
Corporatehealth International ApS

Forskerparken 10 A, DK-5230 Odense M

Annual Report for 1 January - 31 December 2016

CVR No 36 53 96 90

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/5 2017

Mads Spanggaard
Rasmussen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Corporatehealth International ApS for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 30 May 2017

Executive Board

Hagen Roland Wenzek

Christoph Cornelius Glismann

Board of Directors

Mads Spanggard Rasmussen
Chairman

Erdogan Okatan

Christoph Cornelius Glismann

Hagen Roland Wenzek

Practitioner's Statement on Compilation of Financial Statements

To the Management of Corporatehealth International ApS

We have compiled the Financial Statements of Corporatehealth International ApS for the financial year 1 January - 31 December 2016 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Odense, 30 May 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Erik Jacobsen

statsautoriseret revisor

Company Information

The Company

Corporatehealth International ApS
Forskerparken 10 A
DK-5230 Odense M

CVR No: 36 53 96 90
Financial period: 1 January - 31 December
Municipality of reg. office: Odense

Board of Directors

Mads Spanggard Rasmussen, Chairman
Erdogan Okatan
Christoph Cornelius Glismann
Hagen Roland Wenzek

Executive Board

Hagen Roland Wenzek
Christoph Cornelius Glismann

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
Postboks 370
DK-5100 Odense C

Management's Review

Financial Statements of CorporateHealth International ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Background

CorporateHealth International ApS (CHI) provides IT-enabled healthcare services to establish a new, scalable delivery model for optimized gastrointestinal disease investigations. Built upon standard workflows, centralized diagnostics and broadly leveraged IT for process innovation and automation, patients in many cases can be kept out of the classical clinical environment. This decreases costs and enables large scale roll-outs. Eventually, every person with a gastrointestinal disease should have the chance to get diagnosed early and everyone at risk of colorectal cancer (CRC) should be able to get a non-invasive, minimal-risk screening.

Development in the year

The income statement of the Company for 2016 shows a loss of EUR 176,848, and at 31 December 2016 the balance sheet of the Company shows equity of EUR 335,766.

The foundation of CHI's business rests on clinical and field trials conducted by established research institutions and/or hospitals that CHI supports with a full range of services. In a successfully completed clinical trial at Odense University Hospital (OUH), CHI's "Home-Delivered Colon Capsule Endoscopy" service was leveraged to compare its medical accuracy with a standard colonoscopy for screening patients (publication pending). A second trial to compare that service with CT Colonography for patients with an incomplete colonoscopy was started shortly after completion of the first trial in Summer 2016 within the same environment. A third trial of CRC surveillance patients at OUH is prepared under "Good Clinical Practice" -guidelines as a pharmaceutical trial to assess the effectiveness of three different booster agents starting spring of 2017.

Danish operations also support service delivery for private patients and standard clinical investigations for small bowel and colon across Denmark, as well as provides remote services and training in newly developed markets. One such market is Scotland, where a standard service delivery contract for small bowel reading services at Raigmore Hospital in Inverness, led to a promising field trial in the Scottish Highlands and Islands. Supported by the NHS, Innovate UK Catapult SA and Highlands and Island Enterprise, it is being investigated if and how general practitioners could provide key aspects of the video capsule delivery to increase primary care provisioning and decrease patients' travel efforts. This led to the development of the "GP-enabled small bowel video endoscopy" product of CHI.

To support the UK customers and accelerate market development, CorporateHealth International UK Ltd was incorporated in Edinburgh, UK, December 2016 as a 100% subsidiary to CorporateHealth International ApS.

Analysis of the capsule videos itself continues to centrally operate out of Hamburg, Germany. To strengthen the CHI governance structure, a separate company, CorporateHealth Germany GmbH, was incorporated in the summer 2016 as a 100% subsidiary to CorporateHealth International ApS to manage

Management's Review

all diagnostic services and medically related activities.

To enhance the sales capacity in markets where CHI team members are not directly selling projects and services themselves, multiple distribution agreements in The Nordics, Austria and Switzerland. It is expected that sales through these channels will become meaningful in 2017.

CHI's financial situation has been strengthened by converting bonds from Welfare Tech Invest, Denmark, and FOS Capital International, New York, into preferred shares and by securing a 6M DKK loan facility from Vaekstfonden.

CHI continues to improve its proprietary IT platform "iSPEED" to support workflows from patient management, logistics, to report generation with a strong emphasis on quality management and process compliance. Automated integration with specific clinical systems is being put in place through established partner sundhed.dk for Danish clients as well as new partners such as openbroly of Scotland for the NHS. Further improvements such as multi-language support for report generation are being developed.

