

Real Relief Holding ApS

Esсен 26, 6000 Kolding

Annual report

2018

Company reg. no. 35 84 24 38

The annual report was submitted and approved by the general meeting on the 31 May 2019.

Poul Henrik Krøgh Nielsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British 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 board of directors and the managing director have today presented the annual report of Real Relief Holding ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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

The annual report is recommended for approval by the general meeting.

Kolding, 31 May 2019

Managing Director

Trine Angeline Sig

Board of directors

Jesper Steen Tastesen

Torben Holm Larsen

Poul Henrik Krøgh Nielsen

Independent auditor's report on extended review

To the shareholders of Real Relief Holding ApS

Opinion

We have performed extended review of the annual accounts of Real Relief Holding ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review 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 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 extended review of the annual accounts

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

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 extended review 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 extended review, or whether it otherwise appears to contain material misstatement.

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.

Kolding, 31 May 2019

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Peder Nygaard
State Authorised Public Accountant
mne12042

Maj-Britt Lykke Viskum
State Authorised Public Accountant
mne35478

Company data

The company

Real Relief Holding ApS

Esсен 26

6000 Kolding

Company reg. no. 35 84 24 38

Financial year: 1 January - 31 December

Board of directors

Jesper Steen Tastesen

Torben Holm Larsen

Poul Henrik Krøgh Nielsen

Managing Director

Trine Angeline Sig

Auditors

Martinsen

Statsautoriseret Revisionspartnerselskab

Jupitervej 4

6000 Kolding

Subsidiaries

Real Relief Health ApS, Kolding

Real Relief Habitat ApS, Kolding

Real Relief ApS, Kolding

Management's review

The principal activities of the company

The Company activities is financial investments in subsidiaries and management for the subsidiaries.

Uncertainties as to recognition or measurement

If the accounting assumption concerning continuing operations cannot be met in the coming financial year, it is the management's assessment that the carrying amounts associated with investments in subsidiaries and receivables from subsidiaries, totaling DKK 3,135 thousand. will be lost.

Ingen engelsk tekst.

Development in activities and financial matters

The gross loss for the year is DKK -2.148.587 against DKK 1.435.202 last year. The results from ordinary activities after tax are DKK -4.690.197 against DKK -2.031.964 last year. The management does not consider the results satisfactory.

Management expects that operations in the coming years will show a positive trend, so that the company's capital losses will be re-established by future positive operations.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Real Relief 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).

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

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 concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Accounting policies used

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

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Accounting policies used

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

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.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross loss	-2.148.587	1.435.202
3 Staff costs	-2.306.574	-3.757.385
Amortisation and writedown relating to intangible fixed assets	<u>-20.591</u>	<u>-65.216</u>
Operating profit	-4.475.752	-2.387.399
Income from equity investments in group enterprises	249.175	1.125.148
Other financial income	12.828	47.006
4 Other financial costs	<u>-576.268</u>	<u>-727.137</u>
Results before tax	-4.790.017	-1.942.382
Tax on ordinary results	<u>99.820</u>	<u>-89.582</u>
Results for the year	<u>-4.690.197</u>	<u>-2.031.964</u>
 Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	0	869.903
Allocated from results brought forward	<u>-4.690.197</u>	<u>-2.901.867</u>
Distribution in total	<u>-4.690.197</u>	<u>-2.031.964</u>

Balance sheet 31 December

All amounts in DKK.

