

ALGOL DIAGNOSTICS A/S

Bredgade 30
1260 København K
Business Registration No
89906016

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Thomas Ekström

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Entity details

Entity

ALGOL DIAGNOSTICS A/S
Bredgade 30
1260 København K

Central Business Registration No (CVR): 89906016

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Robert Alexander Bargum, Chairman

Kaisa Marjukka Poikela

Thomas Ekström

Executive Board

Thomas Ekström

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 ALGOL DIAGNOSTICS A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

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

Copenhagen, 31.05.2018

Executive Board

Thomas Ekström

Board of Directors

Robert Alexander Bargum
Chairman

Kaisa Marjukka Poikela

Thomas Ekström

Independent auditor's report

To the shareholder of ALGOL DIAGNOSTICS A/S

Opinion

We have audited the financial statements of ALGOL DIAGNOSTICS A/S for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The activity of the Company was until mid 2015 to sell technical support of medico equipment. Mid 2015 the sales activity was terminated. At present the company has no activity.

Development in activities and finances

The result of the year is a profit of 72 thousand DKK, which is considered satisfactory. As of 31 December the equity amounted to negative 6,7 million DKK and the company has lost more than 50% of the share capital. In connection with preparation of the annual report for 2017 management has received a letter of support from its ultimate parent company; Algol Oy. In the letter of support the parent company confirm that they are willing and able to provide continuing financial support to the company to enable it to operate as a going concern and to meet its obligations for at least 12 months from the date of the director's report for the financial year ended 31 December 2017.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross loss		(44.600)	(16.717)
Other financial income	3	0	93
Other financial expenses	4	<u>(116.154)</u>	<u>(111.786)</u>
Profit/loss before tax		(160.754)	(128.410)
Tax on profit/loss for the year	5	<u>232.887</u>	<u>128.511</u>
Profit/loss for the year		<u>72.133</u>	<u>101</u>
Proposed distribution of profit/loss			
Retained earnings		<u>72.133</u>	<u>101</u>
		<u>72.133</u>	<u>101</u>

Balance sheet at 31.12.2017

<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Receivables from group enterprises	415	0
Joint taxation contribution receivable	116.799	0
Receivables	117.214	0
Cash	3.279	9.567
Current assets	120.493	9.567
Assets	120.493	9.567

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		600.000	600.000
Retained earnings		<u>(7.339.530)</u>	<u>(7.411.663)</u>
Equity		<u>(6.739.530)</u>	<u>(6.811.663)</u>
Bank loans		0	25.013
Payables to group enterprises		6.825.023	6.761.217
Other payables		<u>35.000</u>	<u>35.000</u>
Current liabilities other than provisions		<u>6.860.023</u>	<u>6.821.230</u>
Liabilities other than provisions		<u>6.860.023</u>	<u>6.821.230</u>
Equity and liabilities		<u>120.493</u>	<u>9.567</u>
Going concern	1		
Staff costs	2		
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>
Equity beginning of year	600.000	(7.411.663)	(6.811.663)
Profit/loss for the year	<u>0</u>	<u>72.133</u>	<u>72.133</u>
Equity end of year	<u>600.000</u>	<u>(7.339.530)</u>	<u>(6.739.530)</u>

Notes

1. Going concern

On 31 December 2017 the company has lost more than 50% of the share capital. In connection with preparation of the annual report for 2017 management has received a letter of support from its ultimate parent company; Algol Oy. In the letter of support the parent company confirm that they are willing and able to provide continuing financial support to the company to enable it to operate as a going concern and to meet its obligations for at least 12 months from the date of the director's report for the financial year ended 31 December 2017.

	<u>2017</u>	<u>2016</u>
2. Staff costs		
Average number of employees	<u>0</u>	

	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial income		
Other interest income	<u>0</u>	<u>93</u>
	<u>0</u>	<u>93</u>

	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
4. Other financial expenses		
Financial expenses from group enterprises	1.056	28.058
Other interest expenses	112.062	81.986
Exchange rate adjustments	711	(4)
Other financial expenses	<u>2.325</u>	<u>1.746</u>
	<u>116.154</u>	<u>111.786</u>

	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
5. Tax on profit/loss for the year		
Current tax	(116.799)	0
Adjustment concerning previous years	<u>(116.088)</u>	<u>(128.511)</u>
	<u>(232.887)</u>	<u>(128.511)</u>

6. Contingent liabilities

The guarantee of payment is related to the company's ultimate parent company Algol Oy and its EUR 12.000.000 overdraft facility with the group's bank connection. The overdraft facility constitutes the base of the Algol Group cash pool. The Company and other Algol Group companies having an internal overdraft facility within the Group cash have each given the bank a guarantee covering the Algol Oy cash pool

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account liability in addition to other collateral provided by Algol Oy. As of 31.12.2017 the overdraft comprised of DKK 71.240.323.

The Entity participates in a Danish joint taxation arrangement in which Algol Chemicals ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

7. Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on unsecured claims, inventories, fixtures and goodwill of DKK 5.000.000 nominal.

8. Related parties with controlling interest

Related parties with controlling interest – Dafi Holding ApS, Copenhagen own all shares in the company and therefor has controlling interest in the company.

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.

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, other operating income, cost of raw materials and consumables and external expenses.

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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises and net capital gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and net capital losses on payables and transactions in foreign currencies.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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.