Overall by the end of 2016, CHI has been able to prove its quality in clinical trials, its innovation in field trials, and its market competence by actively servicing patients in now three countries. Further development is needed to transition from many pilot activities to sustainable delivery. However, with a presence in eight European markets and a service delivery system designed to scale, the foundation for growth in the coming years has been established.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2016 EUR	2015 EUR
Gross profit/loss		-136.678	-61.675
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-16.795	-2.312
Profit/loss before financial income and expenses		-153.473	-63.987
Financial income		556	268
Financial expenses		-73.654	-18.634
Profit/loss before tax		-226.571	-82.353
Tax on profit/loss for the year	1	49.723	19.367
Net profit/loss for the year		-176.848	-62.986

Distribution of profit

Proposed distribution of profit

Retained earnings		-176.848	-62.986
		-176.848	-62.986

Balance Sheet 31 December

Assets

	Note	2016 EUR	2015 EUR
Development projects in progress		760.035	353.551
Intangible assets	2	760.035	353.551
Other fixtures and fittings, tools and equipment		60.566	18.493
Property, plant and equipment	3	60.566	18.493
Investments in subsidiaries	4	25.000	0
Fixed asset investments		25.000	0
Fixed assets		845.601	372.044
Inventories		16.243	19.960
Trade receivables		4.610	33.693
Other receivables		23.422	16.534
Corporation tax		168.572	79.146
Prepayments		110	0
Receivables		196.714	129.373
Cash at bank and in hand		10.151	673
Currents assets		223.108	150.006
Assets		1.068.709	522.050

Balance Sheet 31 December

Liabilities and equity

	Note	2016 EUR	2015 EUR
Share capital		9.644	6.800
Retained earnings		326.122	-62.986
Equity		335.766	-56.186
Provision for deferred tax		99.482	59.779
Provisions		99.482	59.779
Credit institutions		0	22.888
Convertible and profit-yielding instruments of debt		0	311.891
Payables to owners and Management		78.602	22.784
Other payables		252.244	0
Long-term debt	5	330.846	357.563
Credit institutions	5	38.361	13.400
Payables to owners and Management	5	0	40.000
Other payables	5	264.254	107.494
Short-term debt		302.615	160.894
Debt		633.461	518.457
Liabilities and equity		1.068.709	522.050
Accounting Policies	6		

Statement of Changes in Equity

	Share capital	Share premium	Retained	Total
	EUR	account	earnings	EUR
	EUR	EUR	EUR	EUR
Equity at 1 January	6.800	0	-267.775	-260.975
Net effect of correction of material misstatements	0	0	204.790	204.790
Adjusted equity at 1 January	6.800	0	-62.985	-56.185
Cash capital increase	2.844	565.955	0	568.799
Net profit/loss for the year	0	0	-176.848	-176.848
Transfer from share premium account	0	-565.955	565.955	0
Equity at 31 December	9.644	0	326.122	335.766

Notes to the Financial Statements

	2016 EUR	2015 EUR
1 Tax on profit/loss for the year		
Current tax for the year	-89.426	-21.385
Deferred tax for the year	39.703	2.018
	-49.723	-19.367

2 Intangible assets

	Development projects in progress EUR
Cost at 1 January	353.551
Additions for the year	406.484
Cost at 31 December	760.035
Carrying amount at 31 December	760.035

The Company is developing IT-enabled service products for video capsule endoscopy.

The first service product being built is "Home-Delivered Colon Capsule Endoscopy". Phase 1 is completed and the pilot of phase 2 is currently running in 2 parallel trials. Final production development in phase 3 is expected to take approx. 6 months after phase 2.

The development of a second service product has been initiated in September 2016: "GP-enabled small bowel video capsule endoscopy". A field trial provides the framework for phase 1, concluding in June 2017. Preparations for phase 2 are ongoing, which is expected to run for 9 months also in Scotland.

Management continuously evaluates market possibilities and conducts in-market experiments. Management assesses that there is a positive market potential of the services.

Notes to the Financial Statements

3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost at 1 January	20.805
Additions for the year	58.868
Cost at 31 December	79.673
Impairment losses and depreciation at 1 January	2.312
Depreciation for the year	16.795
Impairment losses and depreciation at 31 December	19.107
Carrying amount at 31 December	60.566

4 Investments in subsidiaries

	2016 EUR	2015 EUR
Cost at 1 January	0	0
Additions for the year	25.000	0
Carrying amount at 31 December	25.000	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
CorporateHealth Germany GmbH	Hamburg	EUR 25.000	100%
CorporateHealth International UK Ltd	Edinburgh	GBP 1.000	100%

Notes to the Financial Statements

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2016 EUR	2015 EUR
Credit institutions		
Between 1 and 5 years	0	22.888
Long-term part	0	22.888
Other short-term debt to credit institutions	38.361	13.400
	38.361	36.288
Convertible and profit-yielding instruments of debt		
Between 1 and 5 years	0	311.891
Long-term part	0	311.891
Within 1 year	0	0
	0	311.891
Payables to owners and Management		
Between 1 and 5 years	78.602	22.784
Long-term part	78.602	22.784
Within 1 year	0	0
Other short-term debt to owners and Management	0	40.000
	78.602	62.784
Other payables		
After 5 years	90.451	0
Between 1 and 5 years	161.793	0
Long-term part	252.244	0
Within 1 year	16.487	0
Other short-term payables	247.767	107.494
Short-term part	264.254	107.494
	516.498	107.494

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of Corporatehealth International ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in EUR.

Correction of material misstatements

During the compilation of the annual report for 2016, Management has noted a material misstatement in the annual report for 2015. The misstatement relates to the recognition of development projects in progress. The misstatement has been corrected in the 2015 figures and this has affected the result before by EUR 262.551, and after tax by EUR 204.790. Equity has been increased correspondingly.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Notes to the Financial Statements

6 Accounting Policies (continued)

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

6 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

6 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning subscriptions.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

6 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.