

Mediq Danmark A/S

Kornmarksvej 15-19  
2605 Brøndby

CVR no. 86 47 99 15

## Annual report 2016

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

31 May 2017

Claus Høxbro  
chairman

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

## **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 2016.

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

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 2017  
Executive Board:

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Ulrik Rokkedal  
Therkildsen

Board of Directors:

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Jørgen Appel Kelkjær  
Chairman

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Johannes Gerardus  
Janssen

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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 2016 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 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.

#### **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.



## Independent auditor's report

### 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.
- 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.



## Independent auditor's report

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke  
State Authorised  
Public Accountant

**Mediq Danmark A/S**  
Annual report 2016  
CVR no. 86 47 99 15

## **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: [www.mediqdanmark.dk](http://www.mediqdanmark.dk)  
E-mail: [kundeservice@mediq.dk](mailto:kundeservice@mediq.dk)

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  
Johannes Gerardus Janssen  
Jan Henning Albrechtsen

### **Executive Board**

Ulrik Rokkedal Therkildsen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### **Annual general meeting**

The annual general meeting will be held on 31 May 2017 at the Company's address.

## Management's review

### Financial highlights

DKK'000	2016	2015	2014	2013	2012
<b>Key figures</b>					
Revenue	716,747	693,954	734,740	808,712	820,752
Gross profit	126,524	133,731	146,760	173,972	163,261
Profit before financial income and expenses	19,099	21,778	36,614	61,426	55,988
Net financials	1,312	4,631	2,687	-363	-250
Profit for the year	17,030	19,856	27,508	43,147	38,418
<b>Total assets</b>					
Total assets	305,169	286,731	281,134	324,579	337,267
<b>Equity</b>					
Equity	161,484	159,454	164,598	182,822	175,675
<b>Ratios</b>					
Gross margin	17,7%	19,3%	20,0%	21,5%	19,9%
Profit margin	2,7%	3,1%	5,0%	7,6%	6,8%
Return on assets	6,3%	7,7%	12,1%	18,6%	16,5%
Solvency ratio	52,9%	55,6%	58,5%	56,3%	52,1%
<b>Average number of full-time employees</b>					
Average number of full-time employees	165	170	171	172	177

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". Terms and definitions are outlined in the accounting policies.

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 have been restated for 2012, as Mediq Danmark Køge A/S was included in the Group in this period. The figures have been restated as a combination of the two companies' financial statements for this period with the elimination of intercompany transactions and balances.

The key figures and financial ratios above are not fully comparable within the 5 years due to the mergers in 2013 and 2015. For further description see the accounting policies.

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 2016 shows a profit of DKK 17,030 thousand and at 31 December 2016, and the balance sheet of the Company shows an equity of DKK 161,484 thousand.

The Company's results and financial development were as expected.

#### 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 2017 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.

## Management's review

### Operating review

#### Corporate social responsibility and gender distribution

The Company has no specific policies for corporate social responsibility, including environment, human rights and climate but has to adapt the Group policies regarding the matters which is published at the Group website according to the following link <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.

At present, our Board of Directors consists of 3 members, who are all males. We are committed to increase the gender diversity and therefore we have set a target of 1 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 level consist of top management level and middle management level. In 2016 the top management level composed of five persons, of which one is a woman and four are men. The middle management level composed of 18 persons, of which 8 are women.

We will continue our efforts in increasing the gender diversity in 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 2017.

#### Subsequent events

No subsequent events have occurred.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2016	2015
Revenue		716,747	693,954
Cost of sales		-543,331	-489,824
Other external expenses		-46,892	-70,399
<b>Gross profit</b>		126,524	133,731
Staff costs	3	-90,291	-92,475
Depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment	4	-17,134	-19,478
<b>Profit before financial income and expenses</b>		19,099	21,778
Result from investments in subsidiaries	5	0	-30
Financial income	6	1,991	5,174
Financial expenses	7	-679	-543
<b>Profit before tax</b>		20,411	26,379
Tax on profit for the year	8	-3,381	-6,523
<b>Profit for the year</b>	9	17,030	19,856

