Vanovi A/S

Jellingvej 30, 9230 Svenstrup J

Company reg. no. 32 93 31 65

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 31 May 2017.

Lars Aaen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of Vanovi A/S for the financial year 1 January to 31 December 2016.

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 consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2016, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2016.

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.

Svenstrup J, 31 May 2017

Managing Director

Anders Fage Jensen

Board of directors

Lars Aaen Chairman	Anders Børsen	Jens Munch-Hansen

Dion Møberg Eriksen

Independent auditor's report

To the shareholders of Vanovi A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Vanovi A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2016 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 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 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and 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 consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group’s and 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 consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and 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 consolidated annual accounts and 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:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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 consolidated annual accounts or 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.

Ikast, 31 May 2017

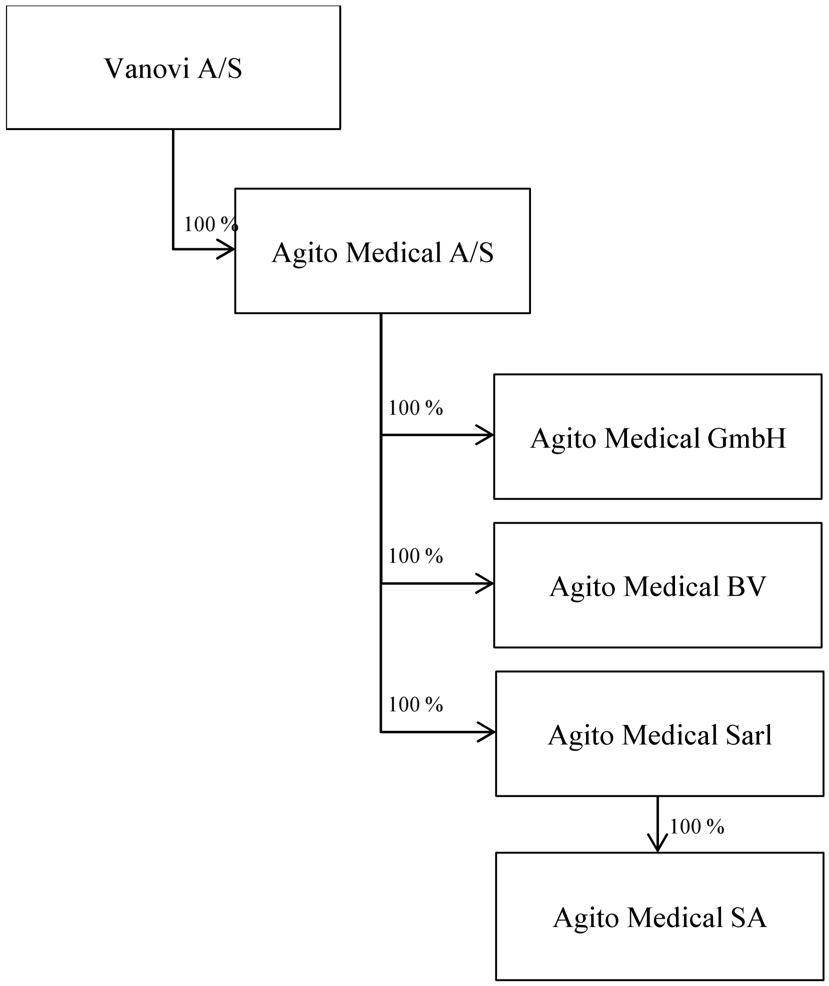
Partner Revision
State Authorised Public Accountants
Company reg. no. 15 80 77 76

Kenn Jensen State Authorised Public Accountant	Lars Ole Mortensen State Authorised Public Accountant

Company data

The company	Vanovi A/S Jellingvej 30 9230 Svenstrup J	
	Company reg. no.	32 93 31 65
	Financial year:	1 January - 31 December
Board of directors	Lars Aaen, Chairman Anders Børsen Jens Munch-Hansen Dion Møberg Eriksen	
Managing Director	Anders Fage Jensen	
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Thrigesvej 3 7430 Ikast	
Bankers	Jyske Bank A/S	
Subsidiaries	Agito Medical A/S, Aalborg Agito Medical BV, Nieuwegein, Holland Agito Medical SARL, Strasbourg, Frankrig Agito Medical S.A., Madrid, Spanien Agito Medical GMBH, Oberkirch, Tyskland	

