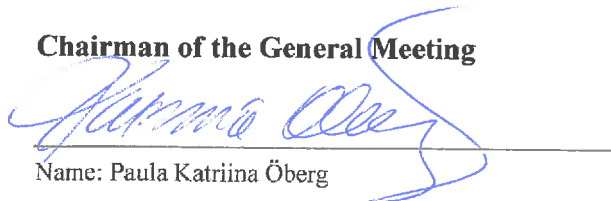


**Mölnlycke Health Care ApS
Central Business Registration No
20456191
Gydevang 33
DK-3450 Allerød**

Annual report 2015

The Annual General Meeting adopted the annual report on 10.05.2016

Chairman of the General Meeting



Name: Paula Katriina Öberg

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Entity details

Entity

Mölnlycke Health Care ApS
Gydevang 33
DK-3450 Allerød

Central Business Registration No: 20456191

Registered in: Allerød

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Richard Michael Twomey, Chairman

Paula Katriina Öberg

Staffan Percy Ternström

Executive Board

Paula Katriina Öberg

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 Mölnlycke Health Care ApS for the financial year 01.01.2015 - 31.12.2015.

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

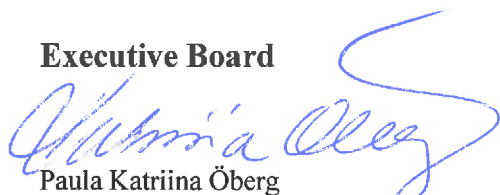
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

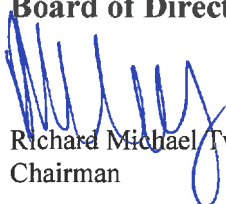
Allerød, 10.05.2016

Executive Board



Paula Katriina Öberg

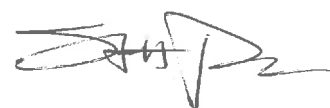
Board of Directors



Richard Michael Twomey
Chairman



Paula Katriina Öberg



Staffan Percy Ternström

Independent auditor's reports

To the owner of Mölnlycke Health Care ApS

Report on the financial statements

We have audited the financial statements of Mölnlycke Health Care ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 10.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Jens Rudkjær

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>	<u>2012</u> <u>DKK'000</u>	<u>2011</u> <u>DKK'000</u>
Financial high-lights					
Key figures					
Gross profit	21,966	21,801	21,207	21,414	21,107
Operating profit/loss	5,813	8,714	4,536	4,866	5,570
Net financials	(30)	(205)	(109)	(323)	(333)
Profit/loss for the year	4,332	6,408	3,319	3,511	3,797
Total assets	33,326	33,569	43,483	36,804	34,852
Investments in property, plant and equipment	130	47	0	24	60
Equity	7,983	8,651	5,562	5,243	5,531
Ratios					
Return on equity (%)	52.1	90.2	61.4	65.2	74.7
Solvency ratio (%)	23.9	25.8	12.8	14.3	15.9

Management commentary

Primary activities

Mölnlycke Health Care ApS sells and distributes single-use products for surgical and wound care to the healthcare sector, including related services.

Development in activities and finances

Profit for the year amounts to DKK 4,332 thousand, which Management considers satisfactory as the performance is in line with expectations for the year.

Outlook

Management expects positive results for 2016 of approx DKK 4 - 6 million.

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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied for 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of goods sold and external expenses.

Accounting policies

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 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 costs of sales for the financial year measured at cost.

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 write-downs 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.

Amortisation, depreciation 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 income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

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.

Income taxes

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.

Accounting policies

The Entity is part of a national joint taxation with Investor AB's Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

Property, plant and equipment

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:

