

RADIOMETER MEDICAL APS
ÅKANDEVEJ 21, 2700 BRØNSHØJ
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 24 May 2022**

Benjamin Schulze Auster

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COMPANY DETAILS

Company	Radiometer Medical ApS Åkandevej 21 2700 Brønshøj CVR No.: 27 50 91 85 Established: 14 January 2004 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Henrik Schimmell Nielsen, chairman Claus Lønborg Madsen Marianne Helstrup Rikke Flindt Bergstedt Lars Taeger Jette Jensen Birgitte Lund Jørgensen
Board of Executives	Henrik Schimmell Nielsen Claus Lønborg Madsen
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Radiometer Medical ApS for the financial year 1 January - 31 December 2021.

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 Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 24 May 2022

Board of Executives

Henrik Schimmell Nielsen

Claus Lønborg Madsen

Board of Directors

Henrik Schimmell Nielsen
Chairman

Claus Lønborg Madsen

Marianne Helstrup

Rikke Flindt Bergstedt

Lars Taeger

Jette Jensen

Birgitte Lund Jørgensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Radiometer Medical ApS

Opinion

We have audited the financial statements of Radiometer Medical ApS for the financial year 1 January - 31 December 2021, which comprise 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 judgment 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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 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 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 the 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 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 the work we have performed, 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 May 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant
mne24687

Rolan Atl Caballero Pena Espedal
State Authorised Public Accountant
mne47789

FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018	2017
	DKK million	DKK million	DKK million	DKK million	DKK million
Income statement					
Net revenue.....	5.047	4.687	4.344	3.793	3.587
Gross profit.....	3.097	2.909	2.657	2.352	2.225
Operating profit.....	904	958	803	575	501
Financial income and expenses, net.....	-12	-10	47	84	53
Profit for the year before tax.....	957	1.014	904	702	590
Profit for the year.....	783	824	716	556	466
Balance sheet					
Balance sheet total.....	7.107	8.546	7.707	15.221	14.788
Equity.....	5.369	7.085	6.262	13.712	13.156
Investment in tangible fixed assets.....	50	38	63	36	31
Average number of full-time employees.....	1.164	1.134	1.101	1.068	1.035
Ratios					
Profit margin.....	17,9	20,4	18,5	15,2	13,0
Rate of return.....	11,6	11,8	7,0	3,9	3,2
Solvency ratio.....	75,5	82,9	81,3	90,1	89,0
Return on equity.....	12,6	12,3	7,2	4,1	4,8
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$				
Rate of return:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$				
Solvency ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$				
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$				

The key figures are prepared in accordance with the guidance of Danish Finance Society's "Recommendations and Financial Ratios". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

MANAGEMENT'S REVIEW

Principal activities










When life takes an unexpected turn, Radiometer's technology and solutions enable caregivers to make informed diagnostic decisions to improve patient care.

For health care professionals working with critically ill patients, life is not a given – it is the ultimate goal. Radiometer's goal is to help them.

To do this, Radiometer continually seeks deep insights to improve customer experiences. This forms Radiometer's foundation for innovation and enables the Company to continue to provide powerful acute care diagnostic solutions including blood sampling, blood gas analysis, transcutaneous monitoring, immunoassay testing and the related IT management systems and digital services.

Radiometer's lean and agile business model enables the employees located in 37 countries to develop plans and execute them using the Danaher Business System to construct sustainable processes. Guiding the efforts are four simple, customer-facing priorities: quality, delivery, cost and innovation.

The Company develops and produces the products together with the other production companies in the Radiometer Group and distributes the products to customers globally through the sales companies in the Group, through external distributors and to the end-users in Denmark.

