

PULS DANMARK A/S

Baggeskærvej 48, DK-7400 Herning

ANNUAL REPORT 2018

1 JANUARY – 31 DECEMBER 2018

CVR 37 22 94 90

The Annual Report was presented and
adopted at
the Annual General Meeting of the
Company on *10/4-19*


Chairman

puls
et selskab i handicare

CONTENTS

STATEMENTS

Management's Statement	2
Independent Auditor's Report	3

MANAGEMENT'S REVIEW

Company Information	6
Management's review	7

FINANCIAL STATEMENTS

Income Statement 1 January – 31 December 2018	8
Balance Sheet 31 December 2018	9
Statements on changes in equity	11
Notes to the Annual Report	12
Accounting Policies	15

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Puls Danmark A/S for the financial year 1 January-31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

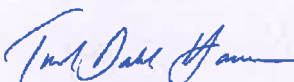
In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January-31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the Review.

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

Herring, 5 April 2019

Executive Board



Trond Dahl Hansen
Adm. Director

Board of Directors



Stephan Ferenc Peter H M Révay
Chairman



Trond Dahl Hansen



Håvard Eliassen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Puls Danmark A/S

Opinion

We have audited the financial statements of Puls Danmark A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant 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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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.

INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.
- 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 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 financial statements, including the note 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 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.

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, 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.

Herning, 5 April 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR-no 30 70 02 28



Lene Thorgård Andersen

State Authorised Public Accountant

mne42790

COMPANY INFORMATION

The Company	Puls Danmark A/S Baggeskærvej 48 DK-7400 Herning CVR no: 37 22 94 90 Financial Year: 1 January – 31 December Municipality of reg. office: Herning, Denmark
Board of Directors	Stephan Ferenc Peter H M Révay, Chairman Trond Dahl Hansen Håvard Eliassen
Executive Board	Trond Dahl Hansen (adm. director)
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Industrivej Nord 9 7400 Herning
Bankers	DNB
Consolidated Financial Statements	The Company is included in the Consolidated Financial Statements of Puls AS, Strømsveien 344, 1081 Oslo, Norway

MANAGEMENT'S REVIEW

Main activity

The main activity of the Company is sale of assistive devices for disabled people. The customers primarily consist of institutions, hospitals and other health services.

Business Review

The Company's income statement for the year ended 31 December 2018 shows a loss of k.DKK 735 and the balance sheet at 31 December 2018 shows equity of k.DKK 4,777.

Management considers the Company's financial performance in the year less satisfactory.

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 2018

	Note	2018 DKK	2017 DKK
Gross profit		1.490.311	1.516.758
Staff expenses	1	-1.652.814	-1.409.923
Depreciation of tangible assets		-597.012	-3.092.408
Profit before financial income and expenses		-759.515	-2.985.573
Financial income	2	100	4.047
Financial expenses	3	-16.706	-71
Profit before tax		-776.121	-2.981.597
Tax on profit/loss for the year	4	41.500	-20.108
Net profit for the year		-734.621	-3.001.705
Distribution of profit			
Retained earnings		-734.621	-3.001.705
		-734.621	-3.001.705

BALANCE SHEET 31 DECEMBER

	Note	2018 DKK	2017 DKK
Assets			
Goodwill		1.557.754	2.137.426
Intangible assets	5	1.557.754	2.137.426
Other fixtures and fittings, tools and equipment		24.293	41.633
Property, plant and equipment	6	24.293	41.633
Fixed assets in total		1.582.047	2.179.059
Inventories	7	1.725.686	1.791.893
Trade receivables		1.198.342	718.716
Receivables from group enterprises		2.075.523	2.091.424
Other receivables		244.817	0
Deferred tax asset		41.500	0
Prepayments		70.834	19.203
Receivables		3.631.016	2.829.343
Current assets in total		5.356.702	4.621.236
Assets		6.938.749	6.800.295

BALANCE SHEET 31 DECEMBER

	Note	2018 DKK	2017 DKK
Liabilities and equity			
Share capital		1.000.000	1.000.000
Retained earnings		3.776.609	4.511.230
Equity		4.776.609	5.511.230
Credit institutions		13.346	0
Trade payables		722.360	397.445
Payables to group enterprises		350.631	189.223
Corporation tax		93.218	93.218
Other payables		982.585	609.179
Short-term debt		2.162.140	1.289.065
Total debt		2.162.140	1.289.065
Liabilities and equity		6.938.749	6.800.295
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

