

Mediq Holding Danmark ApS

Kornmarksvej 15-19
2605 Brøndby

CVR no. 32 89 36 94

Annual report 2017

The annual report was presented and approved at the
Company's annual general meeting on

31 May 2018

Claus Høxbro
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mediq Holding Danmark ApS for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

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

Brøndby, 31 May 2018
Executive Board:

Ulrik Rokkedal Therkildsen

Board of Directors:

Jørgen Appel Kelkjær
Chairman

Paul Robert Hitchin



Independent auditor's report

To the shareholders of Mediq Holding Danmark ApS

Opinion

We have audited the financial statements of Mediq Holding Danmark ApS for the financial year 1 January – 31 December 2017 comprising 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on 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, 31 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke
State Authorised
Public Accountant
MNE no. 26779

Mediq Holding Danmark ApS
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Management's review

Company details

Mediq Holding Danmark ApS
Kornmarksvej 15-19
2605 Brøndby

Telephone: +45 36 37 92 00
Website: www.mediqdanmark.dk

CVR no.: 32 89 36 94
Registered office: Brøndby
Financial year: 1 January – 31 December

Board of Directors

Jørgen Appel Kelkjær, Chairman
Paul Robert Hitchin

Executive Board

Ulrik Rokkedal Therkildsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 31 May 2018.

Management's review

Operating review

Principal activities

The main activities of the Company are to hold and invest in shares and other related activity.

Development in activities and financial position

The income statement of the Company for 2017 shows a loss of DKK 49,021 thousand, and at 31 December 2017, the balance sheet of the Company showed an equity of DKK 101,345 thousand.

The Company's results and financial development were as expected.

Events after the balance sheet date

No subsequent events have occurred after the end of the financial year might materially affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross loss		<u>-32</u>	<u>-66</u>
Operating loss		<u>-32</u>	<u>-66</u>
Income from equity investments in group entities		-43,607	-24,938
Financial income		15	5
Financial expenses		<u>-13,422</u>	<u>-13,500</u>
Loss before tax		<u>-57,046</u>	<u>-38,499</u>
Tax on loss for the year	2	<u>8,025</u>	<u>-2,017</u>
Loss for the year		<u><u>-49,021</u></u>	<u><u>-40,516</u></u>
Proposed distribution of loss			
Proposed dividends for the year		0	15,000
Retained earnings		<u>-49,021</u>	<u>-55,516</u>
		<u><u>-49,021</u></u>	<u><u>-40,516</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Investments	3		
Equity investments in group entities		<u>376,605</u>	<u>450,212</u>
		<u>376,605</u>	<u>450,212</u>
Total fixed assets		<u>376,605</u>	<u>450,212</u>
Current assets			
Receivables	4		
Receivables from group entities		<u>12,042</u>	<u>8,600</u>
		<u>12,042</u>	<u>8,600</u>
Total current assets		<u>12,042</u>	<u>8,600</u>
TOTAL ASSETS		<u><u>388,647</u></u>	<u><u>458,812</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital		160	160
Proposed dividends for the financial year		0	15,000
Retained earnings		<u>101,185</u>	<u>150,204</u>
Total equity		<u>101,345</u>	<u>165,364</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	5	<u>237,000</u>	<u>237,000</u>
		<u>237,000</u>	<u>237,000</u>
Current liabilities other than provisions			
Payables to group entities		34,652	33,996
Corporation tax		0	2,102
Other payables		<u>15,650</u>	<u>20,350</u>
		<u>50,302</u>	<u>56,448</u>
Total liabilities other than provisions		<u>287,302</u>	<u>293,448</u>
TOTAL EQUITY AND LIABILITIES		<u>388,647</u>	<u>458,812</u>
Contractual obligations, contingencies, etc.	6		
Related party disclosures	7		

Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2017	160	150,206	15,000	165,366
Ordinary dividends paid	0	0	-15,000	-15,000
Transferred over the distribution of loss	0	-49,021	0	-49,021
Equity at 31 December 2017	160	101,185	0	101,345

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Mediq Holding Danmark ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Mediq Holding BV.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Income statement

Gross Profit

Gross profit includes other external costs.

Other external costs comprise cost related to administration, etc.

Income from equity investments in group entities and associates

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

The proportionate share of the individual associates' profit/loss after tax is recognised in the Group's and the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Impairment of fixed assets

The carrying amount of equity investments in group entities including the related goodwill is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of 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 forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of

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1 Accounting policies (continued)

impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

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2 Tax on profit/loss for the year

DKK'000	2017	2016
Current tax for the year	-8,025	2,017
	<u>-8,025</u>	<u>2,017</u>

3 Investments

DKK'000	Equity investments in group entities
Cost at 1 January 2017	993,002
Cost at 31 December 2017	993,002
Value adjustment at 1 January 2017	-542,790
Amortisation, goodwill	-41,968
Results for the year	-1,639
Dividends	-30,000
Impairment losses at 31 December 2017	-616,397
Carrying amount at 31 December 2017	376,605
recognised as follows:	
Net asset value	129,845
Goodwill	246,760
	<u>376,605</u>

In case of impairment indication, the carrying value of the investment in Mediq Danmark A/S is tested for impairment.

The cashflow projections have been based on Management's profit projections and business plan for 2018 to 2020, approved by the Executive Board of Mediq Danmark A/S and the Mediq Group.

The discount rate used for the valuation is based on an assessment of the market and country-specific risks and the time and value of money, considering the current debt structure and risks within the business plan.

The budgeted future cashflows are subject to risks and uncertainties as various factors, some of which are beyond the control of the Company, may cause actual development and results to differ materially from current assumption and expectations.

4 Cashpool

The Company's day-to-day cash resources in the form of deposits with the Group's cash pool scheme amounts to DKK 9 thousand and are classified as receivables from group entities.

Financial statements 1 January – 31 December

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5 Non-current liabilities other than provisions

There is no outstanding debt after five years at 31 December 2017.

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the subsidiary Mediq Danmark A/S. As the administrative company, together with the subsidiary, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme.

7 Related party disclosures

Related party transactions

In accordance with section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

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

Mediq Luxembourg Sàrl.

Mediq Holding Danmark ApS is included in the consolidated financial statements of Mediq Holding B.V., which upon request can be obtained from the Dutch Chamber of Commerce.