 <p>Owned by the Danaher Corporation</p> <p>Radiometer is an operating company of Danaher Corporation. Danaher operating companies serve some of today's most dynamic fast-growing industries: Life Sciences, Diagnostics, Water Quality and Product Identification. In 2021, Danaher achieved combined revenue of \$29.5 billion.</p>	 <p>Our factories</p> <p>We have production sites in Poland, the United States, Finland, Switzerland, and at our headquarters in Denmark. A new factory is currently under construction in China.</p>	 <p>A great place to work</p> <p>Our success is based on the united effort of more than 4,800 Radiometer associates (part of an overall Danaher associate population of approximately 80,000).</p>
 <p>Our Business System</p> <p>The Danaher Business System (DBS) is the foundation of our performance and culture. It drives a continuous cycle of improvement and innovation. It helps us navigate our toughest challenges, deliver innovative products and solutions, grow our business and develop the very best teams.</p>	 <p>Empowering caregivers</p> <p>We empower caregivers to make diagnostic decisions to improve patient care by developing products and solutions that provide the critical information needed in acute care diagnostics.</p>	 <p>Better together</p> <p>We believe that the best results are achieved together. Our focus on diversity begins in talent recruitment and continues with unique performance and career plans.</p>
 <p>Sustainable business</p> <p>We have built our sustainability focus around three pillars that put healthcare at the center of our work and ensure lasting positive impact: Innovation, People, Environment.</p>	 <p>Customer experience</p> <p>We continue to improve our value to customers by building on our unique expertise to invent new solutions, establish strong customer and partner relationships, and continuously focus on improving workflows and seamless connectivity between devices and people in critical care settings.</p>	 <p>Global reach</p> <p>Our solutions are used in hospitals, clinics and labs in more than 130 countries.</p>

MANAGEMENT'S REVIEW

Uncertainty regarding recognition and measurement

The Company has recognized significant intangible assets in the balance sheet related to Intellectual Property Rights. In addition, the Company recognizes development costs as intangible assets, when certain criteria are met. Development costs related to finished projects are measured at cost price less accumulated depreciations and impairment losses.

Recognition and measurement of Intellectual Property Rights and Development costs in the balance sheet are inherently subject to uncertainty as the value of the asset depends on the expected future revenue of the products, to which the rights and development projects are related.

Development in activities and financial position

The revenue continued to grow in 2021 on a satisfactory level. The revenue amounted to 5.047 MDKK in 2021, growing 360 MDKK/7,7% from 4.687 MDKK in 2020.

Despite the fact that the impact from Covid-19 varies between markets and products, the Company has also for this financial year experienced an overall increased demand for Radiometer products.

Specifications on segments and impact from volume/currency are described in note 1.

Operating profit amounted to 904 MDKK in 2021. The Company has in the Financial year invested in the organization, increasing number of employees, development, digital improvements, distribution improvements etc. to support the current and future growth. Combined with higher sales of products produced by other companies in the group with lower gross margins for the Company, the operating profit declined slightly from last year of 958 MDKK.

The Company has in general also recognized higher expenses related to Covid-19. Especially the global development in freight rates and material shortages have increased expenses. Several actions have been taken to mitigate this to ensure continuous supplies to the customers and to keep employees, customers and suppliers safe. This is done with a clear objective to stay in control by being up front with preventive actions to mitigate the negative impact from Covid-19. Extra supplies from vendors, higher expenses to bring the products to the customers in time and making sure employees can work from home when possible with the right physical and mental tools have therefore also impacted the result for the year. All to make sure that people are safe and products can be delivered to the customers. In other areas there has been a continued natural reduction of expenses, such as expenses related to travelling activities etc.

The total profit for the Company for the year ended on 783 MDKK compared to a profit of 824 MDKK in 2020. When taking the pandemic into consideration, investments to support also future growth, the sales and result for the year is considered satisfactory.

During the year, the equity of the Company changed from 7.085 MDKK at the beginning of the year to 5.369 MDKK at the end of the year. The change consists of a profit for the year increasing equity by 783 MDKK and reduced by the dividend last year of 2.500 MDKK to the parent company. The Company has also this year proposed to pay dividend, 1.900 MDKK, to harmonize cash positions in the group. The cash position and solvency continue to be considered on a very solid level.

Special risks

The Company monitors the risk factors that may affect the operations and financial results on a regular basis. The identified risks are sought minimised by operational countermeasures and through insurance. Below is a more detailed description of these factors.

