Agito Medical A/S

Bejlerholm 3A, 9400 Nørresundby

Company reg. no. 27 77 08 51

Annual report

2020

The annual report was submitted and approved by the general meeting on the 24 March 2021.

Mats Olof Henrik Hammarskiöld Johnels
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

Today, the board of directors and the managing director have presented the annual report of Agito Medical A/S for the financial year 2020 of Agito Medical A/S.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company’s assets, equity and liabilities, and financial position at 31 December 2020 and of the company’s results of activities and cash flows in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Aalborg, 24 March 2021

Managing Director

Kenneth Bjørn Hansen

Board of directors

Mats Olof Henrik Hammarskiöld Johnels chairman	Kenneth Bjørn Hansen	Nille Askvad Hviid Klæbel

Independent auditor's report

To the shareholders of Agito Medical A/S

Opinion

We have audited the financial statements of Agito Medical A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement af cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Ikast, 24 March 2021

Partner Revision
State Authorised Public Accountants
Company reg. no. 15 80 77 76

Kenn Jensen
State Authorised Public Accountant
mne24692

Company information

The company	Agito Medical A/S Bejlerholm 3A 9400 Nørresundby	
	Company reg. no.	27 77 08 51
	Established:	2 June 2004
	Domicile:	Aalborg
	Financial year:	1 January - 31 December
Board of directors	Mats Olof Henrik Hammarskiöld Johnels, chairman Kenneth Bjørn Hansen Nille Askvad Hviid Klæbel	
Managing Director	Kenneth Bjørn Hansen	
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Thrigesvej 3 7430 Ikast	
Subsidiaries	Agito Medical SARL, Strasbourg, France Agito Medical S.A., Madrid, Spain	

Financial highlights

EUR in thousands.	2020	2019	2018	2017	2016
Income statement:					
Gross profit	10.985	8.824	2.336	6.038	6.629
Profit from ordinary operating activities	5.411	2.898	-2.842	1.706	2.431
Net financials	-94	-261	-1.586	-898	-19
Net profit or loss for the year	4.162	1.986	-3.874	475	1.793
Statement of financial position:					
Balance sheet total	44.300	34.585	20.491	18.396	17.343
Investments in property, plant and equipment	11.342	6.857	4.072	321	2.052
Equity	14.763	10.601	8.615	4.549	4.073
Cash flows:					
Operating activities	1.423	3.404	-1.824	652	1.880
Investing activities	-10.910	-6.778	-4.371	-430	-1.903
Financing activities	9.481	2.952	6.617	-909	1.409
Total cash flows	-7	-422	421	-688	1.385
Employees:					
Average number of full-time employees	39	44	45	41	39
Key figures in %:					
Solvency ratio	33,3	30,7	42,0	24,7	23,5
Return on equity	32,8	20,7	-58,9	11,0	56,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management commentary

The principal activities of the company

As in privious years, the company's activities consist of the purchase and sale of used medical equipment and any related activities.

Development in activities and financial matters

With effect of 1 January 2020 the company has sold their shares in Agito Medical BV.

Income or loss from ordinary activities after tax totals EUR 4.162.098 against EUR 1.986.292 last year. Management considers the net profit or loss for the year satisfactory.

The company operates within four different business areas; medical areas; medical equipment; spare part trade; service and rental solutions.

Special risks

Financial risks

The sector is generally sensitive to the price development in used medical equipment. The company has attempted to counter this risk by ensuring a high turnover rate for the largest an most price-sensitive units.

Exchange rate risks:

Due to its activities, the company's results, cash flows and equity are affected by exchange rate and interest rate fluctuations, especially in USD.

Generally, the related currency risks are not hedged, as the company finds that ongoing currence hedging of USD is not optimum considering the overall risk an expense entailed.

Interest rate risks

No interest rate positions have been taken to hedge the company's interest rate risks.

Expected developments

For 2021, the company expects profits in the different business areas through controlled growth.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, wich would have material impact on the financial position of the company.

Accounting policies

The annual report for Agito Medical A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Agito Medical A/S and its group enterprises are included in the consolidated financial statements for Koninklijke Philips N.V, Amsterdam.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects

Development costs comprise salaries, wages, and amortisation directly or indirectly attributable to development activities.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3-5 years.