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

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs 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.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, Mölnkycke Health Care ApS has not prepared a cash flow statement.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Gross profit		21,966	21,801
Staff costs	1	(15,470)	(12,439)
Depreciation, amortisation and impairment losses		<u>(683)</u>	<u>(648)</u>
Operating profit/loss		5,813	8,714
Other financial income	2	1	2
Other financial expenses	3	<u>(31)</u>	<u>(207)</u>
Profit/loss from ordinary activities before tax		5,783	8,509
Tax on profit/loss from ordinary activities	4	<u>(1,451)</u>	<u>(2,101)</u>
Profit/loss for the year		<u>4,332</u>	<u>6,408</u>
Proposed distribution of profit/loss			
Dividend for the financial year		4,332	5,000
Retained earnings		<u>0</u>	<u>1,408</u>
		<u>4,332</u>	<u>6,408</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Goodwill		1,299	1,923
Intangible assets	5	<u>1,299</u>	<u>1,923</u>
Other fixtures and fittings, tools and equipment		122	51
Property, plant and equipment	6	<u>122</u>	<u>51</u>
Fixed assets		<u>1,421</u>	<u>1,974</u>
Trade receivables		26,048	28,696
Receivables from group enterprises		5,634	918
Other short-term receivables		30	32
Prepayments	7	193	237
Receivables		<u>31,905</u>	<u>29,883</u>
Cash		<u>0</u>	<u>1,712</u>
Current assets		<u>31,905</u>	<u>31,595</u>
Assets		<u>33,326</u>	<u>33,569</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	8	500	500
Retained earnings		1,483	3,151
Proposed dividend		<u>6,000</u>	<u>5,000</u>
Equity		<u>7,983</u>	<u>8,651</u>
Provisions for deferred tax	9	<u>270</u>	<u>368</u>
Provisions		<u>270</u>	<u>368</u>
Trade payables		1,910	1,808
Debt to group enterprises		12,277	14,649
Income tax payable		3,848	2,299
Other payables		<u>7,038</u>	<u>5,794</u>
Current liabilities other than provisions		<u>25,073</u>	<u>24,550</u>
Liabilities other than provisions		<u>25,073</u>	<u>24,550</u>
Equity and liabilities		<u>33,326</u>	<u>33,569</u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Related parties with control	12		
Consolidation	13		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	3,151	5,000	8,651
Ordinary dividend paid	0	0	(5,000)	(5,000)
Dividend	0	(1,668)	1,668	0
Profit/loss for the year	0	0	4,332	4,332
Equity end of year	500	1,483	6,000	7,983

Notes

	2015	2014
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	13,742	10,775
Pension costs	1,327	1,033
Other social security costs	146	136
Other staff costs	255	495
	15,470	12,439
Average number of employees	21	22
	2015	2014
	DKK'000	DKK'000
2. Other financial income		
Other financial income	1	2
	1	2
	2015	2014
	DKK'000	DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	15	187
Other financial expenses	16	20
	31	207
	2015	2014
	DKK'000	DKK'000
4. Tax on ordinary profit/loss for the year		
Current tax	1,548	2,299
Change in deferred tax for the year	(97)	(197)
Adjustment relating to previous years	0	(1)
	1,451	2,101

Notes

	Goodwill DKK'000
5. Intangible assets	
Cost beginning of year	12,477
Cost end of year	12,477
Amortisation and impairment losses beginning of year	(10,554)
Amortisation for the year	(624)
Amortisation and impairment losses end of year	(11,178)
Carrying amount end of year	1,299
	Other fixtures and fittings, tools and equipment DKK'000
6. Property, plant and equipment	
Cost beginning of year	246
Additions	130
Cost end of year	376
Depreciation and impairment losses beginning of the year	(195)
Depreciation for the year	(59)
Depreciation and impairment losses end of the year	(254)
Carrying amount end of year	122
7. Prepayments	
Prepayments comprise incurred costs relating to subsequent financial years.	
	Nominal value DKK'000
8. Contributed capital	DKK
	Number
Ordinary shares	5,000.00
	100
	100
	500
	500

Notes

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
9. Deferred tax		
Intangible assets	286	383
Property, plant and equipment	<u>(16)</u>	<u>(15)</u>
	<u>270</u>	<u>368</u>
	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
10. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>1,194</u>	<u>898</u>

11. Contingent liabilities

Mölnlycke Health Care ApS is part of a Danish joint taxation arrangement with all Danish subsidiaries of Investor AB, in which Aleris A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

12. Related parties with control

Parties exercising control are Mölnlycke Health Care ApS' principal shareholder Mölnlycke Health Care AB, Gothenburg, Sweden and its principal shareholder Investor AB, Stockholm, Sweden.

13. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Investor AB, Stockholm, Sweden

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Mölnlycke Health Care AB, Gothenburg, Sweden