Currency risks

The Company's net payments in foreign currencies are usually sold immediately after receipt. There is no hedging of currency risk on foreign currency assets and liabilities.

Credit risks

Approximately 78% of the Company's products are sold to affiliated sales companies where the credit risk is considered insignificant. Approximately 22% of the products are sold to external non-affiliated

MANAGEMENT'S REVIEW

Special risks (continued)

distributors, who are subject to ongoing credit evaluation. Some of them have a long-time business relationship and therefore the risk is also considered limited for the sales to distributors.

Interest rate risk

The Company's operating activities generally create a positive cash contribution. The interest rate risk is considered low.

Regulatory by authorities

A significant part of the Company's sales is to countries which require that the products are approved by health authorities. The Company's quality organisation regularly and systematically monitors that the products are compliant with the regulatory requirements for the products.

Dependence on customers

Revenue is distributed among a large number of markets and a very large number of individual customers, so dependence on individual customers is considered small.

Technology development

It is the opinion of the Company that neither in the short nor medium term will new disruptive technologies appear which would reduce the demand for the product portfolio of the Company on at short notice.

Product liability and business liability

The Company has covered product and business liability risk by an adequate insurance with a premium-rated insurer.

Damage to property and business interruption

Plant and machinery, fixtures and equipment and inventories are insured at replacement value. Significant interruptions of production are covered by a business interruption insurance with a premium-rated insurer.

Supplier and material risk

In order to minimise disruption caused by supplier failure, the Company purchases a wide range of components from more than one supplier. For certain critical components inventory is maintained to ensure uninterrupted production in a short time period. After the outbreak of Covid-19 this risk is considered higher and in 2021 with increasing impact. Substantial mitigating actions have been implemented in the financial year.

Knowledge resources

Performance for Growth (P4G) is Radiometer's annual performance management program. P4G is a Danaher program, guiding associates and their managers in setting clear personal performance goals aligned to the Company's strategic priorities and assessing performance against these goals. This process encourages managers to provide ongoing, real-time performance feedback throughout the year, in addition to mandatory annual performance reviews, to ensure continued success and development.

These annual reviews are structured around performance assessments against formal, annual objectives as well as Radiometer's four Core Behaviors, a set of behaviors that are required to build and sustain the Company's DBS culture to maintain Radiometer's competitive advantage and unique associate experience.

MANAGEMENT'S REVIEW

Knowledge resources (continued)



Based on the adult learning model, Radiometer's typical approach to talent development includes a mix of on-the-job learning (70%), coaching (20%) and formal skills training (10%), which Radiometer believes provides the most consistent and impactful development structure.

In 2021 Radiometer updated most of the leadership programs to enable virtual learning while continuing to build relationships and togetherness. The Company's announced ambition to expand the development support to emerging talents was transformed into an expansion of Radiometer's curated services to people leaders and associates to enable them to better receive coaching and support.

Being part of Danaher with more than 20 operating companies enables Radiometer to offer dynamic and challenging global careers opportunities to its associates across the Company's industry and outside.

The Danaher Business System (DBS) is the foundation of Radiometer's performance and culture and provides Radiometer with tools and processes to enable continuous improvement - whether within Danaher or outside.

Research and development activities

An important part of Radiometer's strategy is to ensure future generations of technology and products through a wide range of R&D activities to support the future growth of the Company.

The R&D activities in Radiometer have a global focus to ensure a wide-ranging emphasis on developing the best products to the individual markets in order to support the customers in making quick and reliable decisions.

In this way the R&D activities in the Company focus on developing and bringing new products and solutions to the market, incl. adding new parameters and functionality to current products, and the development of new technologies for diagnostic measurement. This is essential to carry out the Company values and achieving the mission and vision of the Company described in the Principal Activities section.

R&D and Operations have an integrated approach to product development, where cross-functional teams ensure integration during the innovation process and establishment of the right production and cost set-up.

Future expectations

Due to the general global uncertainty, there is a higher risk of the positive development seen in the previous years to be on a lower level for the next financial year.