Profit and loss from the sale of development projects as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Property, plant, and equipment
Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	2-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases
The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity in group enterprises

Equity in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity in group enterprises recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method.

Equity in group enterprises with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Agito Medical A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Income statement 1 January - 31 December

All amounts in EUR.

Note		2020	2019
	Gross profit	**10.985.094**	**8.823.894**
2	Staff costs	-3.434.442	-4.415.330
	Depreciation, amortisation, and impairment	-2.118.157	-1.466.004
	Other operating costs	-21.796	-44.470
	Operating profit	**5.410.699**	**2.898.090**
	Income from equity investments in group enterprises	74.898	-294.858
	Other financial income from group enterprises	127.352	131.461
	Other financial income	0	44.028
3	Other financial costs	-296.401	-141.568
	Pre-tax net profit or loss	**5.316.548**	**2.637.153**
4	Tax on net profit or loss for the year	-1.154.450	-650.861
5	**Net profit or loss for the year**	**4.162.098**	**1.986.292**

Statement of financial position at 31 December

All amounts in EUR.

Assets

Note		2020	2019
	Non-current assets		
6	Completed development projects, including patents and similar rights arising from development projects	0	10.817
7	Concessions, patents, licenses, trademarks, and similar rights acquired	89.815	105.408
	Total intangible assets	89.815	116.225
8	Other fixtures and fittings, tools and equipment	20.115.585	12.826.754
9	Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	2.304.042	627.280
	Total property, plant, and equipment	22.419.627	13.454.034
10	Equity investments in group enterprises	0	174.485
11	Deposits	5.500	61.557
	Total investments	5.500	236.042
	Total non-current assets	**22.514.942**	**13.806.301**
	Current assets		
	Manufactured goods and goods for resale	11.534.284	7.693.611
	Prepayments for goods	73.740	1.323.633
	Total inventories	11.608.024	9.017.244
	Trade receivables	7.214.234	7.895.350
	Receivables from group enterprises	1.885.954	1.906.521
	Other receivables	898.801	1.818.595
12	Prepayments and accrued income	132.012	87.757
	Total receivables	10.131.001	11.708.223
	Cash on hand and demand deposits	46.121	53.072
	Total current assets	**21.785.146**	**20.778.539**
	Total assets	**44.300.088**	**34.584.840**

Statement of financial position at 31 December

All amounts in EUR.

Note	**Equity and liabilities**	2020	2019
	Equity		
13	Contributed capital	1.341.050	1.341.050
	Retained earnings	13.421.909	9.259.811
	Total equity	**14.762.959**	**10.600.861**
	Provisions		
14	Provisions for deferred tax	1.132.564	115.350
	Total provisions	**1.132.564**	**115.350**
	Liabilities other than provisions		
15	Lease liabilities	210.119	364.059
16	Other payables	264.663	118.882
	Total long term liabilities other than provisions	474.782	482.941
	Current portion of long term payables	149.859	143.458
	Trade payables	5.709.575	7.497.723
	Payables to group enterprises	20.633.562	14.319.891
	Corporate tax	160.109	22.858
	Other payables	1.276.678	1.401.758
	Total short term liabilities other than provisions	27.929.783	23.385.688
	Total liabilities other than provisions	**28.404.565**	**23.868.629**
	Total equity and liabilities	**44.300.088**	**34.584.840**

1 Subsequent events

17 Charges and security

18 Contingencies

19 Related parties

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	1.341.050	7.273.519	8.614.569
Profit or loss for the year brought forward	0	1.986.292	1.986.292
Equity 1 January 2020	1.341.050	9.259.811	10.600.861
Profit or loss for the year brought forward	0	4.162.098	4.162.098
	1.341.050	**13.421.909**	**14.762.959**

Statement of cash flows 1 January - 31 December

All amounts in EUR.

