

**DANAHER MEDICAL APS**  
**ÅKANDEVEJ 21, 2700 BRØNSHØJ**  
**ANNUAL REPORT**  
**1. JANUAR - 31. DECEMBER 2016**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 11 April 2017**

---

**Vibeke Holst-Andersen**

## CONTENTS

	Page
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Statement by Board of Executives.....	4
Independent Auditor's Report.....	5-6
<b>Management's Review</b>	
Financial Highlights.....	7
Management's Review.....	8
<b>Financial Statements 1 January - 31 December</b>	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-16
Accounting Policies.....	17-18

## COMPANY DETAILS

<b>Company</b>	Danaher Medical ApS Åkandevej 21 2700 Brønshøj
	CVR no.: 27 55 95 22 Established: 23 January 2004 Registered Office: Åkandevej 21, DK-2700 Brønshøj Financial Year: 1 January - 31 December
<b>Board of Executives</b>	Frank T. McFaden
<b>Auditor</b>	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4 2000 Frederiksberg

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Danaher Medical ApS for the year 1 January - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

I recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 11 April 2017

Board of Executives

---

Frank T. McFaden

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of Danaher Medical ApS

#### Opinion

We have audited the financial statements of Danaher Medical ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management's review

Management is responsible for Management's review.

Our opinion on the financial statements does not cover 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 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 11 April 2017

Ernst & Young Godkendt Revisionspartnerselskab  
CVR-nr. 30 70 02 28

Henrik Kronborg Iversen  
State Authorised Public Accountant

Rasmus Bloch Jespersen  
State Authorised Public Accountant

## FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Net revenue.....	138.929	130.021	112.168	105.968	102.013
Operating profit/loss.....	35.405	29.816	16.222	16.439	20.116
Financial income and expenses, net.....	1.522	2.622	2.117	1.886	2.298
Profit/loss for the year before tax.....	36.927	32.438	18.339	18.325	22.414
Profit/loss for the year.....	28.812	31.891	19.549	42.954	16.896
<b>Balance sheet</b>					
Balance sheet total.....	2.700.624	2.663.698	2.531.038	2.461.502	2.402.865
Equity.....	2.328.240	2.299.428	2.267.537	2.247.988	2.205.034
<b>Ratios</b>					
Profit margin.....	25,5	22,9	14,5	15,5	19,7
Rate of return.....	1,3	1,1	0,6	0,7	0,9
Solvency ratio.....	86,2	86,3	89,6	91,3	91,8
Return on equity.....	1,2	1,4	0,8	0,8	1,0

The key figures are prepared in accordance with the guidance of The Danish Finance Society (Den danske Finansanalytikerforening) on "Recommendation & Key Figures 2015". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

The ratios stated in the list of key figures and ratios have been calculated as follows:

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:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

## MANAGEMENT'S REVIEW

### Principal activities

The objectives of the company are to carry on commercial and manufacturing business as well as financing and investment.

In December 2009, the company acquired intangible assets from Radiometer Medical ApS. The company's activity now consists of the licensing of these assets.

### Development in activities and financial position

The company's income statement for the period January 1 - December 31, 2016 shows a net profit of T.DKK 28,812, and the shareholders' equity amounts to T.DKK 2,328,240 at the balance sheet date of December 31, 2016.

Income related to licensing of the acquired intangible fixed assets and the result for the year is considered satisfactory, and in line with prior years expressed expectations.

The Executive Board recommends distribution of the profit as stated under distribution of profit/loss.

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

No events have occurred after the end of the financial year of material importance for the company's financial position.

### Future expectations

The company expects earnings on the same level as in the current year. The profit/loss is expected to be within a margin of +/- 10% compared to 2016.



**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2016 DKK '000	2015 DKK '000
<b>NET REVENUE</b> .....		<b>138.929</b>	<b>130.021</b>
Other external expenses.....		-982	-1.113
<b>GROSS PROFIT</b> .....		<b>137.947</b>	<b>128.908</b>
Amortisation .....		-102.542	-99.092
<b>OPERATING PROFIT</b> .....		<b>35.405</b>	<b>29.816</b>
Other financial income.....	1	1.522	2.622
<b>PROFIT BEFORE TAX</b> .....		<b>36.927</b>	<b>32.438</b>
Tax on profit/loss for the year.....	2	-8.115	-547
<b>PROFIT FOR THE YEAR</b> .....	3	<b>28.812</b>	<b>31.891</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2016</b> DKK '000	<b>2015</b> DKK '000
Intangible fixed assets.....		1.553.123	1.655.666
<b>Intangible fixed assets.....</b>	<b>4</b>	<b>1.553.123</b>	<b>1.655.666</b>
<b>FIXED ASSETS.....</b>		<b>1.553.123</b>	<b>1.655.666</b>
Receivables from group enterprises.....		1.147.501	906.904
Receivables corporation tax.....		0	101.128
<b>Receivables.....</b>		<b>1.147.501</b>	<b>1.008.032</b>
<b>CURRENT ASSETS.....</b>		<b>1.147.501</b>	<b>1.008.032</b>
<b>ASSETS.....</b>		<b>2.700.624</b>	<b>2.663.698</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2016</b> DKK '000	<b>2015</b> DKK '000
Share capital.....		127	127
Retained profit.....		2.328.113	2.299.301
<b>EQUITY.....</b>		<b>2.328.240</b>	<b>2.299.428</b>
Provision for deferred tax.....	5	341.685	364.244
<b>PROVISION FOR LIABILITIES.....</b>		<b>341.685</b>	<b>364.244</b>
Trade payables.....		25	26
Corporation tax.....		30.674	0
<b>Current liabilities.....</b>		<b>30.699</b>	<b>26</b>
<b>LIABILITIES.....</b>		<b>30.699</b>	<b>26</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>2.700.624</b>	<b>2.663.698</b>
 Contingencies etc.	6		
 Related parties	7		
 Consolidated financial statements	8		