The uncertainty of the Covid-19 virus will continue to be a global unknown factor for Radiometer during next year. The impact in 2021 has been mitigated, but also in the first months of 2022, the Company has continued to see the impact of increasing prices, material shortages etc. Risks related to associates, supply chains, sales channels etc. are continuously subject for mitigation.

MANAGEMENT'S REVIEW

Future expectations (continued)

The Company is also closely following the development in Ukraine and monitoring the potential impact on its financial reporting for 2022, but with mitigating actions it is currently expected to have limited impact.

Taking this into consideration, revenue is expected to grow low to medium single-digit in fixed currencies. Changes in foreign currency exchange rates, the uncertainty of the Covid-19 pandemic, supply shortages can as described above have a substantial impact on the expected development.

While the situation is still uncertain, it is not expected that it will have a significant negative impact on the result and financial position of the Company. This is mainly due to the expected impact of mitigating actions, which also supported the development in 2021. It is still expected that the result will grow slightly positive, but highly depending on the development in revenue, the material supply situation, price increases etc. as described above.

Significant events after the end of the financial year

Other than the continuous uncertainty of Covid-19 pandemic, no substantial events have occurred after the end of the financial year with considerable importance for the Company's financial position.

Corporate social responsibility and data ethics

Radiometer's corporate social responsibility policy is built upon internationally recognized principles on human rights, environment and anticorruption. These principles derive from the UN Global Compact, the United Nations' corporate social responsibility initiative that Radiometer joined in 2010.

As described in the Radiometer CSR report (see link below), Radiometer has built its sustainability focus around three pillars: Innovation, people, environment.

Innovation: Since Radiometer entered medical technology with the development of the world's first commercially available blood gas analyzer in 1954, Radiometer has continuously advanced the Company's acute care diagnostic solutions with dedication, clinical evidence and attention to detail.

People: Radiometer believes that the diversity among the Company's associates is one of Radiometer's greatest strengths. Radiometer is committed to creating an inclusive work environment with equal access to open positions, development opportunities, and management roles at all levels.

Environment: In 2018, Radiometer conducted a global organization-wide materiality assessment in which generation of waste, use of hazardous chemicals, and energy consumption was identified as the Company's significant climate and environmental impacts. Since then Radiometer has worked to reduce the Company's impact in these areas.

Data ethics

At Radiometer, data ethics and data privacy are fundamental and integrated parts of the Company's policies and Code of Conduct. Training individual associates who have access to systems and data is essential. All associates are required to participate and document participation in yearly security and compliance training, update training in the quality management system, and complete ad hoc self-testing to continuously improve awareness and attention on this topic.

The Corporate social responsibility, the statutory reporting requirements for the gender composition of management, and data ethics of Radiometer as prescribed by section 99a, 99b and 99d of the Danish Financial Statements Act, is described in more details in the Sustainability Report 2021*.

*) Full link to the 2021 CSR report:

https://www.radiometer.com/-/media/radiometer/corporate/files/csr/radiometer-sustainability-report-2021_en.pdf

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK '000	2020 DKK '000
NET REVENUE	1	5.047.156	4.686.744
Cost of sales.....		-1.949.954	-1.777.637
GROSS PROFIT		3.097.202	2.909.107
Other external expenses.....	2	-729.725	-618.319
Staff costs.....	3	-1.094.609	-983.700
Depreciation, amortisation and impairment.....	4	-368.655	-348.897
OPERATING PROFIT		904.213	958.191
Result of equity investments in subsidiaries.....		64.316	66.295
Other financial income.....	5	1.698	627
Other financial expenses.....	6	-13.649	-11.107
PROFIT BEFORE TAX		956.578	1.014.006
Tax on profit for the year.....	7	-173.165	-189.544
PROFIT FOR THE YEAR	8	783.413	824.462