Group enterprises



Consolidated financial highlights

EUR in thousands.	2016	2015	2014	2013	2012
Profit and loss account:					
Gross profit	8.488	7.421	5.945	7.227	5.886
Results from operating activities	2.344	137	-1.473	809	1.620
Net financials	2.063	-485	-390	-321	-245
Results for the year	3.805	-267	-1.471	105	1.015
Balance sheet:					
Balance sheet sum	18.144	16.401	16.016	17.561	12.625
Investments in tangible fixed assets represent	2.093	2.766	1.437	2.323	2.998
Equity	5.686	2.248	2.571	4.078	3.855
Cash flow:					
Operating activities	1.109	2.519	762	763	757
Investment activities	569	-2.319	-1.362	-3.161	-3.616
Financing activities	1.554	221	691	689	1.771
Cash flow in total	3.232	421	92	-1.709	-1.088
Key figures in %:					
Solvency ratio	31,3	13,9	16,1	23,2	30,5
Return on equity	95,6	-10,6	-45,0	8,9	32,3

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

Management's review

The principal activities of the group

As in previous years, the group's activities consist of the purchase and sale of used medical equipment and any related activities.

Unusual matters

Material misstatements

The group

In 2016, material misstatements have been disclosed in relation to the financial year 2015. The misstatements concern the recognition of the groups's net turnover, the groups's cost of sales, and the determination of the value of the inventories.

All matters adjusted in 2015 affect the groups's results before tax in 2015 by EUR -539.570 and the adjustment of deferred tax by EUR 36.425 respectively. The adjustment affect the group's equity as of 31 December 2015 by EUR -503.145.

Comparative figures and financial ratios have been adjusted accordingly.

Parent enterprise

In 2016, material misstatements have been disclosed in relation to the financial year 2015. The misstatements concern the recognition of the subsidiary.

The adjustment affect the company's results in 2015 by EUR -503.145. The adjustment affect the company's equity as of 31 December 2015 by EUR -503.145.

Comparative figures and financial ratios have been adjusted accordingly.

Development in activities and financial matters

The results from ordinary activities after tax are EUR 3.805.197 against EUR -257.932 last year. The management consider the results satisfactory.

The company operates within 4 different business areas; medical areas; medical equipment, spare part trade, service and rental solutions.

Development of existing markets, secure profitability and secure stability in the company only to mention a few of the areas improced during 2016.

1st January 2016 Lindeq NO AS has been sold. The selloff is a consequence of a more focused strategy for Vanovi where Lindeq NO AS no longer was considered core business.

The selloff have a positive impact on this year's profit at EUR 2.424.265.

Special risks

Price risks:

Management's review

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

Exchange rate risks:
Due to its activities, the company's results, cash flows and enquity are affected by exchange rate and interest rate fluctuations, particulary in USD.

As a general rule, the related currency risks are not hedged, as the company finds that ongoing currence hedging of USD is not optimum considering the overall risk and expense entailed.

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

The expected development

For 2017, the company expects profits in all four business areas through controlled growth.

Events subsequent to the financial year

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

Accounting policies used

The annual report for Vanovi A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

Material misstatements

The group

In 2016, material misstatements have been disclosed in relation to the financial year 2015. The misstatements concern the recognition of the groups's net turnover, the groups's cost of sales, and the determination of the value of the inventories.

All matters adjusted in 2015 affect the groups's results before tax in 2015 by EUR -539.570 and the adjustment of deferred tax by EUR 36.425 respectively. The adjustment affect the group's equity as of 31 December 2015 by EUR -503.145.

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Comparative figures and financial ratios have been adjusted accordingly.

Changes in the accounting policies used

With effect as of 1 January 2016, the company has made an implementation of the Danish law no. 738 of 1 June 2015. This implies the following changes to the recognition and measurement of:

Compilation and presentation of minority interests are shown as in separate item under the management's distribution of the group's profit for the year and as a separate item under the equity. Previously, the results of minority interests were shown in the profit and loss account as a cost and as a separate item under liabilities.

Comparative figures and financial ratios have been adjusted accordingly.

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.

Accounting policies used

Assets are recognised in the balance sheet when the group 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 group 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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Accounting policies used

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Vanovi A/S and those group enterprises of which Vanovi A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Gains or losses from the disposal or termination of group enterprises or associated enterprises are recognised as the difference between the sales price or the termination sum and the book value of the net assets at the sales date and expected costs of sale or termination.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

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.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

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

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.

