Vanovi A/S

Jellingvej 30, 9230 Svenstrup J

Company reg. no. 32 93 31 65

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 18 May 2018.

Anders Fage Jensen
Chairman of the meeting

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 EUR 146.940 is the same as the English amount of EUR 146,940, and that 23,5 % is the same as the English 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 2017.

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 2017, 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 2017.

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, 18 May 2018

Managing Director

Anders Fage Jensen

Board of directors

Yvan Seppl M Mertens Chairman	Mats Olof Henrik Hammarskiöld Johnels	Nicolai Astrup Mandrup

Anders Fage Jensen

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 2017, 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 2017 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 2017 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, 18 May 2018

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

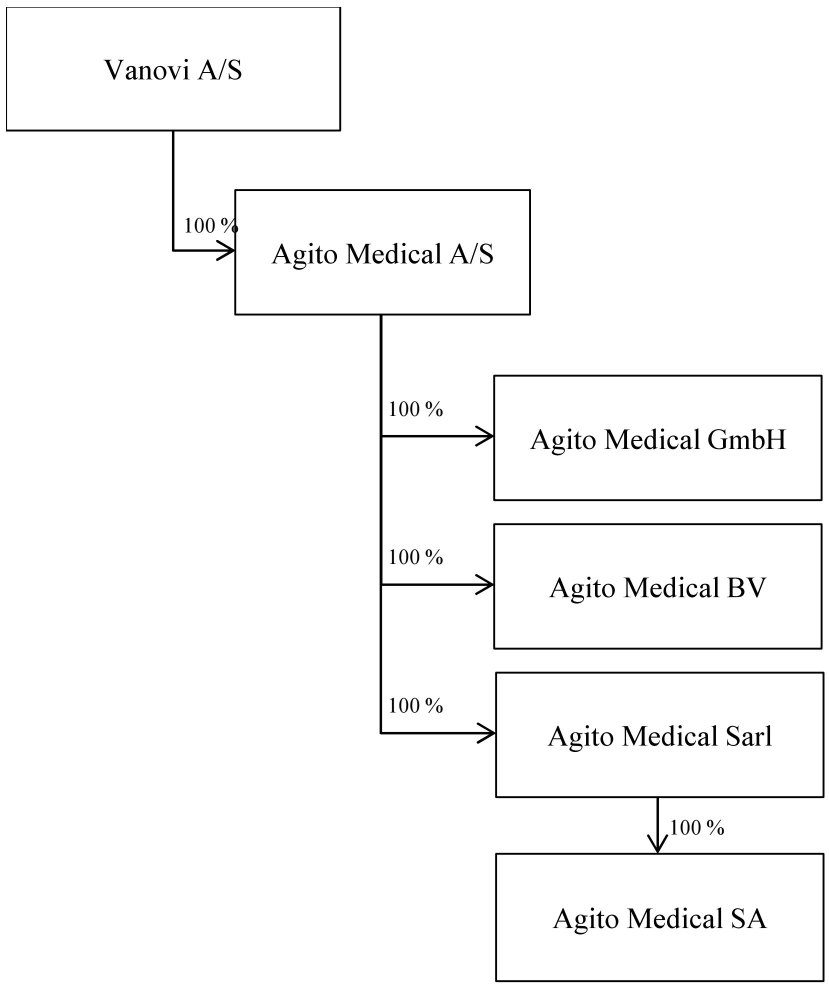
Kenn Jensen
State Authorised Public Accountant
MNE-nr. 24692

Lars Ole Mortensen
State Authorised Public Accountant
MNE-nr. 16538

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	Yvan Seppl M Mertens, Chairman Mats Olof Henrik Hammarskiöld Johnels Nicolai Astrup Mandrup Anders Fage Jensen
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.	2017	2016	2015	2014	2013
Profit and loss account:					
Gross profit	7.014	8.488	7.421	5.945	7.227
Results from operating activities	996	2.344	137	-1.473	809
Net financials	-296	2.063	-485	-390	-321
Results for the year	398	3.805	-267	-1.471	105
Balance sheet:					
Balance sheet sum	19.551	18.144	16.401	16.016	17.561
Investments in tangible fixed assets represent	351	2.093	2.766	1.437	2.323
Equity	5.664	5.686	2.248	2.571	4.078
Cash flow:					
Operating activities	1.291	1.109	2.519	762	763
Investment activities	-465	569	-2.319	-1.362	-3.161
Financing activities	-1.491	1.554	221	691	689
Cash flow in total	-665	3.232	421	92	-1.709
Key figures in %:					
Solvency ratio	29,0	31,3	13,9	16,1	23,2
Return on equity	7,0	95,6	-10,6	-45,0	8,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

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.

