

**RADIOMETER MEDICAL APS**  
**ÅKANDEVEJ 21, 2700 BRØNSHØJ**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 21 May 2021**

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**Benjamin Schulze Auster**

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## COMPANY DETAILS

<b>Company</b>	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
<b>Board of Directors</b>	Peter Kürstein-Jensen, chairman Henrik Schimmell Nielsen Claus Lønborg Madsen Marianne Helstrup Rikke Anette Bergstedt Lars Taeger Birgit Vilstrup Olsen Birgitte Lund Jørgensen
<b>Board of Executives</b>	Henrik Schimmell Nielsen Claus Lønborg Madsen
<b>Auditor</b>	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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 21 May 2021

### Board of Executives

\_\_\_\_\_  
Henrik Schimmell Nielsen

\_\_\_\_\_  
Claus Lønborg Madsen

### Board of Directors

\_\_\_\_\_  
Peter Kürstein-Jensen  
Chairman

\_\_\_\_\_  
Henrik Schimmell Nielsen

\_\_\_\_\_  
Claus Lønborg Madsen

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Marianne Helstrup

\_\_\_\_\_  
Rikke Anette Bergstedt

\_\_\_\_\_  
Lars Taeger

\_\_\_\_\_  
Birgit Vilstrup Olsen

\_\_\_\_\_  
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 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### 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, 21 May 2021

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Henrik Kronborg Iversen  
State Authorised Public Accountant  
mne24687

Rasmus Bloch Jespersen  
State Authorised Public Accountant  
mne35503

## FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
	DKK million	DKK million	DKK million	DKK million	DKK million
<b>Income statement</b>					
Net revenue.....	4.687	4.344	3.793	3.587	3.387
Gross profit.....	2.909	2.657	2.352	2.225	2.158
Operating profit.....	958	803	575	501	538
Financial income and expenses, net.....	-10	47	84	53	255
Profit for the year before tax.....	1.014	904	702	590	833
Profit for the year.....	824	716	556	466	663
<b>Balance sheet</b>					
Balance sheet total.....	8.546	7.707	15.221	14.788	14.804
Equity.....	7.085	6.262	13.712	13.156	11.580
Investment in tangible fixed assets.....	38	63	36	31	44
<b>Average number of full-time employees.....</b>	<b>1.134</b>	<b>1.101</b>	<b>1.068</b>	<b>1.035</b>	<b>1.014</b>
<b>Ratios</b>					
Profit margin.....	20,4	18,5	15,2	13,0	15,9
Rate of return.....	11,8	7,0	3,9	3,2	3,7
Solvency ratio.....	82,9	81,3	90,1	89,0	78,2
Return on equity.....	12,3	7,2	4,1	4,8	7,6

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.

More facts about the Company are described in the matrix below.

 <p><b>Owned by the Danaher Corporation</b></p> <p>Radiometer is a subsidiary of Danaher Corporation, whose companies serve some of today's most dynamic fast-growing industries: Life Sciences, Diagnostics, Water Quality and Product Identification. Together they achieved a revenue of 22.3B\$ in 2020.</p>	 <p><b>Our factories</b></p> <p>We have production sites in Poland, the United States, Finland, Switzerland and at our headquarters in Denmark.</p>	 <p><b>A great place to work</b></p> <p>Our success is based on a united effort of more than 4,000 Radiometer employees (part of an overall Danaher employee population of approximately 69,000).</p>	<p><b>Who we are</b></p>	
 <p><b>Our Business System</b></p> <p>The Danaher Business System (DBS) is our shared language. We use DBS to guide what we do, measure how well we execute, and drive a continuous cycle of change and improvement.</p>	 <p><b>Empowering caregivers</b></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><b>Better together</b></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><b>What we do</b></p>
 <p><b>Sustainable business</b></p> <p>We have built our sustainability focus on three pillars that put health at the center of our work and ensure lasting positive impact: People, Environment &amp; Climate and The society around us.</p>	 <p><b>Customer experience</b></p> <p>Since 1954 we have created impactful innovations within acute care diagnostics based on uncompromising persistence and passion, maintained for years.</p>	 <p><b>Global reach</b></p> <p>Our solutions are used in hospitals, clinics and labs in more than 130 countries.</p>		<p><b>Value delivered</b></p>



## MANAGEMENT'S REVIEW

### Uncertainty as to 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 2020 result and financial development of the Company were satisfactory. Revenue and Profit developed positively.

