

# Mediq Danmark A/S

Kornmarksvej 15-19  
2605 Brøndby

CVR no. 86 47 99 15

## **Annual report 2017**

The annual report was presented and approved at the  
Company's annual general meeting of the Company  
on

31 May 2018

Claus Høxbro  
chairman

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**Mediq Danmark A/S**  
Annual report 2017  
CVR no. 86 47 99 15

## **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 Danmark A/S for the financial year 1 January – 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Brøndby, 31 May 2018  
Executive Board:

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Ulrik Rokkedal Therkildsen

Board of Directors:

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Jørgen Appel Kelkjær  
Chairman

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Paul Robert Hitchin

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Jan Henning Albrechtsen



## Independent auditor's report

### To the shareholder of Mediq Danmark A/S

#### Opinion

We have audited the financial statements of Mediq Danmark A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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.

#### 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 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.



## Independent auditor's report

- 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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke  
State Authorised  
Public Accountant  
MNE no. 26779

**Mediq Danmark A/S**  
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## Management's review

### Company details

Mediq Danmark A/S  
Kornmarksvej 15-19  
2605 Brøndby

Telephone:	+45 36 37 91 00
Fax:	+45 36 72 83 22
Website:	<a href="http://www.mediqdanmark.dk">www.mediqdanmark.dk</a>
E-mail:	<a href="mailto:kundeservice@mediq.dk">kundeservice@mediq.dk</a>

CVR no.:	86 47 99 15
Established:	30 April 1979
Registered office:	Brøndby
Financial year:	1 January – 31 December

### Board of Directors

Jørgen Appel Kelkjær, Chairman  
Paul Robert Hitchin  
Jan Henning Albrechtsen

### Executive Board

Ulrik Rokkedal Therkildsen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen

### Annual general meeting

The annual general meeting will be held on 31 May 2018 at the Company's address.

## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Revenue	727,277	716,747	693,954	734,740	809,044
Gross profit	109,640	126,527	133,757	146,762	173,994
Profit before financial income and expenses	806	19,102	21,804	36,616	61,447
Net financials	1,047	1,309	4,631	2,687	-363
Profit for the year	-1,639	17,030	19,857	27,508	43,151
<b>Balance sheet</b>					
Total assets	281,726	305,169	286,731	281,134	324,582
Equity	129,845	161,484	159,454	164,597	182,827
<b>Ratios</b>					
Gross margin	15,1%	17,7%	19,3%	20,0%	21,5%
Profit margin	0,1%	2,7%	3,1%	5,0%	7,6%
Return on assets	0,3%	6,3%	7,7%	12,1%	18,6%
Solvency ratio	46,1%	52,9%	55,6%	58,5%	56,3%
<b>Employees</b>					
Average number of full-time employees	167	165	170	171	172

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

At 1 January 2015, Mediq Danmark A/S merged with the wholly-owned subsidiary Mediq Randers ApS. The merger was made as a tax-exempted merger.

The key figures and financial ratios above are not fully comparable within the 5 years due to the mergers in 2015.

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before net financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$

## Management's review

### Operating review

#### Core activity

The Company's activities comprise trade in hospital and healthcare products for the social and health sectors.

#### Development in activities and financial position

The income statement of the Company for 2017 shows a loss of DKK 1,639 thousand, and at 31 December 2017, the balance sheet of the Company showed an equity of DKK 129,845 thousand.

The Company's results and financial development were below expectations.

### Special Risks - operating risks and financial risks

#### Operating risks

The Company's risks are considered moderate, as the majority of revenue is based on tenders, and a significant share of the contracts mature in 2018 or later.

#### Foreign exchange risks

A minor part of the Company's purchase is made in foreign currencies. Thus, the foreign exchange risk is considered moderate. The Company does not enter into foreign exchange positions for speculative purposes but may choose to mitigate risk exposure through foreign currency hedges.

#### Interest rate risks

The Company's interest rate risk is assessed to be minimal due to the fact that the Company is self-funding.

### External environment

Due to the nature of the Company's activity, the Company's environmental impact is minimal and further reduced as sorting at sources and recycling schemes within a number of fractions have been established, and consumption patterns are monitored for the purpose of reduction.

