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BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**GLOBUS MEDICAL DENMARK APS**  
**PRODUKTIONSVEJ 12, 2600 GLOSTRUP**  
**ANNUAL REPORT**  
**2015**

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 19 April 2016

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David Michael Demski

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**COMPANY DETAILS**

<b>Company</b>	Globus Medical Denmark ApS Produktionsvej 12 2600 Glostrup
	CVR no.: 33 59 70 37
	Established: 18 February 2011
	Registered Office: Copenhagen
	Financial Year: 1 January - 31 December
<b>Board of Executives</b>	Thomas Bruun David Michael Demski
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	SEB Bank Bernstoffsgade 50 1577 København C

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Globus Medical Denmark ApS for the year 1 January - 31 December 2015.

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 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend that the Annual Report be approved at the Annual General meetings.

Glostrup, den 19. april 2016

Board of Executives

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Thomas Bruun

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David Michael Demski

## AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholder of Globus Medical Denmark ApS

We have compiled the financial statements of Globus Medical Denmark ApS for the financial year 1 January - 31 December 2015 based on the company's accounting records and other information provided by management.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Accountants Act and FSR - Danish auditors' Ethical rules applying to auditors, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

København, den 19. april 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Per Frost Jensen  
State Authorised Public Accountant

## **MANAGEMENT'S REVIEW**

### **Principal activities**

The company is acting as Commissionaire of his principal, Globus Medical Inc. to market and distribute medical devices and any other activities deemed to be related thereto by the executive board.

### **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.

## ACCOUNTING POLICIES

The annual report of Globus Medical Denmark ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

### General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely 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 it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

## INCOME STATEMENT

### Net revenue

The 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.

### Distribution costs

The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

### Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisation.

### Financial income and expenses in general

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

## ACCOUNTING POLICIES

### Tax on profit for the year

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

## BALANCE SHEET

### Fixed asset investments

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

### Receivables

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

### 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. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Liabilities are measured at amortised cost equal to nominal value.



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK	2014 DKK '000
<b>GROSS PROFIT</b> .....		<b>4.235.122</b>	<b>2.483</b>
Distribution costs.....		-2.476.319	-1.543
Administrative expenses.....		-1.665.635	-891
<b>Operating profit</b> .....		<b>93.168</b>	<b>49</b>
Financial income.....		0	2
Financial expenses.....		-6.695	-5
<b>Profit before tax</b> .....		<b>86.473</b>	<b>46</b>
Tax on profit/loss for the year.....	1	-21.195	-14
<b>PROFIT FOR THE YEAR</b> .....		<b>65.278</b>	<b>32</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		65.278	32
<b>TOTAL</b> .....		<b>65.278</b>	<b>32</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK	2014 DKK '000
Rent deposit and other receivables.....		18.250	0
Fixed asset investments.....		18.250	0
<b>FIXED ASSETS.....</b>		<b>18.250</b>	<b>0</b>
Trade receivables.....		1.340.812	824
Accounts receivable.....		1.340.812	824
Cash and cash equivalents.....		980.348	843
<b>CURRENT ASSETS.....</b>		<b>2.321.160</b>	<b>1.667</b>
<b>ASSETS.....</b>		<b>2.339.410</b>	<b>1.667</b>

# BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK '000
Share capital.....		80.000	80
Retained profit.....		169.587	104
<b>EQUITY.....</b>	<b>2</b>	<b>249.587</b>	<b>184</b>
Prepayments received from customers.....		28.750	4
Trade payables.....		530.311	498
Payables to group enterprises.....		966.380	632
Corporation tax.....		17.197	17
Other liabilities.....		547.185	332
<b>Current liabilities.....</b>		<b>2.089.823</b>	<b>1.483</b>
<b>LIABILITIES.....</b>		<b>2.089.823</b>	<b>1.483</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>2.339.410</b>	<b>1.667</b>
Contingencies etc.	3		
Ownership	4		

## NOTES

	2015 DKK	2014 DKK '000	Note
<b>Tax on profit/loss for the year</b>			<b>1</b>
Calculated tax on taxable income of the year.....	21.195	14	
	<b>21.195</b>	<b>14</b>	

## Equity 2

	Share capital	Retained profit	Total
Equity at 1 January 2015.....	80.000	104.309	184.309
Proposed distribution of profit.....		65.278	65.278
<b>Equity at 31 December 2015.....</b>	<b>80.000</b>	<b>169.587</b>	<b>249.587</b>

The share capital has not been changed since the date of establishment.

## Contingencies etc. 3

The company has signed a lease agreement with an average annual lease payment of DKK ('000) 121.

The lease agreement has a residual term of 34 months and a total residual lease payment of DKK ('000) 342.

## Ownership 4

The following shareholder is recorded in the company's register of shareholders as sole proprietor of the share capital:

Globus Medical GmbH  
Avenue Gratta-Paille 2  
1018 Lausanne  
Schweiz