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	10		
Goodwill		17,263	23,016
Customer relations		9,969	13,292
		<u>27,232</u>	<u>36,308</u>
<b>Property, plant and equipment</b>	11		
Property, plant and equipment in progress		1,018	605
Fixtures and fittings, tools and equipment		22,809	23,979
Leasehold improvements		1,814	1,979
		<u>25,641</u>	<u>26,563</u>
<b>Investments</b>			
Investments in subsidiaries	5	0	470
Deposits		3,826	3,751
		<u>3,826</u>	<u>4,221</u>
<b>Total fixed assets</b>		<u>56,699</u>	<u>67,092</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		65,923	53,578
		<u>65,923</u>	<u>53,578</u>
<b>Receivables</b>			
Trade receivables		93,251	81,548
Receivables from group entities	12	86,503	81,969
Other receivables		1,530	1,093
Prepayments		1,250	1,437
		<u>182,534</u>	<u>166,047</u>
<b>Cash at bank and in hand</b>	12	13	14
<b>Total current assets</b>		<u>248,470</u>	<u>219,639</u>
<b>TOTAL ASSETS</b>		<u>305,169</u>	<u>286,731</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	13		
Share capital		5,010	5,010
Proposed dividends for the year		30,000	15,000
Retained earnings		<u>126,474</u>	<u>139,444</u>
<b>Total equity</b>		<u>161,484</u>	<u>159,454</u>
<b>Provisions</b>			
Provisions for deferred tax	14	<u>4,079</u>	<u>5,373</u>
<b>Total provisions</b>		<u>4,079</u>	<u>5,373</u>
<b>Current liabilities other than provisions</b>			
Trade payables		91,237	76,522
Payables to group enterprises		21,991	17,519
Other payables		<u>26,378</u>	<u>27,863</u>
		<u>139,606</u>	<u>121,904</u>
<b>Total liabilities other than provisions</b>		<u>139,606</u>	<u>121,904</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>305,169</u>	<u>286,731</u>
Fee to auditor appointed at the general meeting	15		
Contractual obligations and contingencies, etc.	16		
Related parties and ownership	17		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividends</u>	<u>Total</u>
<b>Equity at 1 January 2016</b>	5,010	139,444	15,000	159,454
Distributed dividends	0	0	-15,000	-15,000
Profit for the year	0	-12,970	30,000	17,030
<b>Equity at 31 December 2016</b>	<u>5,010</u>	<u>126,474</u>	<u>30,000</u>	<u>161,484</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Mediq Danmark A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The annual report for 2016 is presented in DKK.

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

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. The changes in the Danish Financial Statements Act does not effect the figures in the income statement for 2016 or the balance sheet as at 31 December 2016, or the comparison figures for 2015, but is limited to presentation only.

Pursuant to section 121(2) of the Danish Financial Statements Act, the merger at 1 January 2013 between Mediq Danmark A/S and Mediq Danmark Køge A/S has been treated in accordance with the uniting-of-interests method, as both companies were included in the same group at the time of the merger. Accordingly, adjustment to fair values has not been made in the discontinuing company, and merger goodwill, etc., has not been calculated.

#### Omission of consolidated financial statements

Pursuant to the exemption clause in section 112(2) of the Danish Financial Statements Act, consolidated statements are not prepared. The Company's financial statements 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, the Company has decided not to prepare a cash flow statement.

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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 occur 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 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 comprise 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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### **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 and expense and gains and losses on transactions denominated in foreign currencies.

##### **Results from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the results for the year.

##### **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 is amortised on a straight-line basis over the remaining financial useful life expected to be 5 years.

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over the remaining financial useful life expected to be 5 years.

Acquired customer relations are measured at cost less accumulated amortisation and impairment losses. Customer relations are amortised on a straight-line basis over the 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:

Leaseholds 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 in subsidiaries

Investments in subsidiaries in the balance sheet include the proportionate ownership share of the net asset value of the entities calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Mediq Danmark A/S is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method; see the description of the statement of goodwill above.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### 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.

##### Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

##### Equity

###### *Dividend*

Proposed dividends are recognised as a liability at the date when they are adopted at

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Deferred tax assets and liabilities

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 and their carrying amounts for the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the future 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 and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Financial liabilities

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

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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	2016	2015
Domestic	704,704	685,496
Exports	12,043	8,458
Total revenue	716,747	693,954

#### 3 Staff costs

Wages and salaries	82,640	85,102
Pensions	6,256	5,974
Other social security costs	1,395	1,399
	90,291	92,475
Average number of full-time employees	165	170

Including remuneration of the Executive Board

4,189

4,189

In 2016 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 remuneration of the Executive Board in 2015 covers remuneration of Ulrik Rokkedal Therkildsen, Jørgen Appel Kelkjær and Jan Kolby.

The remuneration of the Executive Board and the Board of Directors consist of wages and salaries of DKK 3,961 thousand and pensions of DKK 228 thousand.

The Board of Directors did not receive any remuneration in 2015 and 2016.

