

**Edema ApS**  
Skanderborgvej 234, 8260 Viby J

Company reg. no. 34 70 87 03

**Annual report**

**2017/18**

The annual report have been submitted and approved by the general meeting on the 26 February 2019.

---

Thomas Knudsen  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management's review</b>	
Company data	5
Management's review	6
<b>Annual accounts 1 October 2017 - 30 September 2018</b>	
Profit and loss account	7
Balance sheet	8
Notes	10
Accounting policies used	11

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 2017 to 30 September 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 September 2018 and of the company's results of its activities in the financial year 1 October 2017 to 30 September 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Viby J, 31 January 2019

### **Managing Director**

Klaus Østergaard

### **Board of directors**

Thomas Knudsen

Torben Vilsgaard

John Michael Hasenkam

## **Independent auditor's report**

---

### **To the shareholders of Edema ApS**

#### **Opinion**

We have audited the annual accounts of Edema ApS for the financial year 1 October 2017 to 30 September 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 September 2018 and of the results of the company's operations for the financial year 1 October 2017 to 30 September 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

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

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

## **Independent auditor's report**

---

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

## **Independent auditor's report**

---

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

DK-8450 Hammel, 31 January 2019

### **Kvist & Jensen**

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

Johannes Simonsen

State Authorised Public Accountant  
mne11802

## 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**

Smart Textile Group A/S

## **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.

There has been no activities in previous year.

### **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 2018 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's 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 -57.000 against DKK -54.000 last year. The management consider the results unsatisfactory, but as expected.

Capital resources:

At 30 september 2018 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.



**Profit and loss account 1 October - 30 September**

All amounts in DKK.

<u>Note</u>	<u>2017/18</u>	<u>2016/17</u>
Other external costs	-8.000	-6.188
<b>Gross results</b>	<b>-8.000</b>	<b>-6.188</b>
1 Other financial costs	-48.691	-47.801
<b>Results before tax</b>	<b>-56.691</b>	<b>-53.989</b>
Tax on ordinary results	0	0
<b>Results for the year</b>	<b>-56.691</b>	<b>-53.989</b>
 <b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-56.691	-53.989
<b>Distribution in total</b>	<b>-56.691</b>	<b>-53.989</b>

**Balance sheet 30 September**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Fixed assets</b>		
Development projects in progress and prepayments for intangible fixed assets	1.029.787	1.029.787
Intangible fixed assets in total	1.029.787	1.029.787
<b>Fixed assets in total</b>	<b>1.029.787</b>	<b>1.029.787</b>
<b>Current assets</b>		
Other debtors	0	9.568
Debtors in total	0	9.568
Available funds	1.596	3.035
<b>Current assets in total</b>	<b>1.596</b>	<b>12.603</b>
<b>Assets in total</b>	<b>1.031.383</b>	<b>1.042.390</b>

**Balance sheet 30 September**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Equity</b>			
2	Contributed capital	90.000	90.000
3	Results brought forward	-334.995	-278.304
	<b>Equity in total</b>	<b>-244.995</b>	<b>-188.304</b>
<b>Liabilities</b>			
	Trade creditors	6.000	4.000
	Debt to group enterprises	1.270.378	1.226.694
	Short-term liabilities in total	1.276.378	1.230.694
	<b>Liabilities in total</b>	<b>1.276.378</b>	<b>1.230.694</b>
	<b>Equity and liabilities in total</b>	<b>1.031.383</b>	<b>1.042.390</b>

**4 Contingencies**

## Notes

---

All amounts in DKK.

	<u>2017/18</u>	<u>2016/17</u>
<b>1. Other financial costs</b>		
Financial costs, group enterprises	48.684	46.940
Other financial costs	<u>7</u>	<u>861</u>
	<b><u>48.691</u></b>	<b><u>47.801</u></b>
	<u>30/9 2018</u>	<u>30/9 2017</u>
<b>2. Contributed capital</b>		
Contributed capital 1 October 2017	<u>90.000</u>	<u>90.000</u>
	<b><u>90.000</u></b>	<b><u>90.000</u></b>
<b>3. Results brought forward</b>		
Results brought forward 1 October 2017	-278.304	-224.315
Profit or loss for the year brought forward	<u>-56.691</u>	<u>-53.989</u>
	<b><u>-334.995</u></b>	<b><u>-278.304</u></b>
<b>4. Contingencies</b>		
<b>Joint taxation</b>		
STG Growth APS, company reg. no 35889620 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.		

## 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.

#### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

#### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The 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 refer to the development activities.

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.

## **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 10 years.

### **Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated 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. Writedown relating to goodwill is not reversed.

### **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.