

Agito Medical A/S Bejlerholm 3A, 9400 Nørresundby

Company reg. no. 27 77 08 51

Annual report

2022

The annual report was submitted and approved by the general meeting on the 22 May 2023.

Bjørn August Kildegaard Gerhardt Chairman of the meeting

Notes:

• Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

[•] To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.



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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Agito Medical A/S for the financial year 2022.

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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January -31 December 2022.

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.

Nørresundby, 22 May 2023

Managing Director

Johannes Maria Duijn

Board of directors

Bjørn August Kildegaard
Gerhardt
chairman

Ioana Daniela Larsen

Johannes Maria Duijn

To the Shareholders of Agito Medical A/S

Opinion

We have audited the financial statements of Agito Medical A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

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

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.



Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Herning, 22 May 2023

Partner Revision State Authorised Public Accountants Company reg. no. 15 80 77 76

Henning Jager Neldeberg State Authorised Public Accountant mne32205



Company information

The company	Agito Medical A/S Bejlerholm 3A 9400 Nørresundby	
	Company reg. no.	27 77 08 51
	Established:	2 June 2004
	Domicile:	Aalborg
	Financial year:	1 January - 31 December
Board of directors	Bjørn August Kildegaard Gerhardt, chairman Ioana Daniela Larsen Johannes Maria Duijn	
Managing Director	Johannes Maria Duij	n
Auditors	Partner Revision statsautoriseret revisionsaktieselskab	
	Industrivej Nord 15	
	7400 Herning	

Financial highlights

Income statement: 52.368 49.524 38.114 34.231 20.94	36
	36
Gross profit 15.423 12.007 10.985 8.824 2.33	42
Profit from operating activities 6.599 5.595 5.411 2.898 -2.84	⊤ ∠
Net financials -499 -169 -94 -261 -1.58	86
Net profit or loss for the year 4.754 4.240 4.162 1.986 -3.87	74
Statement of financial position:	
Balance sheet total 60.239 62.302 45.542 34.585 20.49	91
Investments in property, plant and	
equipment 9.337 18.873 11.342 6.857 4.07	72
Equity 23.757 19.003 14.763 10.601 8.61	15
Cash flows:	
Operating activities 10.621 10.329 1.423 3.404 -1.82	24
Investing activities -8.399 -17.836 -10.910 -6.778 -4.37	71
Financing activities-2.2257.4659.4812.9526.61	17
Total cash flows -3 -41 -7 -422 42	21
Employees:	
Average number of full-time employees4240394444	45
Key figures in %:	
Gross margin ratio 29,5 24,2 28,8 25,8 11	,2
Profit margin (EBIT-margin) 12,6 11,3 14,2 8,5 -13	3,6
Solvency ratio 39,4 30,5 32,4 30,7 42	2,0
Return on equity 22,2 25,1 32,8 20,7 -58	3,9

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.



Management's review

The principal activities of the company

As in previous years, the company's activities consist of the purchase and sale of used medical equipment and rental of mobile trailers with MRI, CT and Cath Lab systems and any related activities.

Development in activities and financial matters

The revenue for the year totals EUR 52.368.020 against EUR 49.524.047 last year. Income or loss from ordinary activities after tax totals EUR 4.754.361 against EUR 4.239.773 last year. Management considers the net profit or loss for the year satisfactory.

The company's results and finacial development were better than expected, which is mainly due to a significant increase in activity in all product groups.

The Company operates within four different business areas; medical areas; medical equipment; spare part trade; service and rental solutions.

Financial risks and the use of financial instruments

Financial risks

The sector is generally sensitive to the price development in used medical equipment. The company has attempted to counter this risk by ensuring a high turnover rate for the largest an most price-sensitive units.

Exchange rate risks

Due to its activities, the company's results, cash flows and equity are affected by exchange rate and interest rate fluctuations, especially in USD.

Generally, the related currency risks are not hedged, as the compay finds that ongoing currence hedging of USD is not optimum considering the overall risk an expense entailed.

Interest rate risks

No interest rate positions have been taken to hedge the company's interest rate risks.

Expected developments

For 2023, the company expects similar activities and profits as in 2022.