The revenue amounted to 4.687 MDKK in 2020, growing 343 MDKK/7,9% from 4.344 MDKK in 2019. Specifications on segments and impact from volume/currency are described in note 1.

Despite the fact that the impact from Covid-19 varies between markets and products, with a mixed impact on the total sales growth, the Company has experienced an overall increased demand for Radiometer products. The sales growth has been particularly higher in the developed markets, thereby compensating for the lower growth usually seen in the high growth markets.

The Operating profit in 2020 amounted to 958 MDKK compared to last year's 803 MDKK and is in line with expectations. The growth in operating profits comes from higher revenue and related gross profit, slightly offsetting higher operating expenses, mainly costs for employees.

The Company has in general also recognized higher expenses related to Covid-19. Several actions have been set in motion to keep employees, customers and suppliers safe. This was done with clear objectives to stay in control by being up front with preventive actions to mitigate a potential negative impact from Covid-19. This include 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. All to make sure that people are safe and products can be delivered to the customers. In other areas there has been a natural reduction of expenses, such as travelling, which slightly compensates for the general expense increase due to Covid-19.

The total profit for the Company for the year ended on 824 MDKK compared to a profit of 716 MDKK in 2019. When taking the pandemic into consideration, the impact on the sales and result for the year is satisfactory. In general, it has been very positive that it has been possible to keep people safe through this process and that deliveries to the customers have been maintained.

During the year, the equity of the Company has changed from 6.262 MDKK at the beginning of the year to 7.085 MDKK at the end of the year. The change consists of a profit for the year of +824 MDKK with currency adjustments of investments in subsidiaries of -2 MDKK. The Company has proposed to pay dividend of 2,500 MDKK to manage cash flow from the cash generating activities in the Company within the Danish part of 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

## MANAGEMENT'S REVIEW

### **Special risks (continued)**

risk is considered insignificant. Approximately 22% of the products are sold to external non-affiliated 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 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. Due to the outbreak of Covid-19 in start of 2020 this risk is considered higher and substantial mitigating actions have been implemented.

### **Knowledge resources**

A high priority for Radiometer is to create an environment where the employees can grow and learn and for the employees to gain skills and embrace new challenges. Radiometer prioritizes and supports ongoing formal and informal development and performance conversations between managers and employees.

Personal and professional growth is handled via the Company's Performance for Growth and Development for Growth Cycles. In the beginning of the year, employees and managers set clear goals and objectives as to how the employees contribute to the strategic priorities of the business and how the employees can develop professionally and personally.

## MANAGEMENT'S REVIEW

### Knowledge resources (continued)



Based on the adult learning model, Radiometer believes that 70% of a person's learning at work should come from learning on the job by engaging and exposing themselves to new projects, tasks and responsibilities, 20% should come from coaching and feedback and 10% should be realized through formal training.

The launch of Radiometers Learning Management System allowed Radiometer to continue this approach while protecting the employees from the global pandemic with virtual trainer-led sessions, 24/7 on-demand e-learning, and face-to-face training for employees.

Being part of Danaher with more than 20 operating companies enables Radiometer to offer worldwide dynamic and challenging careers to its employees - both within the Company's industry and outside.

The Danaher Business System (DBS) is the foundation of Radiometers performance and culture and provides Radiometer with tools to enable continuous improvement - whether it takes place 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. 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

This year's positive development in Revenue, Operating profit and Profit for the year is expected to continue in 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 2020 has been mitigated and during the first months of 2021, the impact has also been limited for the Company. Risks related to associates, supply chains, sales channels etc. are continuously subject for mitigation. While the situation is still uncertain, it is not expected that the Covid-19 will have a substantial impact on the financial position of the Company due to the mitigation actions, as was the case in 2020.