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 employee's 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	2016	2015
Depreciation on intangible assets	9,077	9,346
Depreciation on property, plant and equipment	8,057	10,135
	<u>17,134</u>	<u>19,481</u>

#### Which breaks down as follows:

Customer relations	3,323	3,592
Goodwill	5,754	5,754
Fixtures and fittings, tools and equipment	7,428	9,526
Leashold improvements	629	609
	<u>17,134</u>	<u>19,481</u>

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

## Financial statements 1 January – 31 December

### Notes

#### 5 Investments in subsidiaries

DKK'000	2016	2015
Cost at 1 January	47,000	0
Net effect from merger and acquisition	0	47,000
Cost at 31 December	47,000	47,000
Reevaluation at 1 January	-46,530	0
Result for the year	0	-30
Dividend paid, capital contribution etc.	-470	-46,500
Reevaluation at 31 December	-47,000	-46,530
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>470</b>

With financial effect from 1 January 2015, Mediq Danmark A/S has:

- acquired shares in CMA
- received dividends from CMA in the form of shares in Mediq Randers ApS (established by tax-free transfer of assets from CMA at 1 January 2015)
- merged with Mediq Randers ApS, which was dissolved in connection with the merger.

The above transactions are included as net additions/disposals in the note above.

#### 6 Financial income

DKK'000	2016	2015
Other financial income	715	750
Fair value adjustments of financial instruments	1,162	4,424
Gain on foreign exchange rates	114	0
	1,991	5,174



## Financial statements 1 January – 31 December

### Notes

#### 7 Financial expenses

DKK'000	2016	2015
Foreign exchange loss	679	543
	<u>679</u>	<u>543</u>

#### 8 Tax on profit for the year

Current tax for the year	6,997	8,584
Deferred tax adjustment for the year	-1,442	-1,691
Adjustment prior year	-2,174	-4
Reduction of Danish corporate tax rate	0	-366
	<u>3,381</u>	<u>6,523</u>

#### 9 Proposed profit appropriation

Proposed dividend for the financial year	30,000	15,000
Retained earnings	<u>-12,970</u>	<u>4,856</u>
	<u>17,030</u>	<u>19,856</u>

#### 10 Intangible assets

DKK'000	Rights and licences	Goodwill	Customer relations	Total
Cost at 1 January	<u>225</u>	<u>141,047</u>	<u>24,659</u>	<u>165,931</u>
Cost at 31 December 2016	225	141,047	24,659	165,931
Impairment losses and depreciation at 1 January	-225	-118,031	-11,367	-129,623
Depreciation for the year	<u>0</u>	<u>-5,753</u>	<u>-3,323</u>	<u>-9,076</u>
Amortisation and impairment losses at 31 December 2016	-225	-123,784	-14,690	-138,699
<b>Carrying amount at 31 December 2016</b>	<u>0</u>	<u>17,263</u>	<u>9,969</u>	<u>27,232</u>

## Financial statements 1 January – 31 December

### Notes

#### 11 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment under construction	Total
Cost at 1 January 2016	85,344	5,375	605	91,324
Additions	8,979	464	1,018	10,461
Transferred	605	0	-605	0
Disposals	-7,984	-194	0	-8,178
Cost at 31 December 2016	86,944	5,645	1,018	93,607
Depreciation and impairment losses at 1 January 2016	-61,365	-3,396	0	-64,761
Depreciation	-10,745	-629	0	-11,374
Disposals	7,975	194	0	8,169
Depreciation and impairment losses at 31 December 2016	-64,135	-3,831	0	-67,966
<b>Carrying amount at 31 December 2016</b>	<b>22,809</b>	<b>1,814</b>	<b>1,018</b>	<b>25,641</b>

#### 12 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 45,152 thousand and are classified as receivables from group entities.

#### 13 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.

#### 14 Provision for deferred tax

DKK'000	2016	2015
Deferred tax 1 January	5,373	3,565
Addition from merger	0	3,865
Deferred tax adjustment for the year	-1,442	-1,691
Reduction of Danish corporate tax rate	0	-366
Correction in last year deferred tax	148	0
Deferred tax 31 December	4,079	5,373

## Financial statements 1 January – 31 December

### Notes

DKK'000	2016	2015
<b>15 Fee to auditor appointed at the general meeting</b>		
KPMG Audit fee	268	268
Other assurance engagements	50	76
Non-audit services	23	74
	<u>341</u>	<u>418</u>

### 16 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 54 mDKK (7,2 mEUR) as at 31 December 2016.

### Rental agreements and leases

The Company is subject to an interminable leasehold contract and lease car commitments until 31 December 2019 with obligations totalling DKK 32,639 thousand (2015: DKK 36,500 thousand).

### 17 Related parties and ownership

#### Transactions

There have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders, group entities or other related parties, except for intragroup transactions and usual remuneration of Management.

#### 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.