

## **BioTelemetry Technology ApS**

Tuborg Boulevard 1  
2900 Hellerup  
Business Registration No  
37552534

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 06.09.2019

**Chairman of the General Meeting**



Name: Joseph Capper

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## Entity details

### Entity

BioTelemetry Technology ApS

Tuborg Boulevard 1

2900 Hellerup

Central Business Registration No (CVR): 37552534

Registered in: Gentofte

Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Peter Ferola

Joseph Capper

Heather Getz

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of BioTelemetry Technology ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 06.09.2019

### Executive Board

Peter Ferola



Joseph Capper



Heather Getz



## Independent auditor's report

### To the shareholders of BioTelemetry Technology ApS

#### Opinion

We have audited the financial statements of BioTelemetry Technology ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 the 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 these financial statements.

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

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary 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 commentary 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 commentary.

### **Violation of company law and similar legislation**

Without qualifying our opinion, we point out that, pursuant to the provisions of section 138 of the Danish Financial Statements Act, the Company has not presented the annual report for the period 01.01.2018 – 31.12.2018 in time, for which reason Management may be held liable.

Copenhagen, 06.09.2019

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Jan Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne16541

## Management commentary

### Primary activities

The Entity's primary activity is manufacturing and distribution of medical instruments and equipment.

### Development in activities and finances

The deficit for the year was DKK 698 thousand. The deficit is in line with the expectations and is not considered satisfactory.

The company sold its intangible assets to the parent company during the financial year, which has reduced the company's activity.

The company's parent company, Braemar Manufacturing, LLC, has provided a letter of intent to grant financial assistance to the company in the financial year 01.01.2019-31.12.2019, so that the company can pay and settle its obligations as they fall due.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross loss</b>		<b>(1.012.122)</b>	<b>(2.530.077)</b>
Staff costs	1	434.868	(7.370.836)
Depreciation, amortisation and impairment losses	2	<u>(115.702)</u>	<u>(5.306.424)</u>
<b>Operating profit/loss</b>		<b>(692.956)</b>	<b>(15.207.337)</b>
Other financial expenses		<u>(5.457)</u>	<u>(16.450)</u>
<b>Profit/loss for the year</b>		<b><u>(698.413)</u></b>	<b><u>(15.223.787)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(698.413)</u>	<u>(15.223.787)</u>
		<b><u>(698.413)</u></b>	<b><u>(15.223.787)</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK</u>
Acquired intangible assets		0	110.465
Acquired patents		0	15.156.441
Acquired trademarks		0	0
Goodwill		0	19.387.664
<b>Intangible assets</b>	<b>3</b>	<b>0</b>	<b>34.654.570</b>
Plant and machinery		0	1.570.914
Other fixtures and fittings, tools and equipment		0	730.478
Leasehold improvements		0	12.503
<b>Property, plant and equipment</b>	<b>4</b>	<b>0</b>	<b>2.313.895</b>
<b>Fixed assets</b>		<b>0</b>	<b>36.968.465</b>
Manufactured goods and goods for resale		0	65.119
<b>Inventories</b>		<b>0</b>	<b>65.119</b>
Trade receivables		0	419.262
Receivables from group enterprises		25.035.806	4.649.556
Other receivables		161.840	288.939
Prepayments		0	117.494
<b>Receivables</b>		<b>25.197.646</b>	<b>5.475.251</b>
<b>Cash</b>		<b>293.882</b>	<b>396.318</b>
<b>Current assets</b>		<b>25.491.528</b>	<b>5.936.688</b>
<b>Assets</b>		<b>25.491.528</b>	<b>42.905.153</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK</u>
Contributed capital		50.000	50.000
Retained earnings		15.600.304	16.298.717
<b>Equity</b>		<b><u>15.650.304</u></b>	<b><u>16.348.717</u></b>
Trade payables		15.241	487.861
Payables to group enterprises		9.000.302	22.288.003
Other payables		825.681	3.780.572
<b>Current liabilities other than provisions</b>		<b><u>9.841.224</u></b>	<b><u>26.556.436</u></b>
<b>Liabilities other than provisions</b>		<b><u>9.841.224</u></b>	<b><u>26.556.436</u></b>
<b>Equity and liabilities</b>		<b><u>25.491.528</u></b>	<b><u>42.905.153</u></b>
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		

**Statement of changes in equity for 2018**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50.000	16.298.717	16.348.717
Profit/loss for the year	0	(698.413)	(698.413)
<b>Equity end of year</b>	<b>50.000</b>	<b>15.600.304</b>	<b>15.650.304</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	(429.835)	7.210.652
Other social security costs	(5.033)	160.184
	<b>(434.868)</b>	<b>7.370.836</b>
Average number of employees	<b>0</b>	

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	1.071.666	1.972.750
Impairment losses on intangible assets	0	2.821.329
Depreciation of property, plant and equipment	329.756	512.345
Profit/loss from sale of intangible assets and property, plant and equipment	(1.285.720)	0
	<b>115.702</b>	<b>5.306.424</b>

	<b>Acquired intangible assets DKK</b>	<b>Acquired patents DKK</b>	<b>Acquired trademarks DKK</b>	<b>Goodwill DKK</b>
<b>3. Intangible assets</b>				
Cost beginning of year	171.271	18.371.444	656.123	23.500.199
Disposals	(171.271)	(18.371.444)	(656.123)	(23.500.199)
<b>Cost end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(60.806)	(3.215.003)	(656.123)	(4.112.535)
Amortisation for the year	(110.465)	(612.380)	0	(348.821)
Reversal regarding disposals	171.271	3.827.383	656.123	4.461.356
<b>Amortisation and impairment losses end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Notes

	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>4. Property, plant and equipment</b>			
Cost beginning of year	1.986.210	890.648	81.106
Additions	94.479	0	0
Disposals	<u>(2.080.689)</u>	<u>(890.648)</u>	<u>(81.106)</u>
<b>Cost end of year</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
Depreciation and impairment losses beginning of year	(415.296)	(160.170)	(68.603)
Depreciation for the year	(234.874)	(82.379)	(12.503)
Reversal regarding disposals	<u>650.170</u>	<u>242.549</u>	<u>81.106</u>
<b>Depreciation and impairment losses end of year</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Carrying amount end of year</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
		<b>2018</b>	<b>2017</b>
		<b>DKK</b>	<b>DKK</b>
<b>5. Unrecognised rental and lease commitments</b>			
Liabilities under rental or lease agreements until maturity in total		<u>0</u>	<u>154.644</u>

### 6. Assets charged and collateral

The Entity has provided a collateral on a pledged cash account with DKK 150.000 for security for bank-engagement.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when the buyer receives the services. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

## Accounting policies

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Balance sheet

#### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.



## Accounting policies

### Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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