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK '000	2020 DKK '000
Development projects completed.....		23.175	65.853
Intangible fixed assets acquired.....		1.322.233	1.525.654
Goodwill.....		565.333	652.306
Development projects in progress and prepayments.....		426.706	357.781
Intangible fixed assets	9	2.337.447	2.601.594
Production plants and machinery.....		65.034	66.294
Other plants, machinery, tools and equipment.....		20.680	25.510
Tangible fixed assets in progress and prepayment.....		77.418	57.845
Tangible fixed assets	10	163.132	149.649
Investments in Subsidiaries.....		1.066.610	1.593.372
Rent deposit and other receivables.....		18.219	18.183
Fixed asset investments	11	1.084.829	1.611.555
FIXED ASSETS		3.585.408	4.362.798
Raw materials and consumables.....		103.921	85.039
Finished goods and goods for resale.....		112.342	92.492
Inventories		216.263	177.531
Trade receivables.....		208.703	167.141
Receivables from Group Companies.....		3.013.675	3.743.603
Other receivables.....		30.071	52.989
Prepayments and accrued income.....	12	44.131	25.869
Receivables		3.296.580	3.989.602
Cash and cash equivalents		9.091	16.117
CURRENT ASSETS		3.521.934	4.183.250
ASSETS		7.107.342	8.546.048

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK '000	2020 DKK '000
Share capital.....		2.202.343	2.202.343
Reserve for development costs.....		350.908	330.436
Retained profit.....		915.517	2.051.822
Proposed dividend.....		1.900.000	2.500.000
EQUITY.....		5.368.768	7.084.601
Provision for deferred tax.....	13	373.793	434.631
Other provisions.....	14	40.936	28.305
PROVISION FOR LIABILITIES.....		414.729	462.936
Accruals and deferred income.....		21.927	12.624
Long-term liabilities.....		21.927	12.624
Bank debt.....		7.679	38
Prepayments received from customers.....		4.907	2.159
Trade payables.....		234.775	243.919
Payables to Group Companies.....		620.375	178.142
Corporate tax.....		233.854	247.019
Other liabilities.....		182.076	301.616
Accruals and deferred income.....	15	18.252	12.994
Current liabilities.....		1.301.918	985.887
LIABILITIES.....		1.323.845	998.511
EQUITY AND LIABILITIES.....		7.107.342	8.546.048
Contingencies etc.	16		
Related parties	17		
Consolidated financial statements	18		

EQUITY

	Share capital	Reserve for development projects	Retained profit	Proposed dividend	Total
Equity at 1 January 2021.....	2.202.343	330.436	2.051.822	2.500.000	7.084.601
Dividend paid				-2.500.000	-2.500.000
Foreign exchange adjustments, investment in subsidiaries.....			754		754
Development costs capitalised in the year.....		53.761	-53.761		
Proposed distribution of profit.....		-33.289	-1.083.298	1.900.000	783.413
Equity at 31 December 2021	2.202.343	350.908	915.517	1.900.000	5.368.768

The share capital has remained unchanged for the last 5 years.

NOTES

Note

Net revenue

1

The revenue amounted to 5.047 MDKK in 2021 compared to 4.687 MDKK in 2020.

This is a growth of 360 MDKK/7,7%. Of this approx. 9,2% is due to increase in volume and -1,5% is due to a decrease in foreign currency rates.

The main share of the Company's revenue comes from export. The majority of the Company's products are distributed abroad via own sales companies (approx. 79% of total sales) and non-affiliated distributors.

Segment details

The revenue of the Company is within one business segment related to caregivers diagnostic decisions that save lives.

Geographically the revenue of the Company for 2021 from developed markets was 3.072 MDKK, growing 3,2% (4,8% in fixed currency) from 2.977 MDKK in 2020. From emerging markets the revenue was 1.975 MDKK, growing 15,5% from 1.709 MDKK in 2020 (16,9% in fixed currency).

Developed markets are defined as Western Europe, North America, Japan, Australia/New Zealand whereas emerging markets are defined as Eastern Europe, Middle East, Latin America, Asia (excl. Japan) and Africa.