Amortisation of capital losses and loan costs relating to financial assets and liabilities is recognised on an ongoing basis as financial expenses and financial income, respectively.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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

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

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

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

Gain and loss from the sale of intangible assets 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.

Accounting policies used

Tangible fixed assets
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.

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

The cost comprises the acquisition cost and costs directly attached to 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.

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

Other plants, operating assets, fixtures and furniture	3-15 years

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.

Leasing contracts
At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Accounting policies used

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries enterprises 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

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 and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Accounting policies used

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.

Vanovi A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Vanovi A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

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

The cash flow statement

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

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

All amounts in EUR.

Note		Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
	Gross profit	**8.487.527**	**7.421.465**	**-412.923**	**-514.414**
3	Staff costs	-4.830.876	-5.893.221	-95.000	0
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.267.107	-1.391.445	0	0
	Other operating costs	-45.988	0	0	0
	Operating profit	**2.343.556**	**136.799**	**-507.923**	**-514.414**
	Income from equity investments in group enterprises	2.424.265	0	4.217.541	162.885
	Other financial income from group enterprises	0	0	57.469	60.888
	Other financial income	27.655	41.833	0	24.410
4	Other financial costs	-388.952	-527.236	-60.349	-110.392
	Results before tax	**4.406.524**	**-348.604**	**3.706.738**	**-376.623**
5	Tax on ordinary results	-601.327	81.904	98.459	118.691
6	**Results for the year**	**3.805.197**	**-266.700**	**3.805.197**	**-257.932**

	Group 2016	Group 2015
The Group's results is distributed as follow:		
Shareholders in Vanovi A/S	3.805.197	-257.931
Minority interests	0	-8.769
	3.805.197	**-266.700**

Balance sheet 31 December

All amounts in EUR.

Assets

Note		Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
	Fixed assets				
7	Completed development projects	28.940	120.245	0	0
8	Acquired concessions	37.620	290.159	0	0
	Intangible fixed assets in total	66.560	410.404	0	0
9	Other plants, operating assets, and fixtures and furniture	6.384.775	5.470.150	0	0
10	Tangible assets under construction	58.955	122.776	0	0
	Tangible fixed assets in total	6.443.730	5.592.926	0	0
11	Equity investments in group enterprises	0	0	4.073.230	2.884.403
12	Other debtors	141.190	242.557	0	0
	Financial fixed assets in total	141.190	242.557	4.073.230	2.884.403
	Fixed assets in total	**6.651.480**	**6.245.887**	**4.073.230**	**2.884.403**
	Current assets				
	Manufactured goods and trade goods	6.381.736	5.289.559	0	0
	Inventories in total	6.381.736	5.289.559	0	0
	Trade debtors	3.436.846	2.480.927	0	0
	Amounts owed by group enterprises	0	0	1.114.217	1.253.863
13	Deferred tax assets	396.565	695.566	520.838	421.476
	Receivable corporate tax	0	3.573	0	903
	Other debtors	821.191	1.037.756	3.883	18.567
14	Accrued income and deferred expenses	53.280	166.966	0	0
	Debtors in total	4.707.882	4.384.788	1.638.938	1.694.809
	Available funds	403.316	481.144	229	123
	Current assets in total	**11.492.934**	**10.155.491**	**1.639.167**	**1.694.932**
	Assets in total	**18.144.414**	**16.401.378**	**5.712.397**	**4.579.335**

Balance sheet 31 December

All amounts in EUR.

Note	Equity and liabilities	Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
	Equity				
15	Contributed capital	804.290	804.290	804.290	804.290
	Reserves for net revaluation as per the equity method	0	0	2.732.314	708.119
	Results brought forward	4.461.997	1.471.800	1.729.683	763.681
	Proposed dividend for the financial year	420.000	0	420.000	0
	Equity before non-controlling interest.	5.686.287	2.276.090	5.686.287	2.276.090
	Minority interests	0	-28.310	0	0
	Equity in total	**5.686.287**	**2.247.780**	**5.686.287**	**2.276.090**
	Liabilities				
16	Bank debts	1.716.516	0	0	0
17	Leasing liabilities	2.332.236	2.505.205	0	0
	Long-term liabilities in total	4.048.752	2.505.205	0	0
	Short-term part of long-term liabilities	1.033.174	627.332	0	0
	Bank debts	2.624.671	5.934.778	0	1.071.383
	Trade creditors	3.502.285	3.641.080	18.736	7.400
	Debt to group enterprises	0	0	0	1.216.418
	Corporate tax	25.783	124.610	0	0
	Other debts	1.223.462	1.320.593	7.374	8.044
	Short-term liabilities in total	8.409.375	11.648.393	26.110	2.303.245
	Liabilities in total	**12.458.127**	**14.153.598**	**26.110**	**2.303.245**
	Equity and liabilities in total	**18.144.414**	**16.401.378**	**5.712.397**	**4.579.335**

1 Subsequent events
2 Special items
18 Mortgage and securities
19 Contingencies
20 Related parties

Consolidated statement of changes in equity

All amounts in EUR.

