

Grant Thornton

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Carestream Health ApS

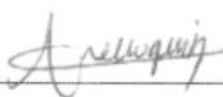
Tonsbakken 16-18, 2740 Skovlunde

Company reg. no. 30 17 75 92

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 18 June 2019.



Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Carestream Health 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.

Skovlunde, 18 June 2019

Managing Director

Lars-Peter Torsten Karlsson

Board of directors

Karine Perroquin
Chairman

Per Larsson



Lars-Peter Torsten Karlsson

Management's report

The board of directors and the managing director have today presented the annual report of Carestream Health 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.

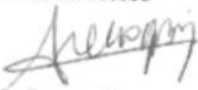
The annual report is recommended for approval by the general meeting.

Skovlunde, 18 June 2019

Managing Director

Lars-Peter Torsten Karlsson

Board of directors


Karine Perroquin
Chairman

Per Larsson

Lars-Peter Torsten Karlsson

Independent auditor's report

To the shareholders of Carestream Health ApS

Opinion

We have audited the annual accounts of Carestream Health 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.

In our opinion, 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 conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit 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 audit 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 audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

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 audit 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 audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

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.

Copenhagen, 18 June 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert
State Authorised Public Accountant
mne32794

Company data

The company

Carestream Health ApS
Tonsbakken 16-18
2740 Skovlunde

Company reg. no. 30 17 75 92
Domicile: Skovlunde
Financial year: 1 January - 31 December

Board of directors

Karine Perroquin, Chairman
Per Larsson
Lars-Peter Torsten Karlsson

Managing Director

Lars-Peter Torsten Karlsson

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

The Company sells on a commission basis, for Carestream Health SA Switzerland, hospital products, including X-ray equipment, X-ray consumables and digital software solutions for X-ray pictures storing and administration og patients.

Development in activities and financial matters

The net turnover for the year is DKK 8.248.315 against DKK 5.194.646 last year. The results from ordinary activities after tax are DKK 385.075 against DKK 1.001.388 last year. The management consider the results satisfactory.

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 Carestream Health 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).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Accounting policies used

The profit and loss account

Net turnover

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 operating income

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs

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 concerns the financial year.

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 balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Accounting policies used

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

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.

Tangible fixed assets

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Technical plants and machinery	5-10 years	0-20 %
Other plants, operating assets, fixtures and furniture	3-8 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Accounting policies used

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.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Liabilities

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>
Net turnover	7.906.863	5.194.646
Other operating income	3.297.070	4.321.820
Other external costs	-3.480.293	-1.787.610
Gross results	7.723.640	7.728.856
1 Staff costs	-6.919.839	-5.691.788
Depreciation and writedown relating to fixed assets	-311.009	-777.013
Operating profit	492.792	1.260.055
2 Other financial income	28.339	29.777
Other financial costs	0	-1.778
Results before tax	521.131	1.288.054
3 Tax on ordinary results	-136.056	-286.666
Results for the year	385.075	1.001.388
 Proposed distribution of the results:		
Allocated to results brought forward	385.075	1.001.388
Distribution in total	385.075	1.001.388

Balance sheet 31 December

All amounts in DKK.

Assets		2018	2017
Note		<u> </u>	<u> </u>
Fixed assets			
4	Acquired concessions, patents, licenses, trademarks and similar rights	41.073	307.792
	Intangible fixed assets in total	<u>41.073</u>	<u>307.792</u>
5	Other plants, operating assets, and fixtures and furniture	80.093	88.178
	Tangible fixed assets in total	<u>80.093</u>	<u>88.178</u>
	Deposits	83.352	83.352
	Financial fixed assets in total	<u>83.352</u>	<u>83.352</u>
	Fixed assets in total	<u>204.518</u>	<u>479.322</u>
Current assets			
	Amounts owed by group enterprises	19.018.470	22.595.797
	Receivable corporate tax	51.868	0
	Accrued income and deferred expenses	5.190	0
	Debtors in total	<u>19.075.528</u>	<u>22.595.797</u>
	Available funds	<u>4</u>	<u>0</u>
	Current assets in total	<u>19.075.532</u>	<u>22.595.797</u>
	Assets in total	<u>19.280.050</u>	<u>23.075.119</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		2018	2017
Note		<u> </u>	<u> </u>
Equity			
6	Contributed capital	126.000	126.000
7	Results brought forward	12.091.943	11.741.210
	Equity in total	<u>12.217.943</u>	<u>11.867.210</u>
Provisions			
	Provisions for pensions and similar obligations	1.099.454	1.135.696
8	Provisions for deferred tax	128.550	178.312
	Provisions in total	<u>1.228.004</u>	<u>1.314.008</u>
Liabilities			
	Trade creditors	37.642	40.316
	Debt to group enterprises	3.681.332	7.680.945
	Corporate tax	0	291.554
	Other debts	2.115.129	1.881.086
	Short-term liabilities in total	<u>5.834.103</u>	<u>9.893.901</u>
	Liabilities in total	<u>5.834.103</u>	<u>9.893.901</u>
	Equity and liabilities in total	<u>19.280.050</u>	<u>23.075.119</u>

9 Related parties

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Salaries and wages	6.391.941	5.140.623
Pension costs	480.563	524.752
Other costs for social security	0	26.413
Other staff costs	47.335	0
	<u>6.919.839</u>	<u>5.691.788</u>
Average number of employees	<u>11</u>	<u>7</u>
2. Other financial income		
Interests, related parties	13.897	14.150
Other financial income	-151	0
Exchange differences	14.593	15.627
	<u>28.339</u>	<u>29.777</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	176.132	448.896
Adjustment for the year of deferred tax	-40.076	-162.230
	<u>136.056</u>	<u>286.666</u>
4. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January	16.185.479	16.185.479
Cost 31 December	<u>16.185.479</u>	<u>16.185.479</u>
Amortisation and writedown 1 January	-15.877.687	-15.139.120
Amortisation for the year	-266.719	-738.567
Amortisation and writedown 31 December	<u>-16.144.406</u>	<u>-15.877.687</u>
Book value 31 December	<u>41.073</u>	<u>307.792</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 January	500.106	458.940
Additions during the year	36.205	41.166
Cost 31 December	536.311	500.106
Depreciation and writedown 1 January	-411.928	-373.478
Depreciation for the year	-44.290	-38.450
Depreciation and writedown 31 December	-456.218	-411.928
Book value 31 December	80.093	88.178
6. Contributed capital		
Contributed capital 1 January	126.000	126.000
	126.000	126.000
7. Results brought forward		
Results brought forward 1 January	11.741.210	10.769.458
Adjustment of pension liability	-44.028	-37.970
Profit or loss for the year brought forward	385.075	1.001.388
Tax of equity adjustments	9.686	8.334
	12.091.943	11.741.210
8. Provisions for deferred tax		
Provisions for deferred tax 1 January	178.312	348.896
Deferred tax of the results for the year	-40.076	-170.584
Deferred tax recognised directly in equity	-9.686	0
	128.550	178.312

Notes

All amounts in DKK.

9. Related parties

Controlling interest

Carestream Health SA
Switzerland

Majority shareholder