	2021 DKK '000	2020 DKK '000
Fee to statutory auditors		
Total fee:		
Ernst & Young.....	1.150	1.127
	1.150	1.127
Specification of fee:		
Statutory audit.....	1.150	1.127
Other assurance services.....	40	40
	1.190	1.167

2

NOTES

	2021 DKK '000	2020 DKK '000	Note
Staff costs			3
Average number of employees 1.164 (2020: 1.134)			
Wages and salaries.....	1.015.648	910.964	
Pensions.....	65.455	62.775	
Social security costs.....	13.506	9.961	
	1.094.609	983.700	
<p>Staff costs include expenses for a Stock option and Restricted Stock Unit program of the parent company in the USA. This is a global program mainly for managers in the Group. The total cost for vested options for all managers in the program allocated to the Company was in 2021 86.307 t.DKK (In 2020: 47.395 t.DKK).</p> <p>Board of Executives and Board of Directors: Total amount for Board of Executives and Board of Directors can be specified as: Remuneration, Board of Executives 14.169 t.DKK (In 2020: 15.110 t.DKK) Remuneration, Board of Directors 180 t.DKK (In 2020: 180 t.DKK)</p> <p>The Board of Executives is participating in the Stock options and Restricted Stock units program mentioned above. The value of the program using the Black Scholes model assigned in the fiscal year for the Board of Executives of the Company amounts to 4.232 t.DKK (In 2020: 4.003 t.DKK), which is included in remuneration to the Board of Executives disclosed above.</p>			
Depreciation, amortisation and impairment			4
Development projects completed	42.678	24.818	
Tangible fixed assets	35.582	33.685	
Intangible fixed assets acquired and goodwill	290.394	290.394	
	368.654	348.897	
Other financial income			5
Other interest income.....	1.698	627	
	1.698	627	
Other financial expenses			6
Interest, Group companies.....	10.333	10.695	
Other interest expenses.....	3.316	412	
	13.649	11.107	

NOTES

	2021 DKK '000	2020 DKK '000	Note
Tax on profit/loss for the year			7
Calculated tax on taxable income of the year.....	233.854	247.019	
Adjustment of tax for previous years.....	150	134	
Adjustment of deferred tax.....	-60.839	-57.609	
	173.165	189.544	
Proposed distribution of profit			8
Proposed dividend for the year.....	1.900.000	2.500.000	
Reserve for development costs, net of deferred tax.....	-33.289	-19.358	
Retained profit.....	-1.083.298	-1.656.180	
	783.413	824.462	
Intangible fixed assets			9
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2021.....	303.718	5.603.085	
Cost at 31 December 2021.....	303.718	5.603.085	
Amortisation at 1 January 2021.....	237.865	4.077.431	
Amortisation for the year.....	42.678	203.421	
Amortisation at 31 December 2021.....	280.543	4.280.852	
Carrying amount at 31 December 2021.....	23.175	1.322.233	
	Goodwill	Development projects in progress and prepayments	
Cost at 1 January 2021.....	1.742.969	357.781	
Additions.....	0	68.925	
Cost at 31 December 2021.....	1.742.969	426.706	
Amortisation at 1 January 2021.....	1.090.663	0	
Amortisation for the year.....	86.973	0	
Amortisation at 31 December 2021.....	1.177.636	0	
Carrying amount at 31 December 2021.....	565.333	426.706	

NOTES

Note

Intangible fixed assets (continued)

9

Recognition and measurement of Intellectual Property Rights and Development costs in the balance sheet are inherently subject to uncertainty as the value of the asset depends on the expected future revenue of the products, to which the rights and development projects are related.

Management has performed a review of impairment indicators and has prepared an impairment test and thereby calculated the recoverable amount of the Company's intangible fixed assets at 31 December 2021.

The impairment method used is based on Danaher's standard internal valuation methodology. The impairment test did not result in need for impairment.