**EQUITY**

	Share capital	Retained profit	Total
Equity at 1 January 2016.....	127	2.299.301	2.299.428
Proposed distribution of profit.....		28.812	28.812
<b>Equity at 31 December 2016.....</b>	<b>127</b>	<b>2.328.113</b>	<b>2.328.240</b>

**Changes in share capital in the latest 5 years, T.DKK**

	2016	2015	2014	2013	2012
Balance at 1 January.....	127	127	127	127	127
<b>Balance at 31 December .....</b>	<b>127</b>	<b>127</b>	<b>127</b>	<b>127</b>	<b>127</b>

NOTES

	2016 DKK '000	2015 DKK '000	Note
<b>Other financial income</b>			<b>1</b>
Interest, group enterprises .....	1.480	2.127	
Other interest income .....	42	495	
	<b>1.522</b>	<b>2.622</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	30.674	-101.128	
Adjustment of tax for previous years .....	0	-249	
Adjustment of deferred tax.....	-22.559	101.924	
	<b>8.115</b>	<b>547</b>	
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			<b>3</b>
Retained profit.....	28.812	31.891	
	<b>28.812</b>	<b>31.891</b>	
<b>Intangible fixed assets</b>			<b>4</b>
		Intangible fixed assets	
Cost at 1 January 2016 .....		2.160.789	
<b>Cost at 31 December 2016 .....</b>		<b>2.160.789</b>	
Amortisation at 1 January 2016.....		505.124	
Amortisation for the year .....		102.542	
<b>Amortisation at 31 December 2016.....</b>		<b>607.666</b>	
<b>Carrying amount at 31 December 2016.....</b>		<b>1.553.123</b>	

NOTES

			Note
<b>Provision for deferred tax</b>			<b>5</b>
Provision for deferred tax comprises deferred tax on intangible fixed assets and tax loss carried forward.			
	<b>2016</b>	<b>2015</b>	
	DKK '000	DKK '000	
Deferred tax concerns:			
Intangible fixed assets, trademarks.....	341.688	364.247	
Tax loss carried forward.....	-3	-3	
	<b>341.685</b>	<b>364.244</b>	
Deferred tax 1. januar 2016.....	364.244	262.543	
Adjustment during the year.....	-22.559	101.701	
<b>Provision for deferred tax 31 December 2016.....</b>	<b>341.685</b>	<b>364.244</b>	

**Contingencies etc.**

**6**

**Joint taxation**

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 severally 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.

At 31 December 2016, the jointly taxed companies' net liability to SKAT is disclosed in the annual report for Danaher Tax Administration ApS, registration number - 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.

**Other contingencies**

The company has no other contingent assets or liabilities.

NOTES

Note

**Related parties**

7

**Related parties having performed transactions with the company**

The company's related parties comprise the significant shareholders of the Company and their subsidiaries, Board of Executives and and their close relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

**Transactions with related parties**

The related parties transactions for 2016 are shown below. All amounts in T.DKK.

	<i>Parent company</i>	<i>Group enterprises</i>	<i>Total</i>
<b>Transactions</b>			
Royalty income, received	138.929		138.929
Administration of intangible assets	-955		-955
Interest received		1.480	1480
<b>Balances per 31.12.16</b>			
Loans		388.560	388.560
Cash Pool		758.941	758.941

## NOTES

### Note

#### Consolidated financial statements

8

The parent and ultimate parent of the group are:

Radiometer Medical ApS, (parent company, shareholder)

Åkandevej 21

2700 Brønshøj

Denmark

CVR nr.: 27 50 91 85

Danaher Corporation (ultimate parent company in the group)

2200 Pennsylvania Avenue, NW

Suite 800W

Washington, DC 20037

USA

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

The consolidated financial statement for the Danaher group can be acquired at the following link:

<https://www.sec.gov/Archives/edgar/data/313616/000031361617000066/dhr-20161231x10xk.htm>



## ACCOUNTING POLICIES

The annual report of Danaher Medical ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

### Amortisation period, intangible assets

Intangible assets are amortised over the useful life of the assets. The amortisation period in respect of intangible assets, including trademarks remain unchanged at 20 years, following Management's best estimate of the lifetime of the trademarks.

The above changes does not impact on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

## INCOME STATEMENT

### Net revenue

Net revenue consists of royalty income which is recognized at the time when the underlying transactions is carried out. The revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf on third parties.

### Other external expenses

Other external expenses include costs relating to administration of royalties, audit and accounting assistance.

### Financial income and expenses in general

Financial income and expenses include interest income and expenses, 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 affiliated 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 with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### Intangible fixed assets

Acquired intangible fixed assets are measured at cost less accumulated amortization over the expected useful life. The economic lifetime for the intangible assets which includes trademarks etc. is estimated to 20 years. The trademarks are globally registered on relevant markets without time limitations why the amortization period is set at 20 years as a fair estimate of lifetime for these assets.

The carrying amount of intangible fixed assets is subject to an annual analysis for indications of impairment other than the decrease in value reflected by amortisation. Impairment tests are conducted on individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Receivables

Account receivable are measured at amortised cost which usually corresponds to nominal value. Writedown is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is a objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

#### Cash and cash equivalents

Cash and cash equivalents comprises cash balances and bank balances.

Balances in the group's cash pool scheme are not, due to the nature of scheme, considered cash, but are recognised under "Receivables from group enterprises".

#### 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 crystallise as current tax.

#### Liabilities

Liabilities are measured at amortised cost equal to nominal value.

#### 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.