Events occurring after the end of the financial year

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

Management's review

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

The Philips group is registered with the UN Global Compact and thus reports on policy, actions and results in the statutory report on social responsibility, cf. §99a in the COP report. The report can be found in the group's annual report:

https://www.results.philips.com/publications/ar22?type=annual-report

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

Agito Medical A/S believes that a diverse workforce and an inclusive culture positively affects our business and helps us realize our vision of contributing to making the world healthier and more sustainable. The employees are recruited, promoted and remunerated as a starting point on the basis of their qualifications, skills and experience. In addition, please refer to the section on "Integrity at work" in the Philip Business Principles:

https://www.philips.com/a-w/about/investor-relations/governance/business-principles.html

Target figures for the company's top management

The board has adopted an objective that the proportion of women on the board is at least 1 in 3 members. The board's objective for the proportion of women on the board has been achieved.

Policies for the company's other management levels

Agito Medical A/S works with a goal that the gender distribution in the rest of the management must correspond to the gender distribution for all employees in the company \pm 25%. Fulfillment of this will mean that the proportion of women in the other management amounts to a minimum of 25% and men to a minimum of 25% (2022).

In connection with employment and recruitment for management positions, the aim is that there must be candidates of both sexes. We map the company's leadership talent with special attention to the underrepresented gender and encourage leadership talent to participate in management networks, internal as well as external.

The gender distribution in Agito Medical A/S at the end of 2022 was 75 % men and 25 % women.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

The company complies with the data ethics policy that applies to the entire Philips group. Philips' data ethics policy is available at:

https://www.philips.com/a-w/about/philips-data-principles.html



The annual report for Agito Medical A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large 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 operating income".

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. The annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.



Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Income statement

Revenue

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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Income from rental solutions is recognised in the income statement for the period relating to the rental payment.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from

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 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

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3-5 years.

Profit and loss from the sale of development projects as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.



Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	2-10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.



At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets 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

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.



The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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 and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Agito Medical A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.



Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for noncash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.



Income statement 1 January - 31 December

Not		2022	2021
2	Revenue	52.368.020	49.524.047
2	Other operating income	55.544	340.780
	Costs of raw materials and consumables	-34.589.737	-35.753.836
	Other external expenses	-2.410.925	-2.104.130
	Gross profit	15.422.902	12.006.861
4	Staff costs	-4.233.838	-3.182.310
	Depreciation, amortisation, and impairment	-4.563.522	-3.229.861
	Other operating expenses	-26.870	0
	Operating profit	6.598.672	5.594.690
	Income from investments in group enterprises	0	48.650
	Other financial income from subsidiaries	0	9.899
	Other financial income	0	41.087
5	Other financial expenses	-498.831	-268.647
	Pre-tax net profit or loss	6.099.841	5.425.679
6	Tax on net profit or loss for the year	-1.345.480	-1.185.906
7	Net profit or loss for the year	4.754.361	4.239.773



Balance sheet at 31 December

	Assets		
Note) -	2022	2021
	Non-current assets		
8	Completed development projects, including patents and similar rights arising from development projects	0	0
9	Concessions, patents, licenses, trademarks, and similar rights	70.738	22.110
	Total intangible assets	70.738	22.110
10	Other fixtures and fittings, tools and equipment	37.269.867	28.796.315
11	Property, plant, and equipment under construction and prepayments for property, plant, and equipment	3.913.215	8.626.874
	Total property, plant, and equipment	41.183.082	37.423.189
13	Deposits	8.599	0
	Total investments	8.599	0
	Total non-current assets	41.262.419	37.445.299
	Current assets		
	Manufactured goods and goods for resale	12.115.940	12.927.646
	Prepayments for goods	0	157.291
	Total inventories	12.115.940	13.084.937
	Trade receivables	5.386.323	7.552.658
	Receivables from subsidiaries	1.029.683	746.997
	Other receivables	248.658	3.229.267
14	Prepayments	194.313	237.614
	Total receivables	6.858.977	11.766.536
	Cash and cash equivalents	1.866	5.271
	Total current assets	18.976.783	24.856.744
	Total assets	60.239.202	62.302.043



Balance sheet at 31 December

All amounts in EUR.