Revenue is expected to grow high single-digit in fixed currencies with matching positive impact on

## MANAGEMENT'S REVIEW

### Future expectations (continued)

operating profit and profit for the year. Changes in foreign currency exchange rates can have a substantial impact on the expected development.

### Significant events after the end of the financial year

No events of considerable importance for the Company's financial position, other than the continuous uncertainty of Covid-19 pandemic, as described above, have occurred after the end of the financial year.

### Corporate social responsibility

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.

Radiometer has built its sustainability focus around three pillars:

*People:* Supporting the engagement and well-being of the employees is of the highest priority as there is no doubt that having capable and motivated employees is key to the Company's success. Likewise, the safety and treatment of patients and the relationship with Radiometer's customers are fundamental to how Radiometer runs its business.

*Environment and climate:* As a global production company, Radiometer undeniably have an impact on the environment. Radiometer acknowledges the effects that Greenhouse Gases emissions related to human activities have on climate change and follow all applicable rules and regulations related to this. Radiometer considers and implements energy efficiency measures in construction and renovation projects.

*The society around us:* As a company operating in over 130 countries, Radiometer has a responsibility to ensure that the business does not have a negative impact on the societies that surround us. Instead, the presence of Radiometer should contribute to sustainable development in the countries and regions in question.

The Corporate social responsibility of Radiometer, incl. the statutory reporting requirements for Corporate Social Responsibility and the gender composition of management as prescribed by section 99a and 99b of the Danish Financial Statements Act, is described in more details in the Sustainability Report 2020\*.

\*) Full link to the 2020 CSR report:

[https://www.radiometer.com/-/media/radiometer/corporate/files/csr/csr-report\\_2020\\_radiometer.pdf](https://www.radiometer.com/-/media/radiometer/corporate/files/csr/csr-report_2020_radiometer.pdf)

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK '000	2019 DKK '000
<b>NET REVENUE</b> .....	1	<b>4.686.744</b>	<b>4.344.060</b>
Cost of sales.....		-1.777.637	-1.686.662
<b>GROSS PROFIT</b> .....		<b>2.909.107</b>	<b>2.657.398</b>
Other external expenses.....	2	-618.319	-603.310
Staff costs.....	3	-983.700	-896.529
Depreciation, amortisation and impairment.....	4	-348.897	-354.701
<b>OPERATING PROFIT</b> .....		<b>958.191</b>	<b>802.858</b>
Result of equity investments in subsidiaries.....		66.295	53.756
Other financial income.....	5	627	51.603
Other financial expenses.....	6	-11.107	-4.653
<b>PROFIT BEFORE TAX</b> .....		<b>1.014.006</b>	<b>903.564</b>
Tax on profit for the year.....	7	-189.544	-187.750
<b>PROFIT FOR THE YEAR</b> .....	8	<b>824.462</b>	<b>715.814</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2020</b> DKK '000	<b>2019</b> DKK '000
Development projects completed.....		65.853	90.671
Intangible fixed assets acquired.....		1.525.654	1.729.075
Goodwill.....		652.306	739.279
Development projects in progress and prepayments.....		357.781	290.325
<b>Intangible fixed assets</b> .....	<b>9</b>	<b>2.601.594</b>	<b>2.849.350</b>
Production plants and machinery.....		66.294	42.197
Other plants, machinery, tools and equipment.....		25.510	30.850
Tangible fixed assets in progress and prepayment.....		57.845	74.177
<b>Tangible fixed assets</b> .....	<b>10</b>	<b>149.649</b>	<b>147.224</b>
Investments in Subsidiaries.....		1.593.372	1.525.592
Rent deposit and other receivables.....		18.183	18.236
<b>Fixed asset investments</b> .....	<b>11</b>	<b>1.611.555</b>	<b>1.543.828</b>
<b>FIXED ASSETS</b> .....		<b>4.362.798</b>	<b>4.540.402</b>
Raw materials and consumables.....		85.039	81.882
Finished goods and goods for resale.....		92.492	126.815
<b>Inventories</b> .....		<b>177.531</b>	<b>208.697</b>
Trade receivables.....		167.141	145.004
Receivables from Group Companies.....		3.743.603	2.782.883
Other receivables.....		52.989	1.613
Prepayments and accrued income.....	<b>12</b>	25.869	24.857
<b>Receivables</b> .....		<b>3.989.602</b>	<b>2.954.357</b>
<b>Cash and cash equivalents</b> .....		<b>16.117</b>	<b>3.724</b>
<b>CURRENT ASSETS</b> .....		<b>4.183.250</b>	<b>3.166.778</b>
<b>ASSETS</b> .....		<b>8.546.048</b>	<b>7.707.180</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2020</b> DKK '000	<b>2019</b> DKK '000
Share capital.....		2.202.343	2.202.343
Reserve for development costs.....		330.436	297.178
Retained profit.....		2.051.822	3.762.965
Proposed dividend.....		2.500.000	0
<b>EQUITY.....</b>		<b>7.084.601</b>	<b>6.262.486</b>
Provision for deferred tax.....	13	434.631	492.240
Other provisions.....	14	28.305	23.521
<b>PROVISION FOR LIABILITIES.....</b>		<b>462.936</b>	<b>515.761</b>
Accruals and deferred income.....		12.624	5.691
<b>Long-term liabilities.....</b>		<b>12.624</b>	<b>5.691</b>
Bank debt.....		38	1.000
Prepayments received from customers.....		2.159	6.525
Trade payables.....		243.919	299.325
Payables to Group Companies.....		178.142	187.735
Corporate tax.....		247.019	246.162
Other liabilities.....		301.616	175.168
Accruals and deferred income.....	15	12.994	7.327
<b>Current liabilities.....</b>		<b>985.887</b>	<b>923.242</b>
<b>LIABILITIES.....</b>		<b>998.511</b>	<b>928.933</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>8.546.048</b>	<b>7.707.180</b>
<b>Contingencies etc.</b>	16		
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## EQUITY