### Intellectual capital

In order to ensure the Company's competitiveness and to meet the customers' expectations, considerable resources are spent on training of employees and quality assurance of procedures and internal controls.

### Corporate social responsibility and gender distribution

The Company has no specific policies for corporate social responsibility, including environment, human rights and climate. The Group policies regarding CSR matters are published at the Group website: <https://www.mediq.com/en/about-mediq/social-responsibility>

Mediq Danmark A/S fully respects applicable legislation aiming at increasing the share of the underrepresented gender so that, in time, an even distribution between men and women on the Board of Directors and in other managerial positions is obtained.



## **Management's review**

### **Operating review**

At present, our Board of Directors consists of three members, who are all male. We are committed to increase the gender diversity and therefore we have set a target of one female member of the Board of Directors to be hired by 2021.

Even though our main focus is to increase gender diversity, our key priority will be to find the right candidate with the relevant competences to be part of our Board of Directors.

Our other management levels are top management level and middle management level. In 2017, the top management level was composed of six persons, of which two were women and four were men. The middle management level was composed of 18 persons, of which 6 were women.

We will continue our efforts in increasing the gender diversity at our management levels through a number of initiatives and recruitment strategies.

### **Outlook**

Management expects a further decrease in the public procurement budgets as well as additional consolidation of procurement which may further affect revenue and performance in 2018.

### **Subsequent events**

No subsequent events have occurred after the end of the financial year that might materially affect the Company's financial position.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
<b>Revenue</b>		<u>727,277</u>	<u>716,747</u>
Cost of sales		-552,547	-525,308
Other external expenses		<u>-65,090</u>	<u>-64,912</u>
<b>Gross profit</b>		109,640	126,527
Staff costs	3	-93,144	-90,291
Depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment	4	<u>-15,690</u>	<u>-17,134</u>
<b>Profit before financial income and expenses</b>		806	19,102
Financial income	5	676	1,991
Financial expenses	6	<u>-1,723</u>	<u>-682</u>
<b>Profit/Loss before tax</b>		-241	20,411
Tax on profit for the year	7	<u>-1,398</u>	<u>-3,381</u>
<b>Loss for the year</b>	8	<u><u>-1,639</u></u>	<u><u>17,030</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	9		
Goodwill		11,509	17,263
Customer relations		6,535	9,969
		<u>18,044</u>	<u>27,232</u>
<b>Property, plant and equipment</b>	10		
Property, plant and equipment in progress		1,902	1,018
Fixtures and fittings, tools and equipment		15,458	22,809
Leasehold improvements		1,650	1,814
		<u>19,010</u>	<u>25,641</u>
<b>Investments</b>			
Deposits		3,751	3,826
		<u>3,751</u>	<u>3,826</u>
<b>Total fixed assets</b>		<u>40,805</u>	<u>56,699</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		74,102	65,923
		<u>74,102</u>	<u>65,923</u>
<b>Receivables</b>			
Trade receivables		88,982	93,251
Receivables from group entities	11	77,140	86,503
Other receivables		205	1,530
Prepayments		483	1,250
		<u>166,810</u>	<u>182,534</u>
<b>Cash at bank and in hand</b>	11	9	13
<b>Total current assets</b>		<u>240,921</u>	<u>248,470</u>
<b>TOTAL ASSETS</b>		<u>281,726</u>	<u>305,169</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	12		
Contributed capital		5,010	5,010
Proposed dividends for the financial year		36,000	30,000
Retained earnings		<u>88,835</u>	<u>126,474</u>
<b>Total equity</b>		<u>129,845</u>	<u>161,484</u>
<b>Provisions</b>			
Provisions for deferred tax	13	<u>2,151</u>	<u>4,079</u>
<b>Total provisions</b>		<u>2,151</u>	<u>4,079</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		111,997	91,237
Payables to group enterprises		10,316	21,991
Other payables		<u>27,417</u>	<u>26,378</u>
		<u>149,730</u>	<u>139,606</u>
<b>Total liabilities other than provisions</b>		<u>149,730</u>	<u>139,606</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>281,726</u>	<u>305,169</u>
<b>Fee to auditor appointed at the general meeting</b>	14		
<b>Contractual obligations and contingencies, etc.</b>	15		
<b>Currency and interest rate risks and the use of derivative financial instruments</b>	16		
<b>Related parties and ownership</b>	17		

## Financial statements 1 January – 31 December

### Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2017	5,010	126,474	30,000	161,484
Ordinary dividends paid	0	0	-30,000	-30,000
Transferred over the distribution of loss	0	-37,639	36,000	-1,639
<b>Equity at 31 December 2017</b>	<b>5,010</b>	<b>88,835</b>	<b>36,000</b>	<b>129,845</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Mediq Danmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

#### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Mediq Danmark A/S and group entities are included in the consolidated financial statements of Mediq N. V., the Netherlands.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Mediq N. V., the Netherlands.