Development in activities and financial matters

The results from ordinary activities after tax are EUR 397.912 against EUR 3.805.197 last year. The management consider the results less satisfactory.

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

Special risks

Price risks:
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 2018, the company expects profits in all four business areas through controlled growth.

Events subsequent to the financial year

After the financial year Koninklijke Philips N.V. have purchase the contribute capital of Vanovi A/S.

Apart from the above no events have occurred subsequent to the balance sheet date, which 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).

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

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 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.

Accounting policies used

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.

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.

Accounting policies used

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.

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.

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.

Accounting policies used

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.

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).

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.

Accounting policies used

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.teksteg

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.

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.

Profit and loss account 1 January - 31 December

All amounts in EUR.

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Gross profit	**7.014.073**	**8.487.527**	**-117.340**	**-412.923**
2	Staff costs	-4.967.112	-4.830.876	0	-95.000
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.034.696	-1.267.107	0	0
	Other operating costs	-16.500	-45.988	0	0
	Operating profit	**995.765**	**2.343.556**	**-117.340**	**-507.923**
	Income from equity investments in group enterprises	0	2.424.265	475.342	4.217.541
	Other financial income from group enterprises	0	0	40.163	57.469
	Other financial income	7.589	27.655	0	0
3	Other financial costs	-303.874	-388.952	-15.543	-60.349
	Results before tax	**699.480**	**4.406.524**	**382.622**	**3.706.738**
4	Tax on ordinary results	-301.568	-601.327	15.290	98.459
5	**Results for the year**	**397.912**	**3.805.197**	**397.912**	**3.805.197**
	The Group's results is distributed as follow:				
	Shareholders in Vanovi A/S	397.912	3.805.197		
		397.912	**3.805.197**		

Balance sheet 31 December

All amounts in EUR.

Assets

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Fixed assets				
6	Completed development projects	25.149	28.940	0	0
7	Acquired concessions	105.383	37.620	0	0
	Intangible fixed assets in total	130.532	66.560	0	0
8	Other plants, operating assets, and fixtures and furniture	5.561.441	6.384.775	0	0
9	Tangible assets under construction	228.128	58.955	0	0
	Tangible fixed assets in total	5.789.569	6.443.730	0	0
10	Equity investments in group enterprises	0	0	4.548.572	4.073.230
11	Other debtors	146.448	141.190	0	0
	Financial fixed assets in total	146.448	141.190	4.548.572	4.073.230
	Fixed assets in total	**6.066.549**	**6.651.480**	**4.548.572**	**4.073.230**
	Current assets				
	Manufactured goods and trade goods	9.493.869	6.381.736	0	0
	Inventories in total	9.493.869	6.381.736	0	0
	Trade debtors	2.766.304	3.436.846	0	0
	Amounts owed by group enterprises	0	0	609.084	1.114.217
12	Deferred tax assets	416.662	396.565	536.128	520.838
	Receivable corporate tax	42.207	0	0	0
	Other debtors	200.375	821.191	0	3.883
13	Accrued income and deferred expenses	84.188	53.280	0	0
	Debtors in total	3.509.736	4.707.882	1.145.212	1.638.938
	Available funds	480.957	403.316	102	229
	Current assets in total	**13.484.562**	**11.492.934**	**1.145.314**	**1.639.167**
	Assets in total	**19.551.111**	**18.144.414**	**5.693.886**	**5.712.397**

Balance sheet 31 December

All amounts in EUR.