	Share capital	Reserve for development projects	Retained profit	Proposed dividend	Total
Equity at 1 January 2020.....	2.202.343	297.178	3.762.965	0	6.262.486
Foreign exchange adjustments, investment in subsidiaries.....			-1.978		-1.978
Development costs capitalised in the year.....		52.616	-52.616		
Proposed distribution of profit.....		-19.358	-1.656.549	2.500.000	824.093
<b>Equity at 31 December 2020.....</b>	<b>2.202.343</b>	<b>330.436</b>	<b>2.051.822</b>	<b>2.500.000</b>	<b>7.084.601</b>

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



NOTES

Note

**Net revenue**

1

The revenue amounted to 4.687 MDKK in 2020 compared to 4.344 MDKK in 2019.

This is a growth of 343 MDKK/7,9%. Of this approx. 9,8% is due to increase in volume and -1,9% 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. 78% 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 2020 from developed markets was 2.977 MDKK, growing 9,4% (10,5% in fixed currency) from 2.721 MDKK in 2019. From emerging markets the revenue was 1.709 MDKK, growing 5,3% from 1.623 MDKK in 2019 (8,7% 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.

	2020 DKK '000	2019 DKK '000
<b>Fee to statutory auditors</b>		
Total fee:		
Ernst & Young.....	1.127	1.142
	<b>1.127</b>	<b>1.142</b>
Specification of fee:		
Statutory audit.....	1.127	1.127
Other assurance services.....	40	15
	<b>1.167</b>	<b>1.142</b>