#### Change in comparative figures

Reclassification of comparative figures for certain items in the income statement has been made.

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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 reliably measured.

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

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historical cost less any instalments and plus/less the accumulated amortisation of the difference between cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks, which occurs before the annual report is presented and which evidence matters existing at the balance sheet date.

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place before year end, and the income can be reliably measured

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales comprises expenses for materials and consumables incurred in generating the revenue for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and leasehold expenses for premises, sales and distribution as well as office expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment for the year.

#### Financial income and expenses

Financial income and expenses comprise interest income, expenses and gains and losses on transactions denominated in foreign currencies.

#### Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. 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.

The Company is subject to the Danish rules on compulsory joint taxation with the Group's Danish subsidiaries. Mediq Holding Danmark ApS is the administrative company for the joint taxation. Reference is made to note 16.

### Balance sheet

#### Intangible assets

Acquired rights and licences are measured at cost less accumulated amortisation and impairment losses. Rights and licenses are amortised on a straight-line basis over the remaining financial useful life expected to be 5 years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5-10 years
Fixtures and fittings, tools and equipment	3-8 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### Investments

Other receivables and deposits are recognised at amortised cost.

##### Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

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 expected 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.

##### Inventories

Inventories are measured at cost on the basis of weighted average prices. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at the lower of amortised cost and net realisable value, which corresponds to nominal value less write downs for bad debt losses.

Write down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write down is made on an individual basis.

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

##### Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

##### 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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. Any deferred net 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 or equity respectively.

##### Financial liabilities

Liabilities are measured at amortised cost, substantially corresponding to nominal amount.

## 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 at the date of payment are recognised in the income statement as financial income or 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 at 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 expenses.

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

##### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

## Financial statements 1 January – 31 December

### Notes

#### 2 Revenue

DKK'000	2017	2016
Domestic	718,871	704,704
Exports	8,406	12,043
Total revenue	727,277	716,747

#### 3 Staff costs

Wages and salaries	85,183	82,640
Pensions	6,466	6,256
Other social security costs	1,495	1,395
	93,144	90,291
Average number of full-time employees	167	165

In 2017 one member of the Executive Board received remuneration. In accordance with the Danish Financial Statements Act 98b(3) (ii), the remuneration will not be disclosed separately.

The Board of Directors did not receive any remuneration in 2016 and 2017.

In years with a particularly high level of activity, the employees and the Executive Board have the possibility of receiving a bonus. The Executive Board's bonus is based on both the Company's and the International Mediq Group's performance. The Executive Board's bonus is decided by the Board of Directors. The size of the employees' bonus is decided by the Executive Board and is typically in the range of 5-15% of the annual salary.

## Financial statements 1 January – 31 December

### Notes

#### 4 Depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment

DKK'000	2017	2016
Depreciation on intangible assets	9,188	9,077
Depreciation on property, plant and equipment	6,502	8,057
	<u>15,690</u>	<u>17,134</u>

##### Which breaks down as follows:

Customer relations	3,434	3,323
Goodwill	5,754	5,754
Fixtures and fittings, tools and equipment	6,073	7,428
Leashold improvements	429	629
	<u>15,690</u>	<u>17,134</u>

Depreciation related to Acclivity pumps are placed under cost of sales.