Equity and liabilities		
	2022	2021
Equity		
Contributed capital	1.341.050	1.341.050
Retained earnings	22.416.043	17.661.682
Total equity	23.757.093	19.002.732
Provisions		
Provisions for deferred tax	2.832.053	2.170.542
Total provisions	2.832.053	2.170.542
Liabilities other than provisions		
Lease liabilities	0	0
Total long term liabilities other than provisions	0	0
Current portion of long term liabilities	0	196.714
Prepayments received from customers	1.222.461	710.721
Trade payables	5.314.459	10.653.084
-	25.208.864	28.118.658
		356.390
Other payables	1.237.232	1.093.202
Total short term liabilities other than provisions	33.650.056	41.128.769
Total liabilities other than provisions	33.650.056	41.128.769
Total equity and liabilities	60.239.202	62.302.043
	Equity Contributed capital Retained earnings Total equity Provisions Provisions for deferred tax Total provisions Lease liabilities Itabilities other than provisions Lease liabilities Itabilities Current portion of long term liabilities Prepayments received from customers Trade payables Payables to subsidiaries Income tax payable Other payables Total short term liabilities other than provisions	Equity2022Equity1.341.050Retained earnings22.416.043Total equity23.757.093Provisions23.757.093Provisions for deferred tax2.832.053Total provisions2.832.053Lease liabilities other than provisions0Current portion of long term liabilities0Current portion of long term liabilities0Prepayments received from customers1.222.461Trade payables5.314.459Payables to subsidiaries25.208.864Income tax payable667.040Other payables1.237.232Total liabilities other than provisions33.650.056Total liabilities other than provisions33.650.056

1 Subsequent events

- **3** Fees for auditor
- 18 Charges and security
- 19 Contingencies
- 20 Related parties

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	1.341.050	13.421.909	14.762.959
Profit or loss for the year brought forward	0	4.239.773	4.239.773
Equity 1 January 2022	1.341.050	17.661.682	19.002.732
Profit or loss for the year brought forward	0	4.754.361	4.754.361
	1.341.050	22.416.043	23.757.093



Statement of cash flows 1 January - 31 December

Note	2022	2021
Net profit or loss for the year 21 Adjustments 22 Change in working capital	4.754.361 6.434.703 303.671	4.239.773 4.303.218 1.955.647
Cash flows from operating activities before net financials	11.492.735	10.498.638
Interest received, etc. Interest paid, etc.	0 -498.830	50.986 -268.647
Cash flows from ordinary activities	10.993.905	10.280.977
Income tax paid	-373.319	48.353
Cash flows from operating activities	10.620.586	10.329.330
 Purchase of intangible assets Purchase of property, plant, and equipment Sale of property, plant, and equipment Cash flows from investment activities Repayments of long-term payables Change in cashpool, group Cash flows from investment activities 	-67.154 -9.336.850 1.005.090 -8.398.914 -196.714 -2.028.363 -2.225.077	0 -18.873.049 1.037.541 -17.835.508 -163.264 7.628.592 7.465.328
Change in cash and cash equivalents	-3.405	-40.850
Cash and cash equivalents at 1 January	5.271	46.121
Cash and cash equivalents at 31 December	1.866	5.271
Cash and cash equivalents Cash and cash equivalents	1.866	5.271
Cash and cash equivalents at 31 December	1.866	5.271

All amounts in EUR.

1. Subsequent events

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

		2022	2021
2.	Revenue		
	Turnover, Denmark	6.120.547	4.226.349
	Turnover, Export	46.247.473	45.297.698
		52.368.020	49.524.047
3.	Fees for auditor		
5.	Total fee for Partner Revision, State Authorised Public		
	Accountants	18.007	19.730
	Fee concerning compulsory audit	17.434	18.590
	Tax consultancy	573	0
	Other services	0	1.140
		18.007	19.730
4.	Staff costs		
	Salaries and wages	4.075.932	3.051.023
	Other costs for social security	42.067	36.565
	Other staff costs	115.839	94.722
		4.233.838	3.182.310
	Average number of employees	42	40
	Management cost is not disclosed in accordance with section Statements Act.	n 98b of the Da	nish Financial

5. Other financial expenses

	498.831	268.647
Other financial costs	121.312	11.210
Financial costs, group enterprises	377.519	257.437



		2022	2021
6.	Tax on net profit or loss for the year		
	Tax of the results for the year, parent company	667.040	93.874
	Adjustment for the year of deferred tax	661.511	1.092.032
	Adjustment of tax for previous years	16.929	0
		1.345.480	1.185.906
7.	Duan and distribution of wat musfit		
/.	Proposed distribution of net profit		
	Transferred to retained earnings	4.754.361	4.239.773
	Total allocations and transfers	4.754.361	4.239.773
		31/12 2022	31/12 2021
8.	Completed development projects, including patents and similar rights arising from development projects		
	Cost 1 January	34.000	34.000
	Cost 31 December	34.000	34.000
	Amortisation and writedown 1 January	-34.000	-34.000
	Amortisation and writedown 31 December	-34.000	-34.000
	Carrying amount, 31 December	0	0