	Contributed capital	Results brought forward	Proposed dividend for the financial year	Minority interests	In total
Equity 1 January	804.290	1.766.368	0	-19.546	2.551.112
Profit or loss for the year brought forward	0	-257.932	0	-8.769	-266.701
Foreign currency translation adjustment	0	-36.636	0	5	-36.631
Equity 1 January	804.290	1.471.800	0	-28.310	2.247.780
Profit or loss for the year brought forward	0	2.990.197	420.000	0	3.410.197
Extraordinary dividend adopted during the financial year	0	395.000	0	0	395.000
Distributed extraordinary dividend adopted during the financial year.	0	-395.000	0	0	-395.000
Sale of group enterprises	0	0	0	28.310	28.310
	804.290	**4.461.997**	**420.000**	**0**	**5.686.287**

Statement of changes in equity of the parent enterprise

All amounts in EUR.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January	804.290	581.872	1.184.497	0	2.570.659
Share of results	0	162.884	-420.816	0	-257.932
Exchange rate adjustments	0	-36.637	0	0	-36.637
Equity 1 January	804.290	708.119	763.681	0	2.276.090
Share of results	0	2.024.195	966.002	420.000	3.410.197
Extraordinary dividend adopted during the financial year	0	0	395.000	0	395.000
Distributed extraordinary dividend adopted during the financial year.	0	0	-395.000	0	-395.000
	804.290	**2.732.314**	**1.729.683**	**420.000**	**5.686.287**

Cash flow statement 1 January - 31 December

All amounts in EUR.

Note		Group 2016	2015
	Results for the year	3.805.197	-266.700
21	Adjustments	-187.352	1.695.953
22	Change in working capital	-2.006.808	1.736.179
	Cash flow from operating activities before net financials	1.611.037	3.165.432
	Interest received and similar amounts	27.656	41.833
	Interest paid and similar amounts	-388.952	-527.236
	Cash flow from ordinary activities	1.249.741	2.680.029
	Corporate tax paid	-140.854	-161.288
	Cash flow from operating activities	**1.108.887**	**2.518.741**
	Purchase of intangible fixed assets	-37.795	-29.498
	Purchase of tangible fixed assets	-2.093.440	-2.766.024
	Sale of tangible fixed assets	314.774	659.656
	Purchase of financial instruments	-27.372	-182.722
	Sale of financial instruments	87.800	0
	Sale of enterprise	2.325.036	0
	Cash flow from investment activities	**569.003**	**-2.318.588**
	Raising of long-term debts	3.023.369	1.388.459
	Repayments of long-term debt	-1.073.980	-1.167.405
	Dividend paid	-395.000	0
	Cash flow from financing activities	**1.554.389**	**221.054**
	Changes in available funds	**3.232.279**	**421.207**
	Available funds 1 January	-5.453.634	-5.874.841
	Available funds 31 December	**-2.221.355**	**-5.453.634**
	Available funds		
	Available funds	403.316	481.144
	Short-term bank debts	-2.624.671	-5.934.778
	Available funds 31 December	**-2.221.355**	**-5.453.634**

Notes

All amounts in EUR.

1. Subsequent events

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

2. Special items

Special items include significant income and expenses of a special nature in proportion to the enterprise's ordinary operating activities.

As mentioned in the management's review, the results for the year are affected by a number of factors that differ from what the management consider a part of the operating profit.

Special items for the year are specified below, showing where these are recognised in the income profit and loss account.

	Parent enterprise	
	2016	2015
Income:		
Profit from sale of group enterprises	2.424.265	0
	2.424.265	0
Special items are recognised in the following items in the annual accounts:		
Income from equity investments in group enterprises	2.424.265	0
Results of special items, net	**2.424.265**	**0**

Notes

All amounts in EUR.