Note		2020	2019
	Net profit or loss for the year	4.162.098	1.986.292
20	Adjustments	3.395.678	2.362.790
21	Change in working capital	-5.966.041	-987.802
	Cash flows from operating activities before net financials	1.591.735	3.361.280
	Interest received, etc.	127.353	175.490
	Interest paid, etc.	-296.401	-141.568
	Cash flows from ordinary activities	1.422.687	3.395.202
	Income tax paid	0	8.585
	Cash flows from operating activities	**1.422.687**	**3.403.787**
	Purchase of intangible assets	-16.637	-23.342
	Purchase of property, plant, and equipment	-11.341.923	-6.857.196
	Sale of property, plant, and equipment	272.300	377.730
	Purchase of fixed asset investments	0	-275.000
	Sale of fixed asset investments	175.986	1
	Cash flows from investment activities	**-10.910.274**	**-6.777.807**
	Repayments of long-term payables	-147.539	-144.102
	Change in cashpool, group	9.628.175	3.095.893
	Cash flows from investment activities	**9.480.636**	**2.951.791**
	Change in cash and cash equivalents	**-6.951**	**-422.229**
	Cash and cash equivalents at 1 January	53.072	475.301
	Cash and cash equivalents at 31 December	**46.121**	**53.072**
	Cash and cash equivalents		
	Cash on hand and demand deposits	46.121	53.072
	Cash and cash equivalents at 31 December	**46.121**	**53.072**

Notes

All amounts in EUR.

1. Subsequent events

No other events have occurred subsequent to the balance sheet date, wich would have material impact on the financial position of the company.

	2020	2019
2. Staff costs		
Salaries and wages	3.308.590	4.194.146
Other costs for social security	39.570	53.024
Other staff costs	86.282	168.160
	3.434.442	**4.415.330**
Average number of employees	39	44

Management costs is not disclosed in accordance with section 98b of the Danish Financial Statements Act.

	2020	2019
3. Other financial costs		
Financial costs, group enterprises	202.677	120.220
Other financial costs	93.724	21.348
	296.401	**141.568**
4. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	137.236	22.858
Adjustment for the year of deferred tax	1.017.214	628.003
	1.154.450	**650.861**
5. Proposed appropriation of net profit		
Transferred to retained earnings	4.162.098	1.986.292
Total allocations and transfers	**4.162.098**	**1.986.292**

Notes

All amounts in EUR.

		31/12 2020	31/12 2019
6.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January	34.000	34.000
	Cost 31 December	**34.000**	**34.000**
	Amortisation and writedown 1 January	-23.183	-11.383
	Amortisation for the year	-10.817	-11.800
	Amortisation and writedown 31 December	**-34.000**	**-23.183**
	Carrying amount, 31 December	**0**	**10.817**
7.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January	204.597	181.255
	Additions during the year	16.637	23.342
	Transfers	33.505	0
	Cost 31 December	**254.739**	**204.597**
	Amortisation and writedown 1 January	-99.189	-53.459
	Amortisation for the year	-65.735	-45.730
	Amortisation and writedown 31 December	**-164.924**	**-99.189**
	Carrying amount, 31 December	**89.815**	**105.408**

Notes

All amounts in EUR.

		31/12 2020	31/12 2019
8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	17.144.666	12.452.095
	Additions during the year	9.037.881	6.238.355
	Disposals during the year	-1.018.340	-1.545.784
	Transfers	593.775	0
	Cost 31 December	**25.757.982**	**17.144.666**
	Depreciation and writedown 1 January	-4.317.912	-4.092.504
	Depreciation for the year	-2.041.605	-1.408.474
	Reversal of depreciation, amortisation and writedown, assets disposed of	717.120	1.183.066
	Depreciation and writedown 31 December	**-5.642.397**	**-4.317.912**
	Carrying amount, 31 December	**20.115.585**	**12.826.754**
	Lease assets are recognised at a carrying amount of	740.436	814.588
9.	**Property, plant, and equipment under construction including pre-payments for property, plant, and equipment**		
	Cost 1 January	627.280	111.499
	Additions during the year	2.304.042	618.841
	Disposals during the year	0	-103.060
	Transfers	-627.280	0
	Cost 31 December	**2.304.042**	**627.280**
	Carrying amount, 31 December	**2.304.042**	**627.280**

Notes

All amounts in EUR.