Equity and liabilities

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Equity				
14	Contributed capital	804.290	804.290	804.290	804.290
	Reserves for net revaluation as per the equity method	0	0	3.207.656	2.732.314
	Results brought forward	4.859.909	4.461.997	1.652.253	1.729.683
	Proposed dividend for the financial year	0	420.000	0	420.000
	Equity before non-controlling interest.	5.664.199	5.686.287	5.664.199	5.686.287
	Equity in total	**5.664.199**	**5.686.287**	**5.664.199**	**5.686.287**
	Liabilities				
15	Bank debts	1.310.895	1.716.516	0	0
16	Leasing liabilities	1.726.587	2.332.236	0	0
	Long-term liabilities in total	3.037.482	4.048.752	0	0
	Short-term part of long-term liabilities	973.006	1.033.174	0	0
	Bank debts	3.367.603	2.624.671	0	0
	Prepayments received from customers	618.354	0	0	0
	Trade creditors	4.275.582	3.502.285	29.687	18.736
	Corporate tax	239.866	25.783	0	0
	Other debts	1.375.019	1.223.462	0	7.374
	Short-term liabilities in total	10.849.430	8.409.375	29.687	26.110
	Liabilities in total	**13.886.912**	**12.458.127**	**29.687**	**26.110**
	Equity and liabilities in total	**19.551.111**	**18.144.414**	**5.693.886**	**5.712.397**

1 Subsequent events

17 Mortgage and securities

18 Contingencies

19 Related parties

Consolidated statement of changes in equity

All amounts in EUR.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	Minority interests	In total
Equity 1 January 2016	804.290	0	1.471.800	0	-28.310	2.247.780
Share of results	0	0	2.990.197	420.000	0	3.410.197
Extraordinary dividend adopted during the financial year	0	0	395.000	0	0	395.000
Distributed extraordinary dividend adopted during the financial year.	0	0	-395.000	0	0	-395.000
Sale of group enterprises	0	0	0	0	28.310	28.310
Equity 1 January 2017	804.290	0	4.461.997	420.000	0	5.686.287
Distributed dividend	0	0	0	-420.000	0	-420.000
Share of results	0	0	397.912	0	0	397.912
	804.290	**0**	**4.859.909**	**0**	**0**	**5.664.199**

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 2016	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
Equity 1 January 2017	804.290	2.732.314	1.729.683	420.000	5.686.287
Distributed dividend	0	0	0	-420.000	-420.000
Share of results	0	475.342	-77.430	0	397.912
	804.290	**3.207.656**	**1.652.253**	**0**	**5.664.199**

Cash flow statement 1 January - 31 December

All amounts in EUR.

Note		Group 2017	2016
	Results for the year	397.912	3.805.197
20	Adjustments	1.639.759	-187.352
21	Change in working capital	-358.259	-2.006.808
	Cash flow from operating activities before net financials	1.679.412	1.611.037
	Interest received and similar amounts	7.590	27.656
	Interest paid and similar amounts	-303.874	-388.952
	Cash flow from ordinary activities	1.383.128	1.249.741
	Corporate tax paid	-92.210	-140.854
	Cash flow from operating activities	**1.290.918**	**1.108.887**
	Purchase of intangible fixed assets	-108.973	-37.795
	Purchase of tangible fixed assets	-350.540	-2.093.440
	Sale of tangible fixed assets	0	314.774
	Purchase of financial fixed assets	-5.258	-27.372
	Sale of financial fixed assets	0	87.800
	Sale of enterprise	0	2.325.036
	Cash flow from investment activities	**-464.771**	**569.003**
	Raising of long-term debts	0	3.023.369
	Repayments of long-term debt	-1.071.438	-1.073.980
	Dividend paid	-420.000	-395.000
	Cash flow from financing activities	**-1.491.438**	**1.554.389**
	Changes in available funds	**-665.291**	**3.232.279**
	Available funds 1 January	-2.221.355	-5.453.634
	Available funds 31 December	**-2.886.646**	**-2.221.355**

	Available funds		
	Available funds	480.957	403.316
	Short-term bank debts	-3.367.603	-2.624.671
	Available funds 31 December	**-2.886.646**	**-2.221.355**

Notes

All amounts in EUR.