		Group 2016	2015
3.	**Staff costs**		
	Salaries and wages	4.192.355	5.328.995
	Pension costs	205.457	11.075
	Other costs for social security	273.143	376.011
	Other staff costs	159.921	177.140
		4.830.876	**5.893.221**
	Executive board and board of directors	293.394	200.633
	Average number of employees	69	86

		Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
4.	**Other financial costs**				
	Financial costs, group enterprises	0	0	6.942	45.630
	Other financial costs	388.952	527.236	53.407	64.762
		388.952	**527.236**	**60.349**	**110.392**
5.	**Tax on ordinary results**				
	Tax of the results for the year, parent company	164.507	131.591	0	0
	Adjustment for the year of deferred tax	435.917	-213.495	-99.362	-118.691
	Adjustment of tax for previous years	903	0	903	0
		601.327	**-81.904**	**-98.459**	**-118.691**

Notes

All amounts in EUR.

	Parent enterprise 2016	Parent enterprise 2015
6. Proposed distribution of the results		
Extraordinary dividend adopted during the financial year	395.000	0
Reserves for net revaluation as per the equity method	2.024.195	162.884
Dividend for the financial year	420.000	0
Allocated to results brought forward	966.002	0
Allocated from results brought forward	0	-420.816
Distribution in total	**3.805.197**	**-257.932**

	Group 31/12 2016	Group 31/12 2015
7. Completed development projects		
Cost 1 January	406.453	553.468
Disposals during the year	0	-147.015
Cost 31 December	**406.453**	**406.453**
Amortisation and writedown 1 January	-286.208	-320.989
Amortisation for the year	-91.305	-112.234
Reversal of depreciation, amortisation and writedown, assets disposed of	0	147.015
Amortisation and writedown 31 December	**-377.513**	**-286.208**
Book value 31 December	**28.940**	**120.245**

Notes

All amounts in EUR.

		Group 31/12 2016	31/12 2015
8.	**Acquired concessions**		
	Cost 1 January	574.945	545.447
	Additions during the year	37.795	29.498
	Disposals during the year	-560.338	0
	Cost 31 December	**52.402**	**574.945**
	Amortisation and writedown 1 January	-284.786	-171.868
	Amortisation for the year	-107.413	-112.918
	Reversal of depreciation, amortisation and writedown, assets disposed of	377.417	0
	Amortisation and writedown 31 December	**-14.782**	**-284.786**
	Book value 31 December	**37.620**	**290.159**
9.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January	7.893.861	6.092.143
	Additions during the year	2.046.097	2.719.040
	Disposals during the year	-626.778	-1.092.202
	Transfers	99.284	174.880
	Cost 31 December	**9.412.464**	**7.893.861**
	Depreciation and writedown 1 January	-2.423.711	-1.799.039
	Translation by use of the exchange rate valid on balance sheet date 31 December	0	530
	Depreciation, amortisation and writedown for the year, assets disposed of	-913.655	-1.171.799
	Reversal of depreciation, amortisation and writedown, assets disposed of	309.677	546.597
	Depreciation and writedown 31 December	**-3.027.689**	**-2.423.711**
	Book value 31 December	**6.384.775**	**5.470.150**
	Leased assets are included with a book value of	3.743.110	4.391.710

Notes

All amounts in EUR.

		Group 31/12 2016	31/12 2015
10.	**Tangible assets under construction**		
	Cost 1 January	122.776	297.656
	Additions during the year	58.955	0
	Disposals during the year	-23.492	0
	Transfers	-99.284	-174.880
	Cost 31 December	**58.955**	**122.776**
	Book value 31 December	**58.955**	**122.776**

		Parent enterprise 31/12 2016	31/12 2015
11.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January	2.176.281	2.176.281
	Disposals during the year	-835.365	0
	Cost 31 December	**1.340.916**	**2.176.281**
	Revaluations, opening balance 1 January	708.122	581.874
	Translation by use of the exchange rate valid on balance sheet date	0	-36.637
	Results for the year	1.793.276	162.885
	Reversals for the year concerning disposals	625.916	0
	Dividend	-395.000	0
	Revaluation 31 December	**2.732.314**	**708.122**
	Book value 31 December	**4.073.230**	**2.884.403**

Group enterprises:

	Domicile	**Share of ownership**
Agito Medical A/S	Aalborg	100 %
Agito Medical BV	Nieuwegein, Holland	100 %
Agito Medical SARL	Strasbourg, Frankrig	100 %
Agito Medical S.A.	Madrid, Spanien	100 %
Agito Medical GMBH	Oberkirch, Tyskland	100 %

Notes

All amounts in EUR.

