u>0</u>

7. Charges and security

As security for group's bank debts, the company has provided security in Hårklinikken ApS shares with a net asset value of tDKK 999.



Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

The company has received a letter of intent from the Danish tax authorities, which intends to change the company's income from 2013. The company disagrees and objects to this matter. Management believes that the company will win the case.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Hårklinikken ApS has withdrawn from joint taxation as of 31 december 2019 , as from the time of withdrawal from the joint taxation, the company is not liable for any tax claims against the other jointly taxed companies.



Accounting policies

The annual report for Skjøth Holding ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.



Accounting policies

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity in group enterprise

Equity in group enterprise recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprise with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.



Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investment in group enterprise is transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprise are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investment in group enterprise and is amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

Available funds

Available funds comprise cash at bank.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).



Accounting policies

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Skjøth Holding ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Skjøth Holding ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Liabilities

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

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Lars Skjøth

Direktør

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Elan Lieck Schapiro

Statsautoriseret revisor

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