2

NOTES

	2020	2019	Note
	DKK '000	DKK '000	
<b>Staff costs</b>			<b>3</b>
Average number of employees 1.134 (2019: 1.101)			
Wages and salaries.....	910.964	831.154	
Pensions.....	62.775	55.233	
Social security costs.....	9.961	10.142	
	<b>983.700</b>	<b>896.529</b>	
<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 2020 47.395 t.DKK (In 2019: 38.179 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 15.110 t.DKK (In 2019: 12.801 t.DKK) Remuneration, Board of Directors 180 t.DKK (In 2019: 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 4.003 t.DKK (In 2019: 3.898 t.DKK), which is included in remuneration to the Board of Executives disclosed above.</p>			
<b>Depreciation, amortisation and impairment</b>			<b>4</b>
Development projects completed	24.818	32.683	
Tangible fixed assets	33.685	29.874	
Intangible fixed assets acquired and goodwill	290.394	292.144	
	<b>348.897</b>	<b>354.701</b>	
<b>Other financial income</b>			<b>5</b>
Interest, Group companies.....	0	50.437	
Other interest income.....	627	1.166	
	<b>627</b>	<b>51.603</b>	
<b>Other financial expenses</b>			<b>6</b>
Interest, Group companies.....	10.695	4.509	
Other interest expenses.....	412	144	
	<b>11.107</b>	<b>4.653</b>	

NOTES

	2020 DKK '000	2019 DKK '000	Note
<b>Tax on profit/loss for the year</b>			<b>7</b>
Calculated tax on taxable income of the year.....	247.019	246.163	
Adjustment of tax for previous years.....	134	123	
Adjustment of deferred tax.....	-57.609	-58.536	
	<b>189.544</b>	<b>187.750</b>	
<b>Proposed distribution of profit</b>			<b>8</b>
Proposed dividend for the year.....	2.500.000	0	
Reserve for development costs, net of deferred tax.....	-19.358	-25.493	
Retained profit.....	-1.656.180	741.307	
	<b>824.462</b>	<b>715.814</b>	
<b>Intangible fixed assets</b>			<b>9</b>
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2020.....	303.718	5.603.085	
<b>Cost at 31 December 2020.....</b>	<b>303.718</b>	<b>5.603.085</b>	
Amortisation at 1 January 2020.....	213.047	3.874.010	
Amortisation for the year.....	24.818	203.421	
<b>Amortisation at 31 December 2020.....</b>	<b>237.865</b>	<b>4.077.431</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>65.853</b>	<b>1.525.654</b>	
	Goodwill	Development projects in progress and prepayments	
Cost at 1 January 2020.....	1.742.969	290.325	
Additions.....	0	67.456	
<b>Cost at 31 December 2020.....</b>	<b>1.742.969</b>	<b>357.781</b>	
Amortisation at 1 January 2020.....	1.003.690	0	
Amortisation for the year.....	86.973	0	
<b>Amortisation at 31 December 2020.....</b>	<b>1.090.663</b>	<b>0</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>652.306</b>	<b>357.781</b>	

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 2020.

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**

10

	Production plants and machinery	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2020.....	283.591	133.781	74.177
Transferred.....	46.032	3.182	-49.056
Additions.....	0	5.301	32.724
Disposals.....	-45.852	-24.308	0
<b>Cost at 31 December 2020.....</b>	<b>283.771</b>	<b>117.956</b>	<b>57.845</b>
Depreciation and impairment losses at 1 January 2020.....	241.395	102.930	
Reversal of depreciation of assets disposed of..	-43.949	-24.138	
Depreciation for the year.....	20.031	13.654	
<b>Depreciation and impairment losses at 31 December 2020.....</b>	<b>217.477</b>	<b>92.446</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>66.294</b>	<b>25.510</b>	<b>57.845</b>

**Fixed asset investments**

11

	Investments in Subsidiaries	Rent deposit and other receivables
Cost at 1 January 2020.....	2.185.562	18.236
Additions.....	0	121
Additions, capital increase.....	3.467	0
Disposals.....	0	-174
<b>Cost at 31 December 2020.....</b>	<b>2.189.029</b>	<b>18.183</b>
Revaluation at 1 January 2020.....	-659.970	0
Currency adjustment, balances.....	-1.978	0
Share of profit/loss for the year.....	66.295	0
Other adjustments.....	-4	0
<b>Revaluation at 31 December 2020.....</b>	<b>-595.657</b>	<b>0</b>
<b>Carrying amount at 31 December 2020.....</b>	<b>1.593.372</b>	<b>18.183</b>