		Group 31/12 2016	Group 31/12 2015
12.	**Other debtors**		
	Cost 1 January	242.557	59.835
	Additions during the year	27.372	182.722
	Disposals during the year	-128.739	0
	Cost 31 December	**141.190**	**242.557**
	Book value 31 December	**141.190**	**242.557**

		Group 31/12 2016	Group 31/12 2015	Parent enterprise 31/12 2016	Parent enterprise 31/12 2015
13.	**Deferred tax assets**				
	Deferred tax assets 1 January	695.566	482.071	421.476	302.785
	Adjustment for the year of deferred tax	-435.918	213.495	99.362	118.691
	Adjustment of primo	136.917	0	0	0
		396.565	**695.566**	**520.838**	**421.476**
	The following items are subject to deferred tax:				
	Intangible fixed assets	-6.424	-83.884	0	0
	Tangible fixed assets	-322.939	-161.476	0	0
	Current assets	-22.000	36.424	0	0
	Losses brought forward from previous years, group enterprises	215.767	23.110	0	0
	Losses brought forward from previous years	532.161	881.392	520.838	421.476
		396.565	**695.566**	**520.838**	**421.476**

Losses brought forward are expted to be used in future profit.

Notes

All amounts in EUR.

	Group 31/12 2016	Group 31/12 2015
14. Accrued income and deferred expenses		
Other prepayments	53.280	166.966
	53.280	**166.966**

	Group 31/12 2016	Group 31/12 2015	Parent enterprise 31/12 2016	Parent enterprise 31/12 2015
15. Contributed capital				
Contributed capital 1 January	804.290	804.290	804.290	804.290
	804.290	**804.290**	**804.290**	**804.290**

The share capital consists of 120.000 shares, each with a nominal value of 6,7 EUR. No shares hold particular rights.

	Group 31/12 2016	Group 31/12 2015
16. Bank debts		
Bank debts in total	2.122.790	0
Share of amount due within 1 year	-406.274	0
	1.716.516	**0**
Share of liabilities due after 5 years	215.471	0
17. Leasing liabilities		
Leasing liabilities in total	2.959.136	3.132.537
Share of amount due within 1 year	-626.900	-627.332
	2.332.236	**2.505.205**
Share of liabilities due after 5 years	621.525	859.597

Notes

All amounts in EUR.

18. Mortgage and securities

The company has issued a security for bank debts, EUR 0, has been granted on equity investment in group enterprice a book value of EUR 4.073.230 of 31 December 2016.

For bank debts, EUR 4.208.290, the group has provided security in company assets representing a nominal value of EUR 3.362.746. This security comprises the below assets, stating the book values:

Inventories	EUR 6.317.211
Receivable from sales and services	EUR 2.268.481
Domain names and rights	EUR 65.887
Other plant, fixtures and fittings, tools and equipment	EUR 2.574.269

Other plants, operating assets, fixtures and furniture, all representing a book value of EUR 3.743.110 at 31 December 2016, cf. note , have been financed by means of financial leasing. At 31 December 2016, the liabilities of this financial leasing amount to EUR 2.959.136.

19. Contingencies

Contingent liabilities

The group has entered into leasing agreements at an annual lease payment of EUR 129.657. The total liability amounts to EUR 151.853.

The company has furnished of guarantee whereby the guarantor assumes primary liability for the bank debts of subsidiary. The guarantee is unlimeted. On 31 December 2016 the total bank debts of the subsidary were EUR 4.208.290.

The Company has provided payment guarantee of EUR 240.000 for the bank debts for group enterprises.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Notes

All amounts in EUR.

. **Contingencies (continued)**

Joint taxation (continued)

The total tax payable under the joint taxation amounts to EUR 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

20. Related parties

Transactions

Transactions with related parties is made on normal market conditions.

	Group 2016	2015
21. Adjustments		
Depreciation and amortisation	1.267.118	1.396.951
Profit from sale of fixed assets	-19.191	-113.264
Income from equity investments in group enterprises	-2.424.265	0
Other financial income	-27.655	-41.833
Other financial costs	388.952	527.236
Tax on ordinary results	601.327	-81.904
Other adjustments	26.362	8.767
	-187.352	**1.695.953**

	Group 2016	2015
22. Change in working capital		
Change in inventories	-1.092.177	141.586
Change in debtors	-808.225	854.268
Change in trade creditors and other liabilities	-106.406	740.325
	-2.006.808	**1.736.179**