

Agfa HealthCare Denmark A/S

Birkerød Kongevej 150 B, DK-3460 Birkerød

CVR no. 30 19 69 96

Annual report for 2016

Adopted at the annual general meeting
on 31 May 2017



Hans Tony Vandewyngaerde
chairman

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Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of Agfa HealthCare Denmark A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Birkerød, 31 May 2017

Executive Board


Franz Tiani

Board of Directors


Ulf Niklas Weckman


Franz Tiani


Hans Tony Vandewyngaerde

Independent auditor's report

To the shareholder of Agfa HealthCare Denmark A/S

Opinion

We have audited the financial statements of Agfa HealthCare Denmark A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 company's financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January - 31 December 2016 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

Independent auditor's report

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.

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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 31 May 2017

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised Public Accountant

Company details

The company	Agfa HealthCare Denmark A/S Birkerød Kongevej 150 B DK-3460 Birkerød CVR no.: 30 19 69 96 Reporting period: 1 January - 31 December Domicile: Birkerød
Board of Directors	Ulf Niklas Weckman Franz Tiani Hans Tony Vandewyngaerde
Executive Board	Franz Tiani
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 Copenhagen
Koncernregnskab	The consolidated financial statements of Agfa HealthCare Denmark A/S may be obtained at the following address: Agfa HealthCare NV Septestraat 27 B-2640 Belgien

Management's review

Business activities

Agfa HealthCare Denmark A/S is a fully owned subsidiary of Agfa HealthCare N.V, a part of the listed corporation Agfa-Gevaert N.V.

Agfa HealthCare Denmark A/S is a provider of IT-enabled clinical workflow and diagnostic image management solutions, and state-of-the-art systems for capturing and processing images in hospitals and healthcare facilities.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 457, and the balance sheet at 31 December 2016 shows equity of DKK 4.206.

Financial review

Agfa HealthCare Denmark A/S will continue as a member of the Agfa-Gevaert Group in the foreseeable future. Currently, there is no risk that the Company will not generate or obtain sufficient resources to continue its operations. The Company may close large contracts for the delivery and implementation of its products on the local market and has a sound order book.

Agfa HealthCare is well-positioned as a provider of digital radiology, IT solutions for radiology and regional imaging solutions and will continue to support and develop clients in the areas of healthcare information, archiving and digital radiology solutions. It is our assessment that the potential market of Agfa HealthCare Denmark is growing with clients who are willing to invest and be innovative in the further development of IT to the healthcare sector.

Agfa HealthCare Denmark is also active in the veterinarian radiology market where we see a strong trend in the switch from CR (computerised radiology) to DR (digital radiology).

Events after the end of reporting period

No events have occurred after the balance sheet date that affect the assessment of the financial statements.

Income statement 1 January - 31 December

	Note	2016 TDKK	2015 TDKK
Gross profit		10.643	8.726
Staff costs	1	-9.999	-8.241
Profit/loss before financial income and expenses		644	485
Financial income	2	97	119
Financial costs	3	-151	-139
Profit/loss before tax		590	465
Tax on profit/loss for the year	4	-133	-134
Net profit/loss for the year		457	331
 Distribution of profit			
Retained earnings		457	331
		457	331

Balance sheet 31 December

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		TDKK	TDKK
Assets			
Trade receivables		15.715	15.665
Receivables from group companies		12.383	13.178
Other receivables		0	62
Deferred tax asset		3	4
Prepayments		553	537
Receivables		<u>28.654</u>	<u>29.446</u>
Current assets total		<u>28.654</u>	<u>29.446</u>
Assets total		<u>28.654</u>	<u>29.446</u>

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> TDKK	<u>2015</u> TDKK
Liabilities and equity			
Share capital		2.650	2.650
Retained earnings		1.556	1.099
Equity	5	<u>4.206</u>	<u>3.749</u>
Trade payables		432	393
Payables to group companies		16.903	19.056
Corporation tax		132	110
Other payables		6.981	6.138
Short-term debt		<u>24.448</u>	<u>25.697</u>
Debt total		<u>24.448</u>	<u>25.697</u>
Liabilities and equity total		<u><u>28.654</u></u>	<u><u>29.446</u></u>
Contingent assets, liabilities and other financial obligations	6		

**Statement of changes in
equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	2.650	1.099	3.749
Net profit/loss for the year	0	457	457
Equity at 31 December 2016	<u>2.650</u>	<u>1.556</u>	<u>4.206</u>

Notes

	<u>2016</u>	<u>2015</u>
	TDKK	TDKK
1 Staff costs		
Wages and salaries	8.969	7.435
Pensions	978	781
Other social security costs	<u>52</u>	<u>25</u>
	<u>9.999</u>	<u>8.241</u>
Average number of employees	<u>14</u>	<u>12</u>
2 Financial income		
Financial income, group companies	0	3
Other financial income	<u>97</u>	<u>116</u>
	<u>97</u>	<u>119</u>
3 Financial costs		
Financial expenses, group companies	7	4
Other financial costs	<u>144</u>	<u>135</u>
	<u>151</u>	<u>139</u>
4 Tax on profit/loss for the year		
Current tax for the year	132	132
Deferred tax for the year	<u>1</u>	<u>2</u>
	<u>133</u>	<u>134</u>

Notes

5 Equity

The share capital consists of:

26.500 shares of DKK 100	<u>2.650.000</u>
	<u>2.650.000</u>

6 Contingent assets, liabilities and other financial obligations

The Company has entered into lease obligations amounting to DKK 1.315 thousand at the balance sheet date (2015: 1.465 thousands).

Agfa HealthCare Denmark A/S has joint and severe unlimited liability with Agfa Graphics Denmark, Danish branch, and Agfa Finance Denmark, Danish branch, for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

Accounting policies

The annual report of Agfa HealthCare Denmark A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with additions from reporting class C medium.

As from 1 January 2016, the company has implemented Act no. 738 of 1 June 2015. The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Besides are the accounting policies consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue comprises commission income which is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT

Other external expenses

Other external charge comprises service costs and advertising and exhibition expenses, office rental, office costs, travel costs, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense and realised and unrealised exchange gains and losses on receivables and payables denominated in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Accounting policies

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.