STATEMENT ON CHANGES IN EQUITY

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity 1 January 2017	1.000.000	7.512.935	8.512.935
Net profit for the year	0	-3.001.705	-3.001.705
Equity 1 January 2018	1.000.000	4.511.230	5.511.230
Net profit for the year	0	-734.621	-734.621
Equity 31 December 2018	1.000.000	3.776.609	4.776.609

NOTES TO THE ANNUAL REPORT

	2018	2017
	DKK	DKK
1 Staff expenses		
Wages and salaries	1.523.371	1.237.658
Pensions	98.679	117.332
Other social security expenses	15.696	16.219
Other staff expenses	15.068	38.714
	1.652.814	1.409.923
Average number of employees	2	2
2 Financial income		
Other financial income	100	533
Exchange adjustments	0	3.514
	100	4.047
3 Financial expenses		
Other financial expenses	179	71
Exchange adjustments	16.527	0
	16.706	71
4 Tax on profit/loss for the year		
Current tax for the year	0	20.108
Deferred tax for the year	-41.500	0
	-41.500	20.108

NOTES TO THE ANNUAL REPORT

	<u>Goodwill</u>
	DKK
5 Intangible assets	
Cost at 1 January 2018	5.796.770
Additions for the year	<u>0</u>
Cost at 31 December 2018	<u>5.796.770</u>
Impairment losses and depreciation at 1 January 2018	3.659.344
Depreciation for the year	<u>579.672</u>
Impairment losses and depreciation at 31 December 2018	<u>4.239.016</u>
Carrying amount at 31 December 2018	<u>1.557.754</u>
Depreciated over	<u>10 years</u>
	Other fixtures and fittings, tools and equipment
	DKK
6 Property, plant and equipment	
Cost at 1 January 2018	61.056
Additions for the year	<u>0</u>
Cost at 31 December 2018	<u>61.056</u>
Impairment losses and depreciation at 1 January 2018	19.423
Depreciation for the year	<u>17.340</u>
Impairment losses and depreciation at 31 December 2018	<u>36.763</u>
Carrying amount at 31 December 2018	<u>24.293</u>
Depreciated over	<u>3-5 years</u>

NOTES TO THE ANNUAL REPORT

	2018	2017
	DKK	DKK
7 Inventories		
Finished goods and goods for resale	1.725.686	1.791.893
8 Contingent assets, liabilities and other financial obligations		
Lease commitments		
Total future commitment from rental contracts and operational lease contracts:		
Within 1 year	170.000	91.000
Between 1 and 5 years	0	83.000
After 5 years	0	0
	170.000	174.000

Security

The Company has not provided any security or other collateral in assets at 31 December 2018.

Contingent liabilities

The Danish enterprises of the Group are jointly and severally liable for the tax on the Group's jointly taxed income etc. Handicare Auto A/S is the management company in the joint taxation.

9 Related parties and ownership

Controlling interest

Puls AS, Oslo, Norge (parent company)

Handicare Group AB, Stockholm, Sweden (ultimate owner)

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Puls AS, Oslo, Norge

Consolidated Financial Statements

The Company is included in the Group Annual Report of Puls AS, Oslo, Norge.

The Group Annual Report for Puls AS may be obtained on the following address:

Strømsveien 344, 1081 Oslo, Norge

ACCOUNTING POLICIES

BASIS OF PREPARATION

The Financial Statements of Puls Danmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and elective choice of certain provisions applying to enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2018 is presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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 recognized 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner (DKK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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

ACCOUNTING POLICIES

the exchange rates at the balance sheet date and the transaction date rates 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

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place before year end and that income can be measured reliably and is expected to be received. The date of transfer of the most significant rewards and risks is based on standardized terms of delivery based on Incoterms 2010.

Revenue 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 expenses for premises, sales and distribution as well as administration expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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 comprise interest, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that related to transactions taken to equity is recognized in equity.

The entity is jointly taxed with other Danish group related entities. The total Danish income tax charge is allocated between profit/loss making Danish entities in proportion to their taxable income (full absorption).

ACCOUNTING POLICIES

The jointly taxed enterprises have adopted the on-account taxation scheme. Handicare Auto A/S is administrator in the joint taxation.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. The amortization period for intangible assets exceeds 5 years due to the long term nature of the investments made

Goodwill depreciates over 10 years.

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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
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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

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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 in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

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

Receivables

Receivables are measured at amortised cost.

ACCOUNTING POLICIES

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.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity - dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff 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.

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 onaccount taxation scheme are recognised in the income statement in financial income and expenses.