Assets	<u>2018</u>	<u>2017</u>
Note		
Fixed assets		
5 Goodwill	15.833	25.833
Intangible fixed assets in total	<u>15.833</u>	<u>25.833</u>
6 Equity investments in group enterprises	1.847.547	1.598.372
Financial fixed assets in total	<u>1.847.547</u>	<u>1.598.372</u>
Fixed assets in total	<u>1.863.380</u>	<u>1.624.205</u>
Current assets		
Amounts owed by group enterprises	1.287.048	1.904.798
Tax receivables from group enterprises	6.820	255.244
Other debtors	39.183	130.195
Accrued income and deferred expenses	78.706	173.457
Debtors in total	<u>1.411.757</u>	<u>2.463.694</u>
Available funds	<u>53.917</u>	<u>222.745</u>
Current assets in total	<u>1.465.674</u>	<u>2.686.439</u>
Assets in total	<u>3.329.054</u>	<u>4.310.644</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2018</u>	<u>2017</u>
Note			
Equity			
7	Contributed capital	113.400	113.400
8	Results brought forward	-5.627.375	-937.177
	Equity in total	-5.513.975	-823.777
Liabilities			
	Bank debts	1.900.000	1.900.000
	Long-term liabilities in total	1.900.000	1.900.000
	Bank debts	1	1
	Trade creditors	176.929	264.082
	Debt to group enterprises	5.831.400	802.538
	Debt to shareholders and management	158.895	1.150.000
	Other debts	775.804	1.017.800
	Short-term liabilities in total	6.943.029	3.234.421
	Liabilities in total	8.843.029	5.134.421
	Equity and liabilities in total	3.329.054	4.310.644

1 Uncertainties concerning the enterprise's ability to continue as a going concern**2 Uncertainties concerning recognition and measurement****9 Mortgage and securities****10 Contingencies**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

As a consequence of the Company's operation for 2018, there is associated uncertainty with the Company's continuing operations. The Company's management works on financial solutions that will enable the Company's operations in the coming year on the basis of sound capital resources. These negotiations are not completed by the financial reporting. However, management believes that the negotiations will be concluded with a positive result.

Based on the above, the management's assessment is that the financial statement can be presented on the basis of continued operations.

2. Uncertainties concerning recognition and measurement

If the accounting assumption concerning continuing operations cannot be met in the coming financial year, it is the management's assessment that the carrying amounts associated with investments in subsidiaries and receivables from subsidiaries, totaling DKK 3,135 thousand, will be lost.

3. Staff costs

Salaries and wages	1.406.381	2.000.365
Other costs for social security	20.659	16.940
Other staff costs	879.534	1.740.080
	2.306.574	3.757.385
Average number of employees	3	5

4. Other financial costs

Other financial costs	576.268	727.137
	576.268	727.137

Notes

All amounts in DKK.

5. Goodwill

Cost 1 January 2018	45.000	45.000
Cost 31 December 2018	45.000	45.000
Amortisation and writedown 1 January 2018	-19.167	-9.167
Amortisation for the year	-10.000	-10.000
Amortisation and writedown 31 December 2018	-29.167	-19.167
Book value 31 December 2018	15.833	25.833

6. Equity investments in group enterprises

Acquisition sum, opening balance 1 January 2018	248.600	248.600
Cost 31 December 2018	248.600	248.600
Revaluations, opening balance 1 January 2018	1.349.772	479.869
Results for the year before goodwill amortisation	249.175	869.903
Revaluation 31 December 2018	1.598.947	1.349.772
Book value 31 December 2018	1.847.547	1.598.372

Group enterprises:

	Domicile	Share of ownership
Real Relief Health ApS	Kolding	100 %
Real Relief Habitat ApS	Kolding	100 %
Real Relief ApS	Kolding	100 %

7. Contributed capital

Contributed capital 1 January 2018	113.400	112.400
Cash capital increase	0	1.000
	113.400	113.400

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
8. Results brought forward		
Results brought forward 1 January 2018	-937.178	-447.436
Profit or loss for the year brought forward	-4.690.197	-2.901.867
Adjustment 1	0	1.053.754
Adjustment 2	0	1.358.372
	<u>-5.627.375</u>	<u>-937.177</u>

9. Mortgage and securities

For bank debts, DKK 5.623.342, the company has provided security in company assets representing a nominal value of DKK 6.000.000. This security comprises the below assets, stating the book values:

Inventories	DKK 0
Receivable from sales and services	DKK 0

The subsidiaries Real Relief Health ApS and Real Relief Habitat ApS are also covered by this mortgage.

10. Contingencies

Contingent assets

The company has a deferred tax asset of TDKK 2,406 which is not included in the annual report, since there is uncertainty associated with when the company can apply this.

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.

Notes

All amounts in DKK.

10. Contingencies (continued)

Joint taxation (continued)

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