		31/12 2020	31/12 2019
10.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January	562.719	752.488
	Additions during the year	0	275.000
	Disposals during the year	-136.634	-464.769
	Cost 31 December	**426.085**	**562.719**
	Revaluations, opening balance 1 January	-1.807.274	-1.977.184
	Results for the year	74.899	-294.858
	Reversals for the year concerning disposals	-39.353	464.768
	Revaluation 31 December	**-1.771.728**	**-1.807.274**
	Set off against debtors	1.345.643	1.419.040
	Set off against debtors and provisions for liabilities	**1.345.643**	**1.419.040**
	Carrying amount, 31 December	**0**	**174.485**

Group enterprises:

	Domicile	**Equity interest**
Agito Medical SARL	Strasbourg, France	100 %
Agito Medical S.A.	Madrid, Spain	100 %

		31/12 2020	31/12 2019
11.	**Deposits**		
	Cost 1 January	61.557	61.557
	Disposals during the year	-56.057	0
	Cost 31 December	**5.500**	**61.557**
	Carrying amount, 31 December	**5.500**	**61.557**

		31/12 2020	31/12 2019
12.	**Prepayments and accrued income**		
	Prepaid insurance	13.879	13.003
	Other prepayments	118.133	74.754
		132.012	**87.757**

Notes

All amounts in EUR.

		31/12 2020	31/12 2019
13.	**Contributed capital**		
	Contributed capital 1 January	1.341.050	1.341.050
		1.341.050	**1.341.050**

The share capital consists of 10.001 shares, each with a nominal value of 134,1 EUR. No shares hold particular rights.

		31/12 2020	31/12 2019
14.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January	115.350	-512.653
	Deferred tax of the results for the year	1.017.214	628.003
		1.132.564	**115.350**
	The following items are subject to deferred tax:		
	Intangible assets	13.923	17.477
	Property, plant, and equipment	1.384.953	823.053
	Losses carried forward from previous years	-266.312	-725.180
		1.132.564	**115.350**

		31/12 2020	31/12 2019
15.	**Lease liabilities**		
	Total lease liabilities	359.978	507.517
	Share of amount due within 1 year	-149.859	-143.458
		210.119	**364.059**
	Share of liabilities due after 5 years	0	0

		31/12 2020	31/12 2019
16.	**Other payables**		
	Total other payables	264.663	118.882
	Share of amount due within 1 year	0	0
	Total other payables	**264.663**	**118.882**
	Share of liabilities due after 5 years	0	0

Notes

All amounts in EUR.

17. Charges and security

Fixtures, fittings, tools, and equipment representing a carrying amount of EUR 740.436 at 31 December 2020, cf. note , have been financed by means of finance leases. At 31 December 2020, this lease liability totals EUR 359.978.

18. Contingencies

Contingent liabilities

The company is part of a Group cash pooling scheme and acts as co-guarantor for the bank debt.

Joint taxation

With Philips Danmark A/S, company reg. no 43 25 30 18 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

19. Related parties

Controlling interest

Koninklijke Philips N.V. Breitner Center, Amstelplein 2 Amsterdam, 1070 MX Netherlands	Majority shareholder

Transactions

Transactions with related parties is made on normal market conditions why these are not disclosed in accordance with section 98c Act. 7th of the Danish Financial Statements Act.

Notes

All amounts in EUR.

Consolidated financial statements

The company is included in the consolidated annual accounts of Koninklijke Philips N.V.

		2020	2019
20.	**Adjustments**		
	Depreciation and amortisation	2.118.157	1.466.004
	Profit from sale of fixed assets	28.920	-15.012
	Income from equity investments in group enterprises	-74.898	294.858
	Other financial income	-127.352	-175.489
	Other financial costs	296.401	141.568
	Tax on net profit or loss for the year	1.154.450	650.861
		3.395.678	**2.362.790**

		2020	2019
21.	**Change in working capital**		
	Change in inventories	-2.590.780	-2.051.378
	Change in receivables	1.706.676	-7.953.699
	Change in trade payables and other payables	-5.081.937	9.017.275
		-5.966.041	**-987.802**