



Annual report 2016

Mifamed ApS

Vassingerødvej 9, 3540 Lyngø, Denmark
CVR no. 71 16 94 13

Approved at General Meeting ²⁵/5/2017
Chairman: Jacob Christensen, Plesner Advokatpartnerselskab

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the bottom, positioned over a thin horizontal line.



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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 Mifamed ApS for the financial year 1 January - 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's 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 be approved at the annual general meeting.

Lynge, 30 March 2017

Executive Board:



Kim Erik Ginnerup
CEO

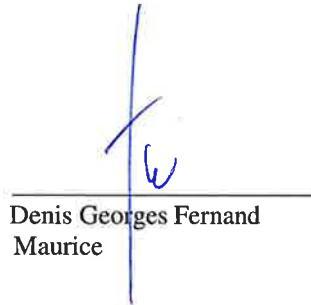


Poul Lindof
CFO

Board of Directors:



Jean-Marc Pierre Rene
Leccia
Chairman



Denis Georges Fernand
Maurice



Kim Erik Ginnerup



Eric Pierre Jean Muris



Independent Auditor's Report

To the Shareholders of Mifamed ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Mifamed ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities 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 as 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of these financial statements.



Independent Auditor's Report (continued)

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- 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, 30 March 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant

Henrik Ødegaard
State Authorised Public Accountant



Company details

Mifamed ApS
Vassingerødvej 9
3540 Lyngø
Denmark
www.missionpharma.com

CVR no.: 71 16 94 13
Financial year: 1 January - 31 December
Established: 2 July 1982
Registered office: Allerød, Denmark

Board of Directors

Jean-Marc Pierre Rene Leccia (Chairman)
Denis Georges Fernand Maurice
Eric Pierre Jean Muris
Kim Erik Ginnerup

Executive Board

Kim Erik Ginnerup (CEO)
Poul Lindof (CFO)

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup, Denmark

Activity

The Company's activity is to trade with medical equipment.

Ultimate Danish parent company

The company's accounts are consolidated in the accounts of Missionpharma Group ApS.



Financial statements for the period 1 January - 31 December

Accounting policies

The annual report of Mifamed ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

The Annual Report for 2016 is presented in DKK.

Income statement

Other external expenses

Other external expenses include expenses for administration.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial income and expenses include interest income and expenses, and adjustment relating to foreign currency transactions.

Corporation tax

Income tax expense comprises current tax on the estimated taxable income and the adjustment of deferred tax less the amount of net tax related to equity movement.

Current and deferred tax relating to equity is recognized directly in equity.

The parent and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).



Financial statements for the period 1 January - 31 December

Accounting policies

Balance sheet

Receivables

Receivables are measured at amortized cost. Write-down is made for bad debt losses, based on an individual assessment.

Income taxes

Current tax payables and current tax receivables are recognized in the balance sheet as the estimated tax charge in respect of the taxable income of the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated using the expected tax rate by elimination of the temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortizable goodwill.

Deferred tax assets, including the tax value of deferrable taxable losses, are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities within the same legal tax entity.

Liabilities

Financial liabilities are recognized on the raising of the loan at the cost, corresponding to the proceeds received net of transaction costs incurred. The financial liabilities are subsequently measured at amortized cost.

Other liabilities are measured at the net realizable value.



Financial statements for the period 1 January - 31 December

Income statement

DKK	Note	2016	2015
Other external expenses		<u>-12,205</u>	<u>-12,411</u>
Operating result before net financials and tax		<u>-12,205</u>	<u>-12,411</u>
Other financial expenses		<u>-11,839</u>	<u>-6,786</u>
Profit before tax		<u>-24,044</u>	<u>-19,197</u>
Tax on profit		<u>5,290</u>	<u>4,511</u>
Profit for the year		<u><u>-18,754</u></u>	<u><u>-14,686</u></u>
Proposed profit appropriation			
Retained earnings		<u><u>-18,754</u></u>	<u><u>-14,686</u></u>



Financial statements for the period 1 January - 31 December

Balance sheet

DKK	Note	2016	2015
ASSETS			
Current assets			
Receivables from group companies		<u>9,801</u>	<u>4,510</u>
Cash		<u>2,363,849</u>	<u>2,377,994</u>
Total current assets		<u>2,373,650</u>	<u>2,382,504</u>
TOTAL ASSETS		<u>2,373,650</u>	<u>2,382,504</u>



Financial statements for the period 1 January - 31 December

Balance sheet

DKK	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	1		
Share capital		200,000	200,000
Retained earnings		<u>2,155,750</u>	<u>2,174,504</u>
Total equity		<u>2,355,750</u>	<u>2,374,504</u>
Current liabilities			
Payables to group entities		7,900	0
Other payables		<u>10,000</u>	<u>8,000</u>
Total liabilities		<u>17,900</u>	<u>8,000</u>
TOTAL EQUITY AND LIABILITIES		<u>2,373,650</u>	<u>2,382,504</u>
Contingent liabilities and other financial obligations	2		
Consolidated accounts	3		



Notes to the Annual Report

1 Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January	200,000	2,174,504	2,374,504
Profit for the year	0	-18,754	-18,754
Equity at 31 December	200,000	2,155,750	2,355,750

The share capital is divided into 200 shares each DKK 1,000.
No shares have separate privileges.

2 Contingent liabilities and other financial obligations

Contingent liabilities

The company is jointly taxed with the other Danish entities in the Missionpharma Group. As a wholly-owned subsidiary, the company is jointly and severally liable, together with the other jointly taxed entities, for Danish income taxes and withholding taxes on dividends, interest and royalties within the group of jointly taxed entities. Any subsequent adjustments of the joint taxable income or withholding taxes may result in an increase of the company's liability.

Guarantees

The Group companies (PharmaDanica A/S, Mifamed ApS, Missionpharma Group ApS, Missionpharma A/S, and Missionpharma Properties A/S) are jointly and severally liable for a total credit and facility line of DKK 237 million.

3 Consolidated accounts

The company's ultimate Danish parent company at December 31, 2016, which prepares consolidated accounts in which the Company is a subsidiary is Missionpharma Group ApS, Denmark. The consolidated financial statements are available at the following address:

Missionpharma Group ApS, Vassingerødvej 9, 3540 Lyngø.