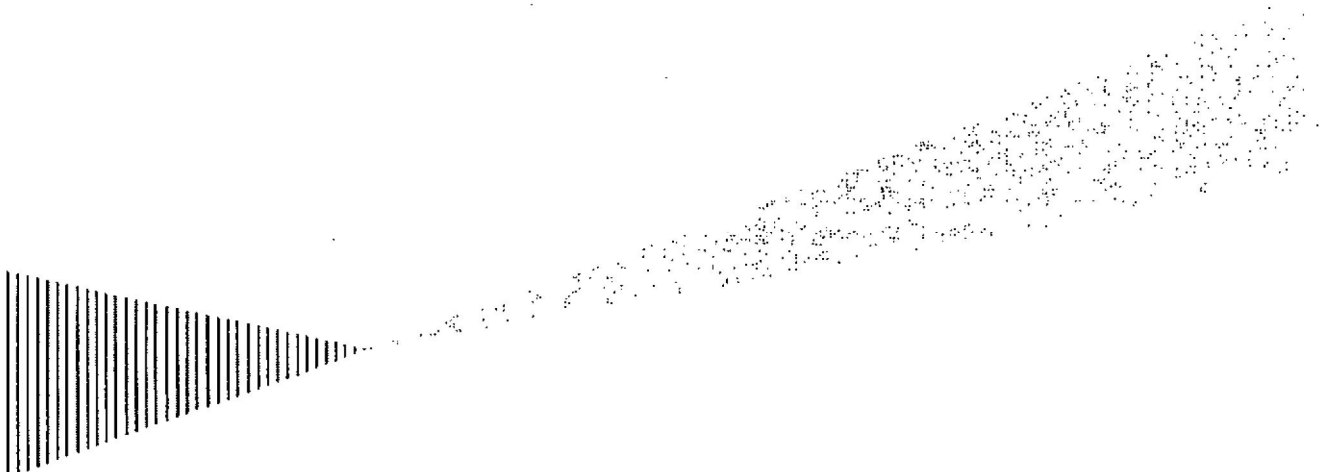


BSN Medical A/S

c/o Magnusson Advokatfirma, Bredgade 30, 1260 København K

CVR no. 26 02 00 77



Annual report for the year 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 8 June 2017

Chairman:

.....
Anita Jordan



Building a better
working world



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Management commentary	6
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10



Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BSN Medical A/S for the financial year 1 January - 31 December 2016.

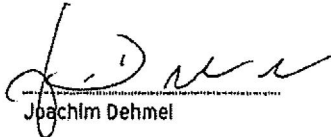
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

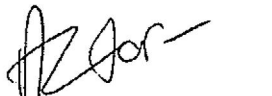
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 8 June 2017
Executive Board:


Joachim Dehmel

Board of Directors:


Anita Jordan
Chairman
Joachim Dehmel
David Hall



Independent auditor's report

To the shareholders of BSN Medical A/S

Opinion

We have audited the financial statements of BSN Medical A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and 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 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 in preparing the financial statements 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 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 the 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 skepticism 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 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.



Independent auditor's report

- 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 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 conclusion is 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 the note disclosures, 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 Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 June 2017

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen
State Authorised Public Accountant



Management's review

Company details

Name	BSN Medical A/S c/o Magnusson Advokatfirma, Bredgade 30, 1260 København K
Address, Postal code, City	
CVR no.	26 02 00 77
Established	4 May 2001
Registered office	København
Financial year	1 January - 31 December
Website	www.bsnmedical.com
Board of Directors	Anita Jordan, Chairman Joachim Dehmel David Hall
Executive Board	Joachim Dehmel
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark



Management's review

Management commentary

Business review

The Company's main business activity is to render sales and marketing services to BSN Medical AB, a company incorporated in Sweden, with the same ultimate holding company - BSN Luxembourg Holding SARL.

Financial review

The income statement for 2016 shows a profit of EUR 58,177 against EUR 57,879 last year, and the balance sheet at 31 December 2016 shows equity of EUR 290,947.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



Financial statements for the period 1 January - 31 December

Income statement

Note	EUR	2016	2015
	Gross margin	594,004	600,509
2	Administrative expenses	-515,704	-522,303
	Operating profit	78,300	78,206
	Financial income	193	2,511
	Financial expenses	-924	-756
	Profit before tax	77,569	79,961
3	Tax for the year	-19,392	-22,082
	Profit for the year	58,177	57,879
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	200,000	0
	Retained earnings/accumulated loss	-141,823	57,879
		58,177	57,879



Financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR	2016	2015
	ASSETS		
	Non-fixed assets		
	Receivables		
	Receivables from group entities	109,198	136,515
	Other receivables	3,702	977
		<u>112,900</u>	<u>137,492</u>
	Cash	283,281	415,769
	Total non-fixed assets	<u>396,181</u>	<u>553,261</u>
	TOTAL ASSETS	<u>396,181</u>	<u>553,261</u>
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	67,110	67,110
	Retained earnings	223,837	365,660
	Total equity	<u>290,947</u>	<u>432,770</u>
	Liabilities		
	Current liabilities		
	Trade payables	17,580	29,891
	Payables to group entities	15,026	0
	Income taxes payable	6,279	1,915
	Other payables	66,349	88,685
		<u>105,234</u>	<u>120,491</u>
	Total liabilities other than provisions	<u>105,234</u>	<u>120,491</u>
	TOTAL EQUITY AND LIABILITIES	<u>396,181</u>	<u>553,261</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

EUR	Share capital	Retained earnings	Total
Equity at 1 January 2016	67,110	365,660	432,770
Transfer through appropriation of profit	0	58,177	58,177
Extraordinary dividend distributed	0	-200,000	-200,000
Equity at 31 December 2016	67,110	223,837	290,947



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of BSN Medical A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sales and marketing services is recognised in revenue at the time of delivery, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the company, including expenses relating to administrative staff, management, office premises/expenses as well as amortisation/depreciation of assets used for administrative purposes.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, realised and unrealised gains and losses denominated in foreign currencies as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

EUR	2016	2015
2 Staff costs		
Wages/salaries	352,909	355,996
Pensions	30,113	29,533
	<u>383,022</u>	<u>385,529</u>
Average number of full-time employees	<u>5</u>	<u>4</u>
3 Tax for the year		
Estimated tax charge for the year	19,392	19,083
Tax adjustments, prior years	0	2,999
	<u>19,392</u>	<u>22,082</u>
4 Share capital		
Analysis of the share capital:		
1,000 shares of DKK 67.11 nominal value each	67,110	67,110
	<u>67,110</u>	<u>67,110</u>

The Company's share capital has remained EUR 67,110 over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

EUR	<u>2016</u>	<u>2015</u>
Rent and lease liabilities	44,422	89,200

The company has entered into contracts concerning lease of cars. The lease contracts cannot be terminated for a period of 1-3 years. The total lease commitments are estimated at approximately EUR 89 thousand.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2016.

7 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
BSN Medical Luxembourg Holding SARL	1-3 Boulevard de la Foire, L-1528 Luxembourg	1-3 Boulevard de la Foire, L-1528 Luxembourg

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
BSN Medical Sweden Holding AB	Uggedalsvägen 13, 427 40 Billdal, Sweden