		31/12 2022	31/12 2021
9.	Concessions, patents, licenses, trademarks, and similar rights		
	Cost 1 January	254.739	254.739
	Additions during the year	67.154	0
	Transfers	9.707	0
	Cost 31 December	331.600	254.739
	Amortisation and writedown 1 January	-232.629	-164.924
	Amortisation for the year	-28.233	-67.705
	Amortisation and writedown 31 December	-260.862	-232.629
	Carrying amount, 31 December	70.738	22.110
10.	Other fixtures and fittings, tools and equipment		
	Cost 1 January	36.421.080	25.757.982
	Additions during the year	5.796.253	10.246.175
	Disposals during the year	-3.428.002	-1.887.119
	Transfers	8.237.058	2.304.042
	Cost 31 December	47.026.389	36.421.080
	Depreciation and writedown 1 January	-7.624.765	-5.642.397
	Depreciation for the year	-4.535.289	-3.162.155
	Reversal of depreciation, amortisation and writedown, assets disposed of	2.403.532	1.179.787
	Depreciation and writedown 31 December	-9.756.522	-7.624.765
	Carrying amount, 31 December	37.269.867	28.796.315
	Lease assets are recognised at a carrying amount of	551.715	646.066



		31/12 2022	31/12 2021
11.	Property, plant, and equipment under construction and prepayments for property, plant, and equipment		
	Cost 1 January	8.626.874	2.304.042
	Additions during the year	3.540.597	8.626.874
	Disposals during the year	-7.491	0
	Transfers	-8.246.765	-2.304.042
	Cost 31 December	3.913.215	8.626.874
	Carrying amount, 31 December	3.913.215	8.626.874
12.	Investments in group enterprises		
	Acquisition sum, opening balance 1 January	0	426.085
	Disposals during the year	0	-426.085
	Cost 31 December	0	0
	Revaluations, opening balance 1 January	0	-1.771.728
	Results for the year	0	48.650
	Reversals for the year concerning disposals	0	1.723.078
	Revaluation 31 December	0	0
13.	Deposits		
	Cost 1 January	0	5.500
	Additions during the year	8.599	0
	Disposals during the year	0	-5.500
	Cost 31 December	8.599	0
	Carrying amount, 31 December	8.599	0
14.	Prepayments		
	Other prepayments	194.313	237.614
		194.313	237.614



All amounts in EUR.

		31/12 2022	31/12 2021
15.	Contributed capital		
	Contributed capital 1 January	1.341.050	1.341.050
		1.341.050	1.341.050

The share capital consists of 10.001 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.

16. Provisions for deferred tax

Provisions for deferred tax 1 January	2.170.542	1.132.564
Deferred tax of the results for the year	661.511	1.037.978
	2.832.053	2.170.542
The following items are subject to deferred tax:		
Intangible assets	14.239	1.284
Property, plant, and equipment	2.953.526	2.169.258
Prepayments	42.749	0
Provisions	-178.461	0
	2.832.053	2.170.542
Lease liabilities		2.170.542
		2.170.542 196.714
Lease liabilities	2.832.053	

Share of liabilities due after 5 years

18. Charges and security

None.

17.

19. Contingencies

Contingent assets

None.

0

0



All amounts in EUR.

19. Contingencies (continued) Contingent liabilities

The company is part of a Group cash pooling scheme and acts as co.guarantor for the bank debt.

Joint taxation

With Philips Danmark A/S, company reg. no 43 25 30 18 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for 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 jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

20. Related parties

Controlling interest

Koninklijke Philips N.V. Breitner Center, Amselplein 2 Amsterdam, 1070 MX Netherlands

Majority shareholder

Transactions

Transactions with related parties is made on normal market conditions why these are not disclosed in accordance with section 98c Act. 7th of the Danish Financial Statements Act.

Consolidated financial statements

The company is included in the consolidated annunal accounts of Koninklijke Philips N.V.



		2022	2021
21.	Adjustments		
	Depreciation, amortisation, and impairment	4.563.522	3.229.860
	Loss from disposal of non-current assets	26.870	-330.209
	Other financial income	0	-50.986
	Other financial expenses	498.831	268.647
	Tax on net profit or loss for the year	1.345.480	1.185.906
		6.434.703	4.303.218
22.	Change in working conital		
22.	Change in working capital		
	Change in inventories	968.997	-1.476.913
	Change in receivables	4.898.960	-1.630.035
	Change in trade payables and other payables	-5.564.286	5.062.595
		303.671	1.955.647