Tangible fixed assets

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	Production plants and machinery	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	283.771	117.957	57.844
Transferred.....	21.677	5.556	-27.293
Additions.....	0	2.963	46.867
Disposals.....	-7.703	-7.601	0
Cost at 31 December 2021.....	297.745	118.875	77.418
Depreciation and impairment losses at 1 January 2021.....	217.477	92.448	
Reversal of depreciation of assets disposed of..	-7.453	-7.294	
Depreciation for the year.....	22.687	13.041	
Depreciation and impairment losses at 31 December 2021.....	232.711	98.195	
Carrying amount at 31 December 2021.....	65.034	20.680	77.418

Fixed asset investments

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	Investments in Subsidiaries	Rent deposit and other receivables
Cost at 1 January 2021.....	2.189.029	18.183
Additions.....	0	122
Additions, capital increase.....	8.171	0
Disposals.....	0	-86
Cost at 31 December 2021.....	2.197.200	18.219
Revaluation at 1 January 2021.....	-595.657	0
Currency adjustment, balances.....	1.042	0
Dividend.....	-600.000	0
Share of profit/loss for the year.....	64.313	0
Currency adjustment of the P&L for the period.....	-288	0
Other adjustments.....	0	0
Revaluation at 31 December 2021.....	-1.130.590	0
Carrying amount at 31 December 2021.....	1.066.610	18.219

NOTES

	Note	
Fixed asset investments (continued)	11	
Investment in subsidiaries, share:		
Danaher Medical ApS, Denmark 100%		
Radiometer d.o.o., Croatia 100%		
Radiometer Mexico S.A. de R.L. de C.V., Mexico 99%		
Radiometer Suzhou Medical Technology Co., Ltd., China 100%		
Prepayments and accrued income	12	
Is related to prepaid expenses, insurance, rent etc.		
Provision for deferred tax	13	
Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets, inventory and provisions.		
	2021	2020
	DKK '000	DKK '000
Deferred tax specification:		
Provision for deferred tax 1 January.....	434.630	492.241
Adjustment deferred tax for the year.....	-60.837	-57.611
	373.793	434.630
Other provisions for liabilities	14	
Other provisions is related to estimated warranty liabilities etc.		
The due amount within 1 year is estimated to be approximately 35,6 MDKK (2020: 24,7 MDKK)		
Accruals and deferred income	15	
Accruals and deferred income is related to deferred income regarding service contracts etc.		

NOTES

	Note
Contingencies etc.	16
Joint taxation	
<p>The Company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationssselskab) for the Danish joint taxation. The Company is jointly and unlimited liable with the other jointly taxed companies for payment of corporation tax for the income year 2013 and later, and for withholding tax on interest, royalties and dividends, which are payable on 1 July 2012 or later.</p>	
<p>At 31 December 2021, the jointly taxed companies' net liability to SKAT is disclosed in the annual report for Danaher Tax Administration ApS, registration no. 28 31 68 87. Any subsequent assessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.</p>	
Rent liabilities.	
<p>The Company's intercompany rent liabilities is per 31 December 2021 36.691 TDKK (in 2020: 36.438 TDKK). The rent is indexed yearly via the net price index and is interminable until 1st of January 2023.</p>	
<p>The Company has car lease liabilities of 4.567 TDKK (in 2020: 4.754 TDKK) .</p>	
<p>Bank guarantees of 1.010 TDKK have been established through the Company's banks (in 2020: 1.566 TDKK).</p>	
<p>The Company guarantees a credit limit of 40.000 TDKK for the Group companies' cash pool (in 2020: 40.000 TDKK).</p>	

NOTES

Note

Related parties

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Related parties having performed transactions with the Company

The Company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties also include companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The related parties transactions for 2021 are shown below. All amounts in T.DKK

	Group Companies	Subsidiaries	Parent	Total
Transactions				
Income statement items				
Revenue	3.975.478			3.975.478
Cost of sales	-1.538.341			-1.538.341
Management fee, IC fee etc., received	22.395	600		22.996
Managemen fee, IC fee etc., paid	-147.812	-311	-3.527	-151.370
Rent paid	-37.833			-37.833
Stock options			-86.307	-86.307
Royalties paid		-192.957		-192.957
Transactions in the year				
Capital injections paid		-8.171		-8.171
Dividend paid			-2.500.000	-2.500.000
Dividend received		600.000		600.000
Balances per 31.12.21				
Cash Pool, receivable	2.809.613			2.809.613
Other receivable (trade)	204.062			204.062
Tax payable				
from joined taxation	-49.271			-49.271
Payables (trade)	-571.104			-571.104

Transactions with Board of Executives and Board of Directors are stated in note 3.