NOTES

	<b>Note</b>																		
<b>Fixed asset investments (continued)</b>	<b>11</b>																		
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%																			
<b>Prepayments and accrued income</b>	<b>12</b>																		
Is related to prepaid expenses, insurance, rent etc.																			
<b>Provision for deferred tax</b>	<b>13</b>																		
Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets, inventory and provisions.																			
	<table border="0"> <thead> <tr> <th></th> <th style="text-align: right;"><b>2020</b></th> <th style="text-align: right;"><b>2019</b></th> </tr> <tr> <th></th> <th style="text-align: right;">DKK '000</th> <th style="text-align: right;">DKK '000</th> </tr> </thead> <tbody> <tr> <td>Deferred tax specification:</td> <td></td> <td></td> </tr> <tr> <td>Provision for deferred tax 1 January.....</td> <td style="text-align: right;">492.241</td> <td style="text-align: right;">550.777</td> </tr> <tr> <td>Adjustment deferred tax for the year.....</td> <td style="text-align: right;">-57.611</td> <td style="text-align: right;">-58.536</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>434.630</b></td> <td style="text-align: right;"><b>492.241</b></td> </tr> </tbody> </table>		<b>2020</b>	<b>2019</b>		DKK '000	DKK '000	Deferred tax specification:			Provision for deferred tax 1 January.....	492.241	550.777	Adjustment deferred tax for the year.....	-57.611	-58.536		<b>434.630</b>	<b>492.241</b>
	<b>2020</b>	<b>2019</b>																	
	DKK '000	DKK '000																	
Deferred tax specification:																			
Provision for deferred tax 1 January.....	492.241	550.777																	
Adjustment deferred tax for the year.....	-57.611	-58.536																	
	<b>434.630</b>	<b>492.241</b>																	
<b>Other provisions for liabilities</b>	<b>14</b>																		
Other provisions is related to estimated warranty liabilities etc.																			
The due amount within 1 year is estimated to be approximately 24,7 MDKK (2019: 21,5 MDKK)																			
<b>Accruals and deferred income</b>	<b>15</b>																		
Accruals and deferred income is related to deferred income regarding service contracts etc.																			

## NOTES

	<b>Note</b>
<b>Contingencies etc.</b>	<b>16</b>
<b>Joint taxation</b>	
<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 2020, 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>	
<b>Rent liabilities.</b>	
<p>The Company's intercompany rent liabilities is per 31 December 2020 36.438 TDKK (in 2019: 36.194 TDKK). The rent is indexed yearly via the net price index and is interminable until 1st of January 2022.</p>	
<p>The Company has car lease liabilities of 4.754 TDKK (in 2019: 4.996 TDKK) .</p>	
<p>Bank guarantees of 1.566 TDKK have been established through the Company's banks (in 2019: 1.418 TDKK).</p>	
<p>The Company guarantees a credit limit of 40.000 TDKK for the Group companies' cash pool (in 2019: 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 2020 are shown below. All amounts in T.DKK

	Group Companies	Subsidiaries	Parent	Total
Transactions				
Revenue	3.647.826			3.647.826
Cost of sales	-1.111.578			-1.111.578
Management fee, IC fee etc., received	11.103	560		11.572
Managemen fee, IC fee etc., paid	-51.244		-7.790	-59.034
Rent paid	-36.354			-36.354
Stock options			-47.395	-47.395
Royalties paid		-186.354		-186.354
Capital injections		-3.468		-3.468
<b>Balances per 31.12.20</b>				
Cash Pool, receivable	3.311.950			3.311.950
Other receivable (trade)	223.573			223.573
Tax receivable from joined taxation	208.080			208.080
Payables (trade)	-178.142			-178.142

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

### Consolidated financial statements

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The parent and the ultimate parent of the Group are:

#### Parent:

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

#### Ultimate parent:

Danaher Corporation (main 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 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

Effective from the financial year 2020, the Company has implemented amending act. no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### 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=115667313&type=PDF&symbol=DHR&companyName=Danaher+Corporation&formType=10-K&dateFiled=2021-02-25&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.



## ACCOUNTING POLICIES

### 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.

### 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.

## ACCOUNTING POLICIES

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.

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