

Auditor's report

To the meeting of shareholders in Getinge AB (publ), Corporate Identity Number 556408-5032

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Getinge AB for 2017 with the exception of the Corporate Governance Report on pages 54-63. The annual accounts and consolidated accounts of the Company are included on pages 50-110 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinion does not include the Corporate Governance Report found on pages 54-63. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore, recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Our audit activities

The focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered areas where the CEO and Board of Directors made subjective judgements; for example, in respect of critical accounting estimates based on assumptions of future events that are inherently uncertain. As in all audits, we also addressed the risk of management override of internal controls, including, among other, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an audit opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the Key audit matter
<p>Valuation of intangible assets <i>Valuation of intangible assets with reference to Note 1 and Note 12.</i> Goodwill and other intangible assets with an indefinite useful life represents a significant part of the Balance Sheet of Getinge. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.</p> <p>This impairment test is based on a high level of judgments and assumptions regarding future cash flows. Information is provided in Notes 1 and 12 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins and discount factor (cost of capital). It is presented that no impairment requirement has been identified based on the assumptions undertaken.</p>	<p>In our audit, we have evaluated the calculation model applied by management.</p> <p>We have reconciled and critically tested essential variables against budget and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.</p> <p>We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment.</p> <p>We have also assessed the correctness of the disclosures included in the financial statements.</p>
<p>Valuation of accounts receivables <i>With reference to Note 1 and Note 14.</i> Accounts receivables comprise a significant area in the Group's financial reports as they are equivalent to approximately 14% of total assets. Based on the Group's business operations, a significant portion of net sales is generated during the fourth quarter, which usually implies a significant increase in accounts receivables in conjunction with the year-end closing. The Group undertakes business operations with both private and public players in a number of different countries where, for certain regions, the payment of customer invoices takes a long time after delivery to the customers. In the Group's operation, this refers primarily to the United States of America, United Arab Emirates, Italy and Spain. As of 31 December 2017, accounts receivables matured more than 90 days amounted to MSEK 745 which is equivalent to approximately 12% of total accounts receivables as per the balance sheet date. The valuation of these, and other matured, or yet to mature, accounts receivables, is based on management's assessment of the customers future payment capacity.</p>	<p>In our audit we have evaluated the correctness of the valuation of the accounts receivables by assessing the appropriateness of the loss assessment executed by management, which was based on individual assessments taking into consideration the unique risk profiles of the local markets.</p> <p>In our audit we have evaluated the correctness of the valuation of the accounts receivables by assessing the appropriateness of the loss assessment executed by management, which was based on individual assessments taking into consideration the unique risk profiles of the local markets.</p> <p>Our audit includes an assessment of the control environment for the sales process and also includes an examination of the reported revenue transactions against underlying documentation, such as customer agreements, sales orders, suppliers' documentation, customer invoices, reconciliation against price lists, payment verification and obtaining customer invoice confirmations from customers.</p> <p>We have examined management's assessment of the valuation of customer receivables compared with the historical outcome for bad debts. The appropriate audit procedures for the respective significant units in the Group have been determined based on the nature of the operations and the complexity of the sales transactions. We have also assessed the correctness of the information regarding accounts receivables provided in the financial statements.</p>
<p>Accounting for provisions <i>With reference to Note 1, Note 20 and Note 21.</i> Provisions comprise a significant area in the Group's financial reports. Sub items reported in this area refer primarily to assumptions regarding pensions, restructuring programs, legal cases and requirements with regards to Consent Decree with FDA (Food and Drug Administration). Common for these is that they are primarily based on significant assessments undertaken by management regarding future events. The assessment of these areas is associated with a large degree of uncertainty and subjectivity.</p>	<p>In our audit, all of the sub items have been subject to examination but we have particularly focused our audit activities on the assessment of the provisions related to requirements under the Consent Decree with FDA and legal cases.</p> <p>We have examined the external documentation from FDA and also Getinge's internal documentation regarding the assessment of future costs for the action plan to fulfill FDA's quality requirements. We have assessed the reasonableness of the reported provision based on the information presented to us and based on the historical outcome of the previous action plans. We have assessed the completeness and</p>

Key audit matters

How our audit addressed the Key audit matter

Accounting for discontinued operations Arjo

With reference to Note 1 and Note 26.

In December 2017 the dividend of Arjo to the shareholders of the Company was performed. In the transaction all assets, liabilities and other financial items related to the Arjo business are accounted as dividend in Equity.

In accordance with IFRS, the business for Arjo during the past year is accounted for as discontinued operations on an individual line in the Income Statement.

The preparations of the dividend has generated significant transactions related to, for example, changes in legal structure, mergers and sale of assets to form Arjo as an individual Group. The effects on these transactions has a significant effect on the Getinge financial reports with risk that the account incorrectly reflects the transactions performed.

correctness of the information included in the annual report regarding the action plans associated with FDA involving the management's judgments concerning these risks.

With regards to legal cases we have examined the process for the Company to report and assessed exposures. We have also, where considered appropriate, obtained statements from the external legal advisor of the Company.

As regards other provisions, we have assessed the reasonableness of the management's assumptions and cost calculations. This assessment has taken place based on available information and historical outcome.

Our audit includes an evaluation of the Company internal processes and control environment for the separation of Arjo and examination of supporting documentation for the transactions made in forming of Arjo Group.

We have also evaluated the Company assessment and assumptions that was made to separate financial reports related to Arjo from the Getinge financial reports.

We have also assessed the correctness of the disclosures included in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-49 and 115-128. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated

accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the Company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Getinge AB for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters

take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 54-63 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and Chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB was appointed auditor of Getinge AB (publ) by the general meeting of the shareholders on the 29 March 2017 and has been the company's auditor since the 17 April 2008.

Gothenburg, 8 March 2018

Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Auktoriserad revisor
Huvudansvarig revisor

Eric Salander
Auktoriserad revisor