

**GLOBUS MEDICAL DENMARK APS**

**TUBORGVEJ 5, 2900 HELLERUP**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2016**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 30 May 2017**

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**Andrew Brett Murphy**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

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**COMPANY DETAILS**

<b>Company</b>	Globus Medical Denmark ApS Tuborgvej 5 2900 Hellerup
	CVR no.: 33 59 70 37
	Established: 18 February 2011
	Registered Office: Copenhagen
	Financial Year: 1 January - 31 December
<b>Board of Executives</b>	Andrew Brett Murphy Daniel Thomas Scavilla
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	SEB Bank Bernstoffsgade 50 1577 Copenhagen V

## 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 2016.

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

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 the Annual Report be approved at the Annual General Meeting.

Copenhagen, 22 May 2017

Board of Executives

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Andrew Brett Murphy

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Daniel Thomas Scavilla

## ENGAGEMENT TO COMPILE 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 2016 based on the Company's accounting records and other information provided by management.

The Financial Statements comprise a summary of income statement, balance sheet, notes and significant accounting policies.

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 the 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.

The 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 the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 22 May 2017

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 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.

# INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK '000
<b>GROSS PROFIT</b> .....		<b>1.292.654</b>	<b>956</b>
Staff costs.....	1	-1.290.460	-863
<b>OPERATING PROFIT</b> .....		<b>2.194</b>	<b>93</b>
Other financial expenses.....		-27.505	-7
<b>LOSS BEFORE TAX</b> .....		<b>-25.311</b>	<b>86</b>
Tax on profit/loss for the year.....	2	4.681	-21
<b>LOSS FOR THE YEAR</b> .....		<b>-20.630</b>	<b>65</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		-20.630	65
<b>TOTAL</b> .....		<b>-20.630</b>	<b>65</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK '000
Rent deposit and other receivables.....		18.250	18
<b>Fixed asset investments.....</b>	<b>3</b>	<b>18.250</b>	<b>18</b>
<b>FIXED ASSETS.....</b>		<b>18.250</b>	<b>18</b>
Trade receivables.....		3.663.041	1.342
Receivables from group enterprises.....		131.665	0
Deferred tax assets.....		4.681	0
Corporation tax receivable.....		6.000	0
<b>Receivables.....</b>		<b>3.805.387</b>	<b>1.342</b>
Cash and cash equivalents.....		1.107.353	980
<b>CURRENT ASSETS.....</b>		<b>4.912.740</b>	<b>2.322</b>
<b>ASSETS.....</b>		<b>4.930.990</b>	<b>2.340</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK	2015 DKK '000
Share capital.....		80.000	80
Retained profit.....		148.957	169
<b>EQUITY.....</b>	<b>4</b>	<b>228.957</b>	<b>249</b>
Prepayments received from customers.....		28.750	29
Trade payables.....		534.856	530
Payables to group enterprises.....		3.124.856	967
Corporation tax.....		0	17
Other liabilities.....		1.013.571	548
<b>Current liabilities.....</b>		<b>4.702.033</b>	<b>2.091</b>
<b>LIABILITIES.....</b>		<b>4.702.033</b>	<b>2.091</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>4.930.990</b>	<b>2.340</b>
Contingencies etc.	5		

## NOTES

	2016 DKK	2015 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 1 (2015: 1)			
Wages and salaries.....	1.193.235	821	
Pensions.....	90.000	42	
Other staff costs.....	7.225	0	
	<b>1.290.460</b>	<b>863</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	0	21	
Adjustment of deferred tax.....	-4.681	0	
	<b>-4.681</b>	<b>21</b>	
<b>Fixed asset investments</b>			<b>3</b>
		Rent deposit and other receivables	
Cost at 1 January 2016.....		18.250	
Cost at 31 December 2016.....		<b>18.250</b>	
Carrying amount at 31 December 2016.....		<b>18.250</b>	
<b>Equity</b>			<b>4</b>
	Share capital	Retained profit	Total
Equity at 1 January 2016.....	80.000	169.587	249.587
Proposed distribution of loss.....		-20.630	-20.630
Equity at 31 December 2016.....	<b>80.000</b>	<b>148.957</b>	<b>228.957</b>
<b>Contingencies etc.</b>			<b>5</b>
<b>Contingent liabilities</b>			
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 22 months and a total residual lease payment of DKK('000) 221.			

## ACCOUNTING POLICIES

The annual report of Globus Medical Denmark ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with additional choice of rules relating to reporting class C.

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

### INCOME STATEMENT

#### Net 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.

#### Cost of sales

Cost of sales comprise 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 cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### 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.

#### Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, 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.

### 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 impairment losses to meet expected losses.

## 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 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**

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.

Amortised cost of current liabilities usually corresponds to nominal value.

### **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.