1. Subsequent events

After the financial year Koninklijke Philips N.V. have purchase the contribute capital of Vanovi A/S.

Apart from the above no events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the group.

	Group 2017	Group 2016
2. Staff costs		
Salaries and wages	4.306.065	4.192.355
Pension costs	293.125	205.457
Other costs for social security	248.909	273.143
Other staff costs	119.013	159.921
	4.967.112	**4.830.876**
Executive board and board of directors	305.382	293.394
Average number of employees	66	69

	Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
3. Other financial costs				
Financial costs, group enterprises	0	0	0	6.942
Other financial costs	303.874	388.952	15.543	53.407
	303.874	**388.952**	**15.543**	**60.349**
4. Tax on ordinary results				
Tax of the results for the year, parent company	262.132	164.507	0	0
Adjustment for the year of deferred tax	39.436	435.917	-15.290	-99.362
Adjustment of tax for previous years	0	903	0	903
	301.568	**601.327**	**-15.290**	**-98.459**

Notes

All amounts in EUR.

		Parent enterprise 2017	2016
5.	**Proposed distribution of the results**		
	Extraordinary dividend adopted during the financial year	0	395.000
	Reserves for net revaluation as per the equity method	475.342	2.024.195
	Dividend for the financial year	0	420.000
	Allocated to results brought forward	0	966.002
	Allocated from results brought forward	-77.430	0
	Distribution in total	**397.912**	**3.805.197**

		Group 31/12 2017	31/12 2016
6.	**Completed development projects**		
	Cost 1 January	406.453	406.453
	Additions during the year	25.905	0
	Cost 31 December	**432.358**	**406.453**
	Amortisation and writedown 1 January	-377.513	-286.208
	Amortisation for the year	-29.696	-91.305
	Amortisation and writedown 31 December	**-407.209**	**-377.513**
	Book value 31 December	**25.149**	**28.940**

Notes

All amounts in EUR.

		Group 31/12 2017	31/12 2016
7.	**Acquired concessions**		
	Cost 1 January	52.402	574.945
	Additions during the year	83.068	37.795
	Disposals during the year	0	-560.338
	Cost 31 December	**135.470**	**52.402**
	Amortisation and writedown 1 January	-14.782	-284.786
	Amortisation for the year	-15.305	-107.413
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	377.417
	Amortisation and writedown 31 December	**-30.087**	**-14.782**
	Book value 31 December	**105.383**	**37.620**

		Group 31/12 2017	31/12 2016
8.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January	9.412.464	7.893.861
	Additions during the year	181.367	2.046.097
	Disposals during the year	-50.000	-626.778
	Transfers	0	99.284
	Cost 31 December	**9.543.831**	**9.412.464**
	Depreciation and writedown 1 January	-3.027.689	-2.423.711
	Depreciation, amortisation and writedown for the year, assets disposed of	-989.701	-913.655
	Reversal of depreciation, amortisation and writedown, assets disposed of	35.000	309.677
	Depreciation and writedown 31 December	**-3.982.390**	**-3.027.689**
	Book value 31 December	**5.561.441**	**6.384.775**
	Leased assets are included with a book value of	2.677.042	3.743.110

Notes

All amounts in EUR.

		Group 31/12 2017	Group 31/12 2016
9.	**Tangible assets under construction**		
	Cost 1 January	58.955	122.776
	Additions during the year	169.173	58.955
	Disposals during the year	0	-23.492
	Transfers	0	-99.284
	Cost 31 December	**228.128**	**58.955**
	Book value 31 December	**228.128**	**58.955**

		Parent enterprise 31/12 2017	Parent enterprise 31/12 2016
10.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January	1.340.916	2.176.281
	Disposals during the year	0	-835.365
	Cost 31 December	**1.340.916**	**1.340.916**
	Revaluations, opening balance 1 January	2.732.314	708.122
	Results for the year	475.342	1.793.276
	Reversals for the year concerning disposals	0	625.916
	Dividend	0	-395.000
	Revaluation 31 December	**3.207.656**	**2.732.314**
	Book value 31 December	**4.548.572**	**4.073.230**

