
Liita Care ApS

Kronprinsensgade 3, 4., DK-1114 København K

Annual Report for 1 January - 31 December 2020

CVR No 34 35 38 59

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
5 /7 2021

Martin Albert Ohrt
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Liita Care ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

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

København, 5 July 2021

Executive Board

Martin Albert Ohrt

Independent Auditor's Report

To the Shareholder of Liita Care ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Liita Care ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for 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' 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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.

Independent Auditor's Report

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.

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 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

Independent Auditor's Report

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 5 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Steffen Kaj Pedersen

statsautoriseret revisor

mne34357

Company Information

The Company

Liita Care ApS
Kronprinsensgade 3, 4.
DK-1114 København K

CVR No: 34 35 38 59

Financial period: 1 January - 31 December

Municipality of reg. office: København

Executive Board

Martin Albert Ohrt

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's main activity comprise of sale of health caring products and adaption of the Breathox concept to the Scandinavian market.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 1,038,609, and at 31 December 2020 the balance sheet of the Company shows negative equity of DKK 3,122,418.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		3.620.193	2.635.125
Staff expenses	1	-1.195.768	-954.534
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-740.269	-566.493
Profit/loss before financial income and expenses		1.684.156	1.114.098
Financial income	2	594.560	0
Financial expenses	3	-977.282	-814.037
Profit/loss before tax		1.301.434	300.061
Tax on profit/loss for the year	4	-262.825	-61.808
Net profit/loss for the year		1.038.609	238.253

Distribution of profit

Proposed distribution of profit

Retained earnings	1.038.609	238.253
	1.038.609	238.253

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Completed development projects		1.364.565	1.613.662
Intangible assets	5	1.364.565	1.613.662
Other fixtures and fittings, tools and equipment		332.430	453.468
Property, plant and equipment	6	332.430	453.468
Deposits		77.703	77.703
Fixed asset investments		77.703	77.703
Fixed assets		1.774.698	2.144.833
Trade receivables		81.960	119.801
Receivables from group enterprises		8.398.239	1.147.499
Other receivables		388.964	240.981
Receivables		8.869.163	1.508.281
Cash at bank and in hand		3.656.168	3.637.180
Currents assets		12.525.331	5.145.461
Assets		14.300.029	7.290.294

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		80.000	80.000
Retained earnings		-3.202.418	-4.241.027
Equity		-3.122.418	-4.161.027
Provision for deferred tax		305.228	267.155
Provisions		305.228	267.155
Payables to group enterprises		15.713.041	9.765.591
Other payables		0	22.695
Long-term debt	7	15.713.041	9.788.286
Credit institutions		13.810	22.112
Trade payables		40.000	280.793
Payables to group enterprises	7	842.683	857.940
Payables to owners and Management		19.868	19.868
Corporation tax		224.752	0
Other payables	7	263.065	76.467
Deferred income		0	138.700
Short-term debt		1.404.178	1.395.880
Debt		17.117.219	11.184.166
Liabilities and equity		14.300.029	7.290.294
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	80.000	-4.241.027	-4.161.027
Net profit/loss for the year	0	1.038.609	1.038.609
Equity at 31 December	80.000	-3.202.418	-3.122.418

Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
1 Staff expenses		
Wages and salaries	1.160.147	924.788
Other social security expenses	35.621	27.246
Other staff expenses	0	2.500
	<u>1.195.768</u>	<u>954.534</u>
 Average number of employees	 <u>6</u>	 <u>4</u>
 2 Financial income		
Interest received from group enterprises	594.560	0
	<u>594.560</u>	<u>0</u>
 3 Financial expenses		
Interest paid to group enterprises	947.450	765.591
Other financial expenses	25.313	48.446
Exchange loss	4.519	0
	<u>977.282</u>	<u>814.037</u>
 4 Tax on profit/loss for the year		
Current tax for the year	224.752	0
Deferred tax for the year	38.073	61.035
Adjustment of tax concerning previous years	0	773
	<u>262.825</u>	<u>61.808</u>

Notes to the Financial Statements

5 Intangible assets

	Completed development projects DKK
Cost at 1 January	3.141.212
Additions for the year	<u>370.135</u>
Cost at 31 December	<u>3.511.347</u>
Impairment losses and amortisation at 1 January	1.527.550
Amortisation for the year	<u>619.232</u>
Impairment losses and amortisation at 31 December	<u>2.146.782</u>
Carrying amount at 31 December	<u>1.364.565</u>
Amortised over	<u>5 years</u>
Development projects relate to product development of Breathox.	

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	<u>669.876</u>
Cost at 31 December	<u>669.876</u>
Impairment losses and depreciation at 1 January	216.409
Depreciation for the year	<u>121.037</u>
Impairment losses and depreciation at 31 December	<u>337.446</u>
Carrying amount at 31 December	<u>332.430</u>
Depreciated over	<u>3-5 years</u>

Notes to the Financial Statements

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Payables to group enterprises		
Between 1 and 5 years	15.713.041	9.765.591
Long-term part	15.713.041	9.765.591
Other short-term debt to group enterprises	842.683	857.940
	<u>16.555.724</u>	<u>10.623.531</u>
Other payables		
Between 1 and 5 years	0	22.695
Long-term part	0	22.695
Other short-term payables	263.065	76.467
	<u>263.065</u>	<u>99.162</u>

8 Contingent assets, liabilities and other financial obligations

The Company has a lease agreement with a notice period of 3 months which amounts to TDKK 47.

Charges and security

The following assets have been placed as security with credit institutes:

Cash at bank, TDKK 50.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Liita Care ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including grants from external parties, and gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

9 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Intangible assets comprise of development projects. Only direct Capex expenses has been capitalized.

Completed development projects are depreciated over 5 years, which is the expected useful lives of the projects.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

9 Accounting Policies (continued)

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.