

Intelligent Hospital Systems ApS

c/o Plesner Advokatfirma

Amerika Plads 37, DK-2100 København Ø

CVR no. 35 05 21 43



Annual report 2016

Approved at the Company's annual general meeting on 28 June 2017

Chairman:



.....
Niels Erik Hansen

Contents

Statement by Management on the annual report	2
Independent auditor's report	3
Management' review	5
Management commentary	5
Financial statements 1 January – 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Intelligent Hospital Systems ApS for the financial year 1 January - 31 December 2016.

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

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 June 2017
Executive Board:



Niels Erik Hansen

Board of Directors:



Niels Erik Hansen
Chairman



Kathy Goertzen



Independent auditor's report

To the shareholder of Intelligent Hospital Systems ApS

Opinion

We have audited the financial statements of Intelligent Hospital Systems ApS for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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


Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 June 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Søren Gammelgaard
State Authorised
Public Accountant

Management' review

Management commentary

Principal activities of the Company

The principal activities of the Company are ownership of investments in subsidiaries.

Development in activities and financial matters

The Company holds currently no investments and had no activities in 2016.

The Company realised a loss of DKK 19,525 and has lost more than half of its share capital as the negative equity amounts to DKK 291,966 at 31 December 2016.

It is the opinion of Management that the share capital of the Company will be recovered through a combination of injection of additional capital from the parent company and income from future planned investments.

The Company has received a letter of support from its parent company in order to secure sufficient funding during 2017.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2016	2015
	Gross loss	-19,209	-51,800
	Financial income		0
	Financial expenses	-316	-41
	Profit/loss before tax	-19,525	-51,841
	Tax for the year	0	0
	Profit/loss for the year	-19,525	-51,841
	Recommended appropriation of profit/loss		
	Transferred to reserves under equity	-19,525	-51,841

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2016	2015
	Current assets		
	Receivables		
	Other receivables	0	0
		0	0
	Cash	0	0
	Total current assets	0	0
	TOTAL ASSETS	0	0
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	-371,966	-352,441
	Total equity	-291,966	-272,441
	Current liabilities		
	Payables to group entities	236,750	184,250
	Other payables	55,216	88,191
	Total current liabilities	291,966	272,441
	Total liabilities	291,966	272,441
	TOTAL EQUITY AND LIABILITIES	0	0

- 1 Accounting policies
- 2 Material uncertainty related to going concern

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2015	80,000	-300,600	0	-220,600
Transfer, see "Appropriation of profit/loss"	0	-51,841	0	-51,841
Equity at 1 January 2016	80,000	-352,441	0	-272,441
Transfer, see "Appropriation of profit/loss"	0	-19,525	0	-19,525
Equity at 31 December 2016	80,000	-371,966	0	-291,966

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Intelligent Hospital Systems ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015.

Apart from new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

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

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items other external expenses and other operating income are consolidated into one item designated "gross loss".

Other operating income

Other operating income comprises items secondary to the Company's activities.

Other external expenses

Other external expenses comprise expenses relating administration etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on transactions denominated in foreign currencies.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Liabilities

Financial liabilities comprising trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Material uncertainty related to going concern

The Company has lost more than 50% of its share capital and reports a negative equity of DKK 291,966 at 31 December 2016 and the Company has payables of DKK 291,966. The Company has received a letter of support from its parent company in order to provide sufficient funding for 2017.

Based upon the letter of support, Management has used the going concern basis of accounting in preparing the financial statements.