NOTES

Note

Consolidated financial statements

18

The parent and the ultimate parent of the Group are:

Parent:

RADCUE Holding AB (immediate parent company, shareholder)
Kuvettegatan 2
262 23 Ängelholm
Sweden

Ultimate parent:

Danaher Corporation (ultimate parent company in the Group)
2200 Pennsylvania Avenue, NW
Suite 800W
Washington, DC 20037
USA
(NYSE: DHR)

Consolidated financial statement is only prepared by the ultimate parent company.

ACCOUNTING POLICIES

The annual report of Radiometer Medical ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

Consolidated financial statements

The Group comply with the exemption clause of the § 112 for financial reporting in the Danish Financial Statements Act, and therefore consolidated financial statements have not been prepared.

Consolidated Financial Statement for Danaher Corporation Inc., USA, is available at:

<https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=116485090&type=PDF&symbol=DHR&companyName=Danaher+Corporation&formType=10-K&dateFiled=2022-02-23&CK=313616>

INCOME STATEMENT

Net revenue

The Company applies IAS 18 as interpretation for recognition of revenue.

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Revenue from contracts on terms like operating leases and maintenance is accrued, while finance leases are recognised at the fair value of future lease payments.

Cost of sales

Cost of sales comprises costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include expenses related to production, distribution, sale, marketing, research and product development, IT, HR, Finance, administration, premises etc.

The development cost for the year that does not meet the criterias for capitalisation is recognised in the income statement under the items other external costs and staff costs.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the Company's employees. Repayments from public authorities are deducted from staff costs. Staff cost also include pay-outs under the stock option program that senior management is participating in.

Result of equity investments in subsidiaries

The proportional share of the result of the subsidiaries after elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the income statement of the Company.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The Company is jointly taxed with wholly-owned Danish enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income and with full distribution of refund regarding taxable losses.

BALANCE SHEET

Intangible fixed assets

Acquired intangible fixed assets etc. are measured at cost less accumulated amortisation. Intangible fixed assets are amortised on a straight-line basis over the expected useful life. The economic lifetime for most of the intangible fixed assets, which include trademarks, technology, knowledge, channels of distribution etc. have been estimated individually and for some assets estimated to 20 years. The trademarks are globally registered on relevant markets without time limitations why the amortisation period is set at 20 years as a fair estimate of lifetime for these assets.

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreements.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years.

Development costs comprise costs, including wages and salaries, which directly or indirectly can be related to the company's development activities. Development costs that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised over the estimated useful life after completion of the development work. The annual amortisation of capitalised research and development activities is determined based on annual sales as a percentage of the total expected sales according to the latest business case. The amortisation period is determined at the acquisition date and will be reassessed at an annual basis.

Tangible fixed assets

Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Lease instruments.....	App. 2-5 years
Production plant and machinery.....	5 years
Other plant, fixtures and equipment.....	3-5 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

The depreciation base is calculated taking the residual value into account and will be reduced with any write-downs. The depreciation period and the residual value is determined at the acquisition date and will be reassessed at an annual basis. If the residual value is higher than the carrying amount depreciation will be ended.

Investments in subsidiaries

Investments in subsidiaries are measured in the Company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiaries are transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used for purchase of subsidiary enterprises.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the Company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivables, the residual amount is recognised under provision for liabilities to the extent that the Company's has a legal or actual liability to cover the subsidiary's deficit.

Deposits

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with investments that are not measured at fair value are reviewed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables are calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress include costs of raw materials, consumables, direct payroll cost and indirect production cost. Produced items also include added Indirect production expenses.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Prepayments and accruals

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank balances.

The cashpool with Group Companies is classified as receivables from Group Companies.

Equity

The reserve for development costs comprises recognised development costs, adjusted for deferred tax. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or if they are no longer part of the Company's operations by a transfer directly to distributable reserves under equity.

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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

Other provisions

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to materialise as current tax.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Other liabilities which include debt to supplier, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received from customers regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the Company, as its cash flows are reflected in the consolidated cash flow statement of the ultimate parent