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 2017	Group 31/12 2016
11.	**Other debtors**		
	Cost 1 January	141.190	242.557
	Additions during the year	14.264	27.372
	Disposals during the year	-9.006	-128.739
	Cost 31 December	**146.448**	**141.190**
	Book value 31 December	**146.448**	**141.190**

		Group 31/12 2017	Group 31/12 2016	Parent enterprise 31/12 2017	Parent enterprise 31/12 2016
12.	**Deferred tax assets**				
	Deferred tax assets 1 January	396.565	695.566	520.838	421.476
	Adjustment for the year of deferred tax	12.301	-435.918	15.290	99.362
	Adjustment of primo	7.796	136.917	0	0
		416.662	**396.565**	**536.128**	**520.838**
	The following items are subject to deferred tax:				
	Intangible fixed assets	-17.723	-6.424	0	0
	Tangible fixed assets	-341.164	-322.939	0	0
	Current assets	15.455	-22.000	0	0
	Losses brought forward from previous years, group enterprises	233.974	215.767	0	0
	Losses brought forward from previous years	526.120	532.161	536.128	520.838
		416.662	**396.565**	**536.128**	**520.838**

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

Notes

All amounts in EUR.

		Group 31/12 2017	Group 31/12 2016
13.	**Accrued income and deferred expenses**		
	Other prepayments	84.188	53.280
		84.188	**53.280**

		Group 31/12 2017	Group 31/12 2016	Parent enterprise 31/12 2017	Parent enterprise 31/12 2016
14.	**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 2017	Group 31/12 2016
15.	**Bank debts**		
	Bank debts in total	1.715.239	2.122.790
	Share of amount due within 1 year	-404.344	-406.274
		1.310.895	**1.716.516**
	Share of liabilities due after 5 years	106.959	215.471
16.	**Leasing liabilities**		
	Leasing liabilities in total	2.295.249	2.959.136
	Share of amount due within 1 year	-568.662	-626.900
		1.726.587	**2.332.236**
	Share of liabilities due after 5 years	320.879	621.525

Notes

All amounts in EUR.

17. 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 4.548.572 of 31 December 2017.

For bank debts, EUR 4.703.080, the group has provided security in company assets representing a nominal value of EUR 3.358.003. This security comprises the below assets, stating the book values:

Inventories	EUR 8.676.557
Receivable from sales and services	EUR 2.156.994
Domain names and rights	EUR 130.204
Other plant, fixtures and fittings, tools and equipment	EUR 3.017.975

Other plants, operating assets, fixtures and furniture, all representing a book value of EUR 2.677.042 at 31 December 2017, cf. note , have been financed by means of financial leasing. At 31 December 2017, the liabilities of this financial leasing amount to EUR 2.295.249.

18. Contingencies

Contingent liabilities

The group has entered leasing agreements regarding rent of premises at an annual lease payment of EUR 130.991. The rent during the termination period is EUR 97.313.

The company has furnished of guarantee whereby the guarantor assumes primary liability for the bank debts of a subsidiary. The guarantee is unlimeted. On 31 December 2017 the total bank debts of the subsidary were EUR 4.703.080.

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 liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of EUR 240 thousand.

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

19. Related parties

Transactions

Transactions with related parties is made on normal market conditions why no further information is disclosed cf. ÅRL § 98 C pc. 7.

	Group 2017	Group 2016
20. Adjustments		
Depreciation and amortisation	1.034.702	1.267.118
Loss from sale of fixed assets	15.000	-19.191
Income from equity investments in group enterprises	0	-2.424.265
Other financial income	-7.589	-27.655
Other financial costs	303.874	388.952
Tax on ordinary results	301.568	601.327
Other adjustments	-7.796	26.362
	1.639.759	**-187.352**

	Group 2017	Group 2016
21. Change in working capital		
Change in inventories	-3.112.133	-1.092.177
Change in debtors	1.234.954	-808.225
Change in trade creditors and other liabilities	1.518.920	-106.406
	-358.259	**-2.006.808**