

Real Relief Holding ApS

Esсен 26, 6000 Kolding

Annual report

2019

Company reg. no. 35 84 24 38

The annual report was submitted and approved by the general meeting on the 21 April 2020.

Poul Henrik Krøgh Nielsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

Today, the board of directors and the managing director have presented the annual report of Real Relief Holding ApS for the financial year 2019 of Real Relief Holding ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January - 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Kolding, 21 April 2020

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 an extended review of the financial statements of Real Relief Holding ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 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 to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the the financial statements, the 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 unless the 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 extended review of the financial statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. 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 assessment of the achieved 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 financial statements.

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 express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Kolding, 21 April 2020

Martinsen

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

Maj-Britt Lykke Viskum

State Authorised Public Accountant
mne35478

Company information

The company	Real Relief Holding ApS Essen 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 Real Relief India Private Limited, Indien

Management commentary

The principal activities of the company

Like previous years, the principal activities are financial investments in subsidiaries and management for the subsidiaries.

Development in activities and financial matters

The gross profit for the year totals DKK 3.639.486 against DKK -3.028.121 last year. Income or loss from ordinary activities after tax totals DKK 3.191.055 against DKK -4.690.197 last year. Management considers the net profit or loss for the year satisfactory.

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

Events occurring after the end of 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

The annual report for Real Relief Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Income statement

Gross profit

Gross profit 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.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible assets, respectively.

Financial income and expenses

Financial income and expenses 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 income statement with the amounts concerning the financial year.

Accounting policies

Results from equity investments in group enterprises

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

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

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

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

Statement of financial position

Intangible assets

Goodwill

Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at 5 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Impairment loss relating to non-current assets

The carrying amount of both intangible assets as well as equity investments in subsidiaries 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount 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 derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Investments

Equity in group enterprises

Equity in group enterprises 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 enterprises 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.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises 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 enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition.

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 investments in group enterprises and are 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.

Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	3.639.486	-3.028.121
1 Staff costs	-954.993	-1.427.040
Amortisation and impairment of intangible assets	<u>-18.596</u>	<u>-20.591</u>
Operating profit	2.665.897	-4.475.752
Income from equity investments in group enterprises	777.827	249.175
Other financial income	0	12.828
Other financial costs	<u>-380.203</u>	<u>-576.268</u>
Pre-tax net profit or loss	3.063.521	-4.790.017
Tax on net profit or loss for the year	<u>127.534</u>	<u>99.820</u>
Net profit or loss for the year	<u>3.191.055</u>	<u>-4.690.197</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	3.191.055	0
Allocated from retained earnings	<u>0</u>	<u>-4.690.197</u>
Total allocations and transfers	<u>3.191.055</u>	<u>-4.690.197</u>

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
Goodwill	5.833	15.833
Total intangible assets	<u>5.833</u>	<u>15.833</u>
2 Equity investments in group enterprises	<u>2.641.376</u>	<u>1.847.547</u>
Total investments	<u>2.641.376</u>	<u>1.847.547</u>
Total non-current assets	<u>2.647.209</u>	<u>1.863.380</u>
Current assets		
Receivables from group enterprises	1.371.733	1.287.048
Tax receivables from group enterprises	127.534	6.820
Other receivables	12.427	39.183
Prepayments and accrued income	<u>18.029</u>	<u>78.706</u>
Total receivables	<u>1.529.723</u>	<u>1.411.757</u>
Cash on hand and demand deposits	<u>103.595</u>	<u>53.917</u>
Total current assets	<u>1.633.318</u>	<u>1.465.674</u>
Total assets	<u>4.280.527</u>	<u>3.329.054</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
Contributed capital	113.400	113.400
Retained earnings	-2.436.320	-5.627.375
Total equity	-2.322.920	-5.513.975
Liabilities other than provisions		
Subordinate loan capital	1.900.000	1.900.000
Other debts	12.977	0
3 Total long term liabilities other than provisions	<u>1.912.977</u>	<u>1.900.000</u>
Trade payables	41.663	176.930
Payables to group enterprises	3.910.145	5.831.400
Payables to shareholders and management	3.673	158.895
Other payables	734.989	775.804
Total short term liabilities other than provisions	<u>4.690.470</u>	<u>6.943.029</u>
Total liabilities other than provisions	<u>6.603.447</u>	<u>8.843.029</u>
Total equity and liabilities	<u>4.280.527</u>	<u>3.329.054</u>
4 Charges and security		
5 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	113.400	-937.178	-823.778
Profit or loss for the year brought forward	0	-4.690.197	-4.690.197
Equity 1 January 2019	113.400	-5.627.375	-5.513.975
Profit or loss for the year brought forward	0	3.191.055	3.191.055
	<u>113.400</u>	<u>-2.436.320</u>	<u>-2.322.920</u>

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	953.507	1.406.381
Other costs for social security	<u>1.486</u>	<u>20.659</u>
	<u>954.993</u>	<u>1.427.040</u>
Average number of employees	<u>3</u>	<u>3</u>
2. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	149.618	248.600
Additions during the year	<u>16.002</u>	<u>0</u>
Cost 31 December 2019	<u>165.620</u>	<u>248.600</u>
Revaluations, opening balance 1 January 2019	1.598.947	1.349.772
Results for the year before goodwill amortisation	<u>876.809</u>	<u>249.175</u>
Revaluation 31 December 2019	<u>2.475.756</u>	<u>1.598.947</u>
Carrying amount, 31 December 2019	<u>2.641.376</u>	<u>1.847.547</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year
Real Relief Health ApS, Kolding	100 %	2.353.419	885.880
Real Relief Habitat ApS, Kolding	100 %	212.009	3.303
Real Relief ApS, Kolding	100 %	174.931	3.628
Real Relief India Private Limited, Indien	99 %	<u>-236.158</u>	<u>-328.378</u>
		<u>2.504.201</u>	<u>564.433</u>

Notes

All amounts in DKK.

3. Liabilities other than provision

	Total payables 31 Dec 2019	Current portion of long term payables	Long term payables 31 Dec 2019	Outstanding payables after 5 years
Subordinate loan capital	1.900.000	0	1.900.000	1.900.000
Other debts	12.977	0	12.977	0
	<u>1.912.977</u>	<u>0</u>	<u>1.912.977</u>	<u>1.900.000</u>

4. Charges and security

For bank loans in Real Relief Health ApS, TDKK 5,896, the company has provided security in company assets representing a nominal value of TDKK 6,000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	0
Other fixtures and fittings, tools and equipment	0
Trade receivables	0

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

5. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations 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 TDKK 0,000.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

5. Contingencies (continued)

Joint taxation (continued)

Deferred tax of TDKK 1,773. has been provided at 22% corresponding to the future tax rate. Due to uncertainty as to when the company will be able to utilise the deferred tax asset, the company has recognised a value of TDKK 0 at 31 December 2019.