#### 5 Financial income

Other financial income	676	715
Fair value adjustments of financial instruments	0	1,162
Gain on disposal of financial instruments	0	114
	<u>676</u>	<u>1,991</u>

#### 6 Financial expenses

Other financial costs	2	3
Exchange losses	171	679
Loss on disposal of financial instruments	1,550	0
	<u>1,723</u>	<u>682</u>

#### 7 Tax on profit/loss for the year

Current tax for the year	3,325	6,997
Deferred tax adjustment for the year	-1,927	-1,442
Adjustment prior year	0	-2,174
	<u>1,398</u>	<u>3,381</u>

## Financial statements 1 January – 31 December

### Notes

#### 8 Proposed profit appropriation/distribution of loss

DKK'000	2017	2016
Proposed dividends for the year	36,000	30,000
Retained earnings	-37,639	-12,970
	<u>-1,639</u>	<u>17,030</u>

#### 9 Intangible assets

DKK'000	Rights and licences	Goodwill	Customer relations	Total
Cost at 1 January 2017	225	141,047	24,659	165,931
Cost at 31 December 2017	225	141,047	24,659	165,931
Impairment losses and depreciation at 1 January	-225	-123,784	-14,690	-138,699
Depreciation for the year	0	-5,754	-3,434	-9,188
Amortisation and impairment losses at 31 December 2017	-225	-129,538	-18,124	-147,887
<b>Carrying amount at 31 December 2017</b>	<u>0</u>	<u>11,509</u>	<u>6,535</u>	<u>18,044</u>

#### 10 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2017	86,944	5,645	1,018	93,607
Additions	1,699	265	1,034	2,998
Transferred	150	0	-150	0
Disposals	-198	0	0	-198
Cost at 31 December 2017	88,595	5,910	1,902	96,407
Depreciation and impairment losses at 1 January 2017	-64,135	-3,831	0	-67,966
Depreciation	-9,114	-429	0	-9,543
Disposals	112	0	0	112
Depreciation and impairment losses at 31 December 2017	-73,137	-4,260	0	-77,397
<b>Carrying amount at 31 December 2017</b>	<u>15,458</u>	<u>1,650</u>	<u>1,902</u>	<u>19,010</u>

## Financial statements 1 January – 31 December

### Notes

#### 11 Cash pool

The Company's day-to-day cash resources in the form of deposits with the Group's cash pool scheme amount to DKK 49,239 thousand and are classified as receivables from group entities.

#### 12 Equity

The share capital consists of 50,100 shares of a nominal value of DKK 100 each. No shares carry special rights.

From 2010-2012, the share capital was unchanged and amounted to nominally DKK 5,000 thousand. Due to a legal merger between Mediq Danmark A/S and Mediq Danmark Køge A/S, the share capital was increased to nominally DKK 5,010 thousand in 2013.

#### 13 Provision for deferred tax

DKK'000	2017	2016
Deferred tax 1 January	4,079	5,373
Deferred tax adjustment for the year	-1,927	-1,442
Correction in last year deferred tax	0	148
Deferred tax 31 December	2,152	4,079

#### 14 Fee to auditor appointed at the general meeting

DKK'000	2017	2016
KPMG Audit fee	313	268
Other assurance engagements	65	50
Non-audit services	23	23
	401	341

#### 15 Contractual obligations, contingencies, etc.

The Company is jointly taxed with the Danish parent company, Mediq Holding Danmark ApS. The companies included in the joint taxation have joint and unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The Company is together with the parent company and other group companies jointly and severally liable for credit facilities obtained by the parent company at an amount of DKK 54m (EUR 7,2m) as at 31 December 2017.

#### Operating lease obligations

The Company is subject to an interminable leasehold contract and lease car commitments until 31 December 2025 with obligations totalling DKK 68,593 thousand (2016: DKK 32,639 thousand).

## Financial statements 1 January – 31 December

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#### 16 Financial instruments

The Company hedges forecast currency risks relating to the sale and purchase of goods with-in the coming year (rolling 12 months) using forward exchange contracts. At 31 December 2017, an amount of DKK 205 thousand is recognised as other receivables, corresponding to the fair value of the 24 contracts that are open at year end (2016: DKK 1,530 thousand, 24 contracts). 12 contracts are in USD and 12 contracts are in CHF.

#### 17 Related parties and ownership

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

##### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Mediq Holding Danmark ApS, Kornmarksvej 15, 2605 Brøndby

Financial figures for Mediq Danmark A/S are included in the consolidated financial statements of Mediq Holding B.V. The annual report and the consolidated financial statements of Mediq Holding B.V. can upon request be obtained from the Dutch Chamber of Commerce.