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

GLOBUS MEDICAL DENMARK APS

TUBORGVEJ 5, 2900 HELLERUP

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 May 2020**

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.

CVR NO. 33 59 70 37

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COMPANY DETAILS

Company	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
Board of Executives	Andrew Brett Murphy Keith William Pfeil
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	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 financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 25 May 2020

Board of Executives

Andrew Brett Murphy

Keith William Pfeil

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 2019 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 statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

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, 25 May 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Per Frost Jensen
State Authorised Public Accountant
MNE no. mne27740

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	2019 DKK	2018 DKK '000
GROSS PROFIT		751.297	652
Staff costs.....	1	-700.860	-699
OPERATING PROFIT		50.437	-47
Other financial expenses.....	2	45.732	-18
PROFIT BEFORE TAX		96.169	-65
Tax on profit/loss for the year.....	3	-23.147	20
PROFIT FOR THE YEAR		73.022	-45
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		73.022	-45
TOTAL		73.022	-45

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK '000
Rent deposit and other receivables.....		18.250	18
Fixed asset investments.....	4	18.250	18
FIXED ASSETS.....		18.250	18
Trade receivables.....		943.555	668
Deferred tax assets.....		0	14
Prepayments and accrued income.....		22.745	0
Receivables.....		966.300	682
Cash and cash equivalents.....		1.529.205	1.392
CURRENT ASSETS.....		2.495.505	2.074
ASSETS.....		2.513.755	2.092

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK '000
Share capital.....		80.000	80
Retained profit.....		251.137	178
EQUITY.....	5	331.137	258
Other liabilities.....		24.223	0
Long-term liabilities.....	6	24.223	0
Trade payables.....		994.934	554
Payables to group enterprises.....		500.349	816
Corporation tax.....		2.712	0
Other liabilities.....		660.400	464
Current liabilities.....		2.158.395	1.834
LIABILITIES.....		2.182.618	1.834
EQUITY AND LIABILITIES.....		2.513.755	2.092

NOTES

	2019 DKK	2018 DKK '000	Note		
Staff costs			1		
Average number of employees 1 (2018: 1)					
Wages and salaries.....	648.868	652			
Pensions.....	46.992	47			
Other staff costs.....	5.000	0			
	700.860	699			
Other financial expenses			2		
Other interest expenses.....	-45.732	18			
	-45.732	18			
Tax on profit/loss for the year			3		
Calculated tax on taxable income of the year.....	8.712	0			
Adjustment of tax in previous years.....	0	-6			
Adjustment of deferred tax.....	14.435	-14			
	23.147	-20			
Fixed asset investments			4		
		Rent deposit and other receivables			
Cost at 1 January 2019.....		18.250			
Cost at 31 December 2019.....		18.250			
Equity			5		
	Share capital	Retained profit	Total		
Equity at 1 January 2019.....	80.000	178.115	258.115		
Proposed distribution of profit.....		73.022	73.022		
Equity at 31 December 2019.....	80.000	251.137	331.137		
Long-term liabilities			6		
	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Other liabilities.....	24.223	0	0	0	0
	24.223	0	0	0	0

Other liabilities contains the vacation freezing period according to danish law. The liability due in 2021.

ACCOUNTING POLICIES

The Annual Report of Globus Medical Denmark ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying 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

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

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

Equity investments in associates are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Receivables

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

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

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.