

Real Relief Holding ApS

Esсен 26, 6000 Kolding

Annual report

2021

Company reg. no. 35 84 24 38

The annual report was submitted and approved by the general meeting on the 30 May 2022.

Poul Henrik Nielsen
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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Real Relief Holding ApS for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Kolding, 30 May 2022

Managing Director

Trine Angeline Sig

Board of directors

Jesper Steen Tastesen

Torben Holm Larsen

Poul Henrik 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 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on 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 "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company 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 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 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 extended review of the Financial Statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance opinion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the 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 the Management's Review.

Kolding, 30 May 2022

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 Nielsen

Managing Director

Trine Angeline Sig

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Jupitervej 4
6000 Kolding

Management´s review

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 loss for the year totals DKK -129.252 against DKK -117.905 last year. Income or loss from ordinary activities after tax totals DKK 115.026 against DKK -729.316 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.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross loss	-129.252	-117.905
1 Staff costs	-1.372.043	-1.451.138
Depreciation and impairment of property, land, and equipment	0	-5.833
Operating profit	-1.501.295	-1.574.876
Income from equity investments in subsidiaries	1.346.334	734.766
2 Other financial costs	-113.495	-94.488
Pre-tax net profit or loss	-268.456	-934.598
Tax on net profit or loss for the year	383.482	205.282
Net profit or loss for the year	115.026	-729.316
 Proposed appropriation of net profit:		
Transferred to retained earnings	115.026	0
Allocated from retained earnings	0	-729.316
Total allocations and transfers	115.026	-729.316

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
4 Investments in subsidiaries	4.722.476	3.376.142
Total investments	4.722.476	3.376.142
Total non-current assets	4.722.476	3.376.142
Current assets		
Tax receivables from group enterprises	383.482	205.282
Other receivables	13.036	0
Prepayments and accrued income	63.513	59.209
Total receivables	460.031	264.491
Cash on hand and demand deposits	158.801	101.506
Total current assets	618.832	365.997
Total assets	5.341.308	3.742.139

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	113.400	113.400
Retained earnings	-3.050.610	-3.165.636
Total equity	-2.937.210	-3.052.236
Liabilities other than provisions		
Subordinate loan capital	1.900.000	1.900.000
Payables to subsidiaries	4.974.303	3.758.165
Other debts	1.067.867	927.000
5 Total long term liabilities other than provisions	<u>7.942.170</u>	<u>6.585.165</u>
Trade payables	53.292	54.009
Other payables	283.056	155.201
Total short term liabilities other than provisions	<u>336.348</u>	<u>209.210</u>
Total liabilities other than provisions	<u>8.278.518</u>	<u>6.794.375</u>
Total equity and liabilities	<u>5.341.308</u>	<u>3.742.139</u>
6 Charges and security		
7 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	113.400	-2.436.320	-2.322.920
Profit or loss for the year brought forward	0	-729.316	-729.316
Equity 1 January 2021	113.400	-3.165.636	-3.052.236
Profit or loss for the year brought forward	0	115.026	115.026
	<u>113.400</u>	<u>-3.050.610</u>	<u>-2.937.210</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	1.360.589	1.442.516
Other costs for social security	<u>11.454</u>	<u>8.622</u>
	<u>1.372.043</u>	<u>1.451.138</u>
Average number of employees	<u>2</u>	<u>3</u>
2. Other financial costs		
Other financial costs	<u>113.495</u>	<u>94.488</u>
	<u>113.495</u>	<u>94.488</u>
3. Goodwill		
Cost 1 January 2021	<u>45.000</u>	<u>45.000</u>
Cost 31 December 2021	<u>45.000</u>	<u>45.000</u>
Amortisation and writedown 1 January 2021	-45.000	-39.167
Amortisation for the year	<u>0</u>	<u>-5.833</u>
Amortisation and writedown 31 December 2021	<u>-45.000</u>	<u>-45.000</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Investments in subsidiaries		
Acquisition sum, opening balance 1 January 2021	165.620	165.620
Cost 31 December 2021	<u>165.620</u>	<u>165.620</u>
Revaluations, opening balance 1 January 2021	3.210.522	2.475.756
Results for the year before goodwill amortisation	1.346.334	734.766
Revaluation 31 December 2021	<u>4.556.856</u>	<u>3.210.522</u>
Carrying amount, 31 December 2021	<u>4.722.476</u>	<u>3.376.142</u>

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

	Equity interest	Equity	Results for the year	Carrying amount, Real Relief Holding ApS
Real Relief ApS, Kolding	100 %	3.337.641	696.265	0
Real Relief ApS,	%	0	0	0
Real Relief India Private Limited, Indien	99 %	-446.779	-210.621	0
		<u>2.890.862</u>	<u>485.644</u>	<u>0</u>

Notes

All amounts in DKK.

5. Liabilities other than provision

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Subordinate loan capital	1.900.000	0	1.900.000	1.900.000
Payables to subsidiaries	4.974.303	0	4.974.303	0
Other debts	1.067.867	0	1.067.867	0
	<u>7.942.170</u>	<u>0</u>	<u>7.942.170</u>	<u>1.900.000</u>

6. Charges and security

For bank loans in Real Relief ApS, TDKK 5,941, 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 ApS are also covered by this mortgage.

7. 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.

7. Contingencies (continued)

Joint taxation (continued)

Deferred tax. 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 2021.

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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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.

Results from investments in subsidiaries

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

Accounting policies

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

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 the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

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

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

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

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.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

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.

Prepayments and accrued income

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

Accounting policies

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.