

BioTelemetry Technology ApS

Venlighedsvej 4

2970 Hørsholm

Central Business Registration No

37552534

Annual report 2016

The Annual General Meeting adopted the annual report on 04.08.2017

Chairman of the General Meeting

Name: Joseph Capper

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Entity details

Entity

BioTelemetry Technology ApS
Venlighedsvej 4
2970 Hørsholm

Central Business Registration No: 37552534

Registered in: Rudersdal

Financial year: 16.03.2016 - 31.12.2016

Executive Board

Peter Ferola
Heather Getz
Joseph Capper

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BioTelemetry Technology ApS for the financial year 16.03.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 16.03.2016 - 31.12.2016.

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.

Hørsholm, 04.08.2017

Executive Board

Peter Ferola

Heather Getz

Joseph Capper

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 16.03.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 16.03.2016 - 31.12.2016 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 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.

Copenhagen, 04.08.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

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 11.062 thousand. The deficit is in line with the expectations and is considered satisfactory based on the focus of the year was on development on products for future sales.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>
Gross loss		(1.176.202)
Staff costs	1	(6.491.299)
Depreciation, amortisation and impairment losses		<u>(3.382.112)</u>
Operating profit/loss		(11.049.613)
Other financial expenses		<u>(12.393)</u>
Profit/loss for the year		<u>(11.062.006)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(11.062.006)</u>
		<u>(11.062.006)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK</u>
Acquired intangible assets		163.840
Acquired patents		16.993.586
Acquired trademarks		606.914
Goodwill		<u>21.737.684</u>
Intangible assets	2	<u>39.502.024</u>
Plant and machinery		913.470
Other fixtures and fittings, tools and equipment		239.118
Leasehold improvements		<u>65.246</u>
Property, plant and equipment	3	<u>1.217.834</u>
Fixed assets		<u>40.719.858</u>
Manufactured goods and goods for resale		<u>348.695</u>
Inventories		<u>348.695</u>
Trade receivables		1.095.552
Receivables from group enterprises		394.180
Other receivables		824.294
Prepayments		<u>169.299</u>
Receivables		<u>2.483.325</u>
Cash		<u>730.570</u>
Current assets		<u>3.562.590</u>
Assets		<u>44.282.448</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK</u>
Contributed capital		50.000
Retained earnings		<u>31.522.504</u>
Equity		<u>31.572.504</u>
Trade payables		824.340
Payables to group enterprises		10.126.056
Other payables		<u>1.759.548</u>
Current liabilities other than provisions		<u>12.709.944</u>
Liabilities other than provisions		<u>12.709.944</u>
Equity and liabilities		<u>44.282.448</u>
Unrecognised rental and lease commitments	4	
Mortgages and securities	5	

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50.000	0	50.000
Group contributions etc	0	42.584.510	42.584.510
Profit/loss for the year	0	(11.062.006)	(11.062.006)
Equity end of year	50.000	31.522.504	31.572.504

Notes

	2016
	DKK
1. Staff costs	
Wages and salaries	6.460.473
Other social security costs	30.826
	6.491.299

	Acquired intangible assets DKK	Acquired patents DKK	Acquired trademarks DKK	Goodwill DKK
2. Intangible assets				
Additions	171.271	18.371.444	656.123	23.500.199
Cost end of year	171.271	18.371.444	656.123	23.500.199
Amortisation for the year	(7.431)	(1.377.858)	(49.209)	(1.762.515)
Amortisation and impairment losses end of year	(7.431)	(1.377.858)	(49.209)	(1.762.515)
Carrying amount end of year	163.840	16.993.586	606.914	21.737.684

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
3. Property, plant and equipment			
Additions	1.026.117	310.495	66.321
Cost end of year	1.026.117	310.495	66.321
Depreciation for the year	(112.647)	(71.377)	(1.075)
Depreciation and impairment losses end of the year	(112.647)	(71.377)	(1.075)
Carrying amount end of year	913.470	239.118	65.246

Notes

2016**DKK****4. Unrecognised rental and lease commitments**

Hereof liabilities under rental or lease agreements until maturity in total

773.000**5. Mortgages and securities**

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

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.

This is the first financial year of the Entity, hence no comparative figures are included.

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 delivery is made to the buyer. 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.

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.

Accounting policies

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.

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.

Accounting policies

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.