Mediq Holding Danmark ApS

Kornmarksvej 15-19
2605 Brøndby

CVR no. 32 89 36 94

Annual report 2016

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

on 31 May 2017

Claus Høxbro

chairman

Contents

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 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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

Copenhagen, 31 May 2017
Executive Board:

Ulrik Rokkedal Therkildsen

Board of Directors:

Jørgen Appel Kelkjær Chairman	Johannes Gerardus Janssen

Independent auditor's report

To the shareholder 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 2016, comprising income statement, balance sheet 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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's 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.

Independent auditor's report

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 financial statement 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

— 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.

Independent auditor's report

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.

Copenhagen, 31 May 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke
State Authorised
Public Accountant

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
Established:	10 May 2010
Registered office:	Brøndby
Financial year:	1 January – 31 December

Board of Directors

Jørgen Appel Kelkjær (Chairman)
Johannes Gerardus Janssen

Executive Board

Ulrik Rokkedal Therkildsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 31 May 2017.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross loss		-66	-282
Income from equity investments in group entities		-24,938	-22,112
Financial income		5	27
Financial expenses		-13,500	-12,064
Loss before tax		-38,499	-34,431
Tax on loss for the year	2	-2,017	-15,395
Loss for the year		-40,516	-49,826

Proposed distribution of loss

Proposed dividends	15,000	0
Retained earnings	-55,516	-49,826
	-40,516	-49,826

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Investments			
Equity investments in group entities	3	450,212	490,150
		450,212	490,150
Total fixed assets		450,212	490,150
Current assets			
Receivables			
Receivables from group entities	4	8,600	10,005
		8,600	10,005
Total current assets		8,600	10,005
TOTAL ASSETS		458,812	500,155

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILTIES			
Equity	5		
Share capital		160	160
Other reserves		0	0
Retained earnings		150,204	205,720
Proposed dividends for the financial year		15,000	0
Total equity		165,364	205,880
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	6	237,000	237,000
		237,000	237,000
Current liabilities other than provisions			
Payables to group entities		33,996	39,469
Payables corporate tax		2,102	2,456
Other payables		20,350	15,350
		56,448	57,275
Total liabilities other than provisions		293,448	294,275
TOTAL EQUITY AND LIABILITIES		458,812	500,155

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Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Mediq Holding Danmark ApS for 2016 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.The changes in the Danish Financial Statements Act do not affect the figures in the income statement for 2016 or the balance sheet at 31 December 2016, or the comparison figures for 2015, but is limited to presentation only.

Pursuant to the exemption clause in section 112(2) of the Danish Financial Statements Act, consolidated statements are not prepared. The Company's financial statements are included in the consolidated financial statements of Mediq Holding BV, the Netherlands.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation

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

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

Fixed assets acquired in a foreign currency are translated at the exchange rate prevailing on the transaction date.

Income statement

Gross profit

Gross profit includes other external costs.

Other external costs comprise cost related to administration, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense, unrealised gains and losses on payables and transactions in foreign currencies, as well as surcharges and refunds under the on-account scheme, etc.

Tax on profit/loss for the year

The Company is comprised by 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 payments of corporation tax to the tax authorities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Balance sheet

Investments

Investments in subsidiaries are measured under the equity method.

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

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised over the estimated useful life, which is up to 20 years, and will be longest for strategic acquisitions with a long-term earning profile.

Equity investments in group entities and associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by the parent company's share of the negative net asset value. To the extent that the negative balance exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities and associates is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost.

The carrying amount of investments in subsidiaries is subject to an annual assessment for indications of impairment. 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 group of assets after the end of the useful life.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in sgroup entities and associates 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, which corresponds to the nominal value. The value is reduced by write-down for bad debts.

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend 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 measured on the planned use of the asset or settlement of the liability.

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. Deferred net tax 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 and in equity, respectively.

Liabilities other than provisions

Trade payables and payables to group entities are recognised at cost.

Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

	DKK'000	2016	2015
2	**Tax on the loss for the year**		
	Current tax for the year	-2,017	-15,350
	Current tax adjustment, previous year	0	-45
		-2,017	-15,395

3	**Equity investments in group entities**		
	Cost at 1 January	993,002	993,002
	Additions	0	0
	Cost at 31 December	993,002	993,002
	Value adjustments at 1 January	-502,852	-455,740
	Amortisation, goodwill	-41,968	-41,968
	Impairment, goodwill	0	0
	Results for the year	17,030	19,856
	Dividends	-15,000	-25,000
	Value adjustments at 31 December	-542,790	-502,852
		450,212	490,150
	Specified as:		
	Net asset value	161,484	159,454
	Goodwill	288,728	330,696
		450,212	490,150

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

The cash flow projections have been based on Management's profit projections and business plan for 2017 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 cash-flows 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.

Financial statements 1 January – 31 December

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3 Equity investments in group entities (continued)

Name	Registered office	Ownership
Mediq Danmark A/S	Brøndby, Denmark	100%

4 Cash pool

The Company's day-to-day cash resources in the form of deposits with the Group's cash pool scheme amounts to DKK 16 thousand and are classified as receivables from group entities.

5 Equity

tkr.	Share capital	Proposed dividends	Retained earnings	Total
Balance 1 January 2015	160	0	205,720	205,880
Dividends paid	0	0	0	0
Proposed distribution of loss	0	15,000	-55,516	-40,516
	160	15,000	150,204	165,364

The share capital comprises shares of DKK 1,000 each and multiples hereof.

All shares rank equally.

Changes in share capital during the past five years are specified as follows:

tkr.	2016	2015	2014	2013	2012
Balance at 1 January	160	160	80	80	80
Cash capital increase	0	0	80	0	0
	160	160	160	80	80

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6 Non-current payables to group entities

There is no outstanding debt after five years at 31 December 2016.

7 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.

8 Related party disclosures

The following shareholder is registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

Mediq Luxembourg Sárl.

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.