

Edema ApS
Skanderborgvej 234, 8260 Viby J

Company reg. no. 34 70 87 03

Annual report

2015/16

The annual report have been submitted and approved by the general meeting on the 28 February 2017.

Klaus Østergaard
Chairman of the meeting

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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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Edema ApS for the financial year 1 October 2015 to 30 September 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 annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 September 2016 and of the company's results of its activities in the financial year 1 October 2015 to 30 September 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.

Viby J, 28 February 2017

Managing Director

Klaus Østergaard

Board of directors

Thomas Knudsen

Torben Vilsgaard

John Michael Hasenkam

The independent auditor's reports

To the shareholder of Edema ApS

Report on the annual accounts

We have audited the annual accounts of Edema ApS for the financial year 1 October 2015 to 30 September 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 September 2016 and of the results of the company's operations for the financial year 1 October 2015 to 30 September 2016 in accordance with the Danish Financial Statements Act.

Emphasis of matter paragraph on matters in the accounts

Without qualifying our opinion we draw attention to "Management's review" where it is stated that the Company has lost its share capital at 30 September 2016. This matter together with the other matters mentioned in the "Management's review" indicate that there is significant uncertainty which may cause doubt as regards the Company's possibility to continue as going concern.

Without modifying our opinion we draw attention to the Company having capitalised intangible assets amounting DKK 1.030k at 30 September 2016. As is stated in "Management's review" at present there is significant uncertainty relating to the final sales potential of the developed plant and thus significant uncertainty relating to the valuation of the fixed assets. We agree in Management's mention of the uncertainties and Management's choice of accounting policy.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

DK-8450 Hammel, 28 February 2017

Kvist & Jensen

Kvist & Jensen State Authorized Public Accountants
Company reg. no. 36 71 77 85

Johannes Simonsen

State Authorised Public Accountant

Company data

The company	Edema ApS Skanderborgvej 234 8260 Viby J
	Company reg. no. 34 70 87 03 Established: 18 September 2012 Domicile: Aarhus Financial year: 1 October - 30 September
Board of directors	Thomas Knudsen Torben Vilsgaard John Michael Hasenkam
Managing Director	Klaus Østergaard
Auditors	Kvist & Jensen Statsautoriseret Revisionspartnerselskab
Bankers	Sparekassen Kronjylland
Parent company	Ohmatex ApS

Management's review

The principal activities of the company

The Company's objective is development, production, marketing and sale of medical/biological measurement equipment in relation to excessive accumulation of fluid and business in relation hereto.

Uncertainties as to recognition or measurement

Based on the present development results, it is Management's opinion that the Company's future cash flow will be sufficient to maintain the carrying amount of the capitalised development projects

Consequently, at 30 September 2016 DKK 1.030k has been capitalised regarding the Company's development projects. The value of these depend on the final sales potential. There is thus significant uncertainty in relation to the value hereof.

It is Management's assessment that the valuation of the Company's development projects is sound.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -49k against DKK -84k last year. The management consider the results unsatisfactory.

Capital resources:

At 30 september 2016 the Company has lost its entire share capital. In accordance with the Danish Companies Act it is thus Company Management's responsibility to account for the Company's financial position, including is necessary proposed measurements to be taken.

The Company expects to re-establish the share capital through expected future operations with sale of stockings. Management has secured the necessary funding to continue the Company's operations.

In accordance with the above, Management presents the Financial Statements under the presumption of going concern.

Events subsequent to the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting policies used

The annual report for Edema ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Other external costs

Other external costs comprise costs for administration, .

Costs concerning investment property

Costs concerning investment property comprise operation costs, repair and maintenance costs, taxes, charges and other costs. Costs concerning the heating account are recognised in the balance sheet as a balance among the lessees.

Net financials

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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.

Accounting policies used

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

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 10 years.

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.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

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

Profit and loss account 1 October - 30 September

All amounts in DKK.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Other external costs	-4.045	-61.192
Operating profit	-4.045	-61.192
1 Other financial costs	-45.340	-43.051
Results before tax	-49.385	-104.243
Tax on ordinary results	0	20.408
Results for the year	-49.385	-83.835
 Proposed distribution of the results:		
Allocated from results brought forward	-49.385	-83.835
Distribution in total	-49.385	-83.835

Balance sheet 30 September

All amounts in DKK.

Assets		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Fixed assets		
2 Development projects in progress	1.029.787	1.029.787
Intangible fixed assets in total	<u>1.029.787</u>	<u>1.029.787</u>
Fixed assets in total	<u>1.029.787</u>	<u>1.029.787</u>
Current assets		
Tax receivables from group enterprises	0	35.901
Other debtors	<u>9.271</u>	<u>38.271</u>
Debtors in total	<u>9.271</u>	<u>74.172</u>
Available funds	<u>4.131</u>	<u>14.131</u>
Current assets in total	<u>13.402</u>	<u>88.303</u>
Assets in total	<u>1.043.189</u>	<u>1.118.090</u>

Balance sheet 30 September

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Equity			
3	Contributed capital	90.000	90.000
4	Results brought forward	-224.315	-174.930
	Equity in total	-134.315	-84.930
Liabilities			
	Debt to group enterprises	0	1.145.363
	Long-term liabilities in total	0	1.145.363
	Trade creditors	4.000	4.000
	Debt to group enterprises	1.173.504	53.657
	Short-term liabilities in total	1.177.504	57.657
	Liabilities in total	1.177.504	1.203.020
	Equity and liabilities in total	1.043.189	1.118.090

5 Contingencies

Notes

All amounts in DKK.

	<u>2015/16</u>	<u>2014/15</u>
1. Other financial costs		
Financial costs, group enterprises	45.340	43.051
	<u>45.340</u>	<u>43.051</u>
2. Development projects in progress		
Cost 1 October 2015	1.029.787	990.166
Additions during the year	<u>0</u>	<u>39.621</u>
Cost 30 September 2016	<u>1.029.787</u>	<u>1.029.787</u>
Book value 30 September 2016	<u>1.029.787</u>	<u>1.029.787</u>
3. Contributed capital		
Contributed capital 1 October 2015	90.000	90.000
	<u>90.000</u>	<u>90.000</u>
4. Results brought forward		
Results brought forward 1 October 2015	-174.930	-91.095
Profit or loss for the year brought forward	<u>-49.385</u>	<u>-83.835</u>
	<u>-224.315</u>	<u>-174.930</u>

5. Contingencies**Joint taxation**

STG Growth APS, company reg. no 35889620 being the administration company, the company is 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.