Hach Lange ApS

Åkandevej 21, 2700 Brønshøj

CVR no. 20 25 32 07

Annual report for 2016

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 19.06.17

Heidi Wie
Dirigent

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Company information etc.

The company

Hach Lange ApS
Åkandevej 21
2700 Brønshøj
Registered office: Copenhagen
CVR no.: 20 25 32 07
Founded: 1. juli 1997
Financial year: 01.01 - 31.12

Executive Board

Heidi Wie

Board Of Directors

Darin Robert Stell
Andy Helmers
Heidi Wie

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab

Statement of the Board of Directors and Executive Board on the annual report

We have on this day discussed and approved the annual report for the financial year 01.01.16 - 31.12.16 for Hach Lange ApS.

The annual report is presented in accordance with Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Brønshøj, June 19, 2017

Executive Board

Heidi Wie

Board Of Directors

Darin Robert Stell	Andy Helmers	Heidi Wie

Independent auditor’s report

To the capital owner of Hach Lange ApS

AUDITORS'S REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hach Lange ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 financial position of the Company at 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions is 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 regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the Danish Bookkeeping Act

In our opinion, the Company has not complied with the requirements of the Danish Bookkeeping Act regarding storing of accounting records abroad. Management may incur liability in this respect.

Copenhagen, June 19, 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR no. 30700228

Henrik Kronborg Iversen	Rasmus Bloch Jespersen
State Authorized Public Accountant	State Authorized Public Accountant

Primary activities

The company's activities comprise trade with industrial products and to carry on other business in this connection.

Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 showed a result of DKK 2,397,494 against a result of DKK 1,630,171 for the period 01.01.15 - 31.12.15. The balance sheet showed equity of DKK 59,283,547.

The management considers the net profit for the year to be satisfactory.

Outlook

The company expects a result for 2017 at the same level as for 2016.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2016 DKK	2015 DKK
	Gross profit	**15.669.985**	**14.484.170**
1	Staff costs	-12.502.583	-12.188.896
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-7.958	-18.247
	Operating profit/loss	**3.159.444**	**2.277.027**
2	Financial income	18.339	44.444
3	Financial expenses	-78.431	-163.952
	Profit/loss before tax	**3.099.352**	**2.157.519**
4	Tax on profit or loss for the year	-701.858	-527.348
	Profit/loss for the year	**2.397.494**	**1.630.171**

Proposed appropriation account

Retained earnings	2.397.494	1.630.171
Total	**2.397.494**	**1.630.171**

Balance sheet

ASSETS

Note		31.12.16 DKK	31.12.15 DKK
	Other fixtures and fittings, tools and equipment	15.916	23.874
5	**Total property, plant and equipment**	**15.916**	**23.874**
	Other receivables	124.009	124.009
	Total investments	**124.009**	**124.009**
	Total non-current assets	**139.925**	**147.883**
	Trade receivables	13.771.650	9.509.423
	Receivables from group enterprises	70.052.949	69.929.179
	Deferred tax asset	24.891	32.605
	Other receivables	88.000	93.000
	Prepayments	59.086	52.032
	Total receivables	**83.996.576**	**79.616.239**
	Total current assets	**83.996.576**	**79.616.239**
	Total assets	**84.136.501**	**79.764.122**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.16 DKK	31.12.15 DKK
	Contributed capital	19.888.000	19.888.000
	Retained earnings	39.395.547	36.998.053
	Total equity	**59.283.547**	**56.886.053**
	Prepayments received from customers	870	41.564
	Trade payables	246.442	289.447
	Payables to group enterprises	18.730.765	17.572.358
	Income taxes	694.144	518.199
	Other payables	5.147.987	4.448.830
	Deferred income	32.746	7.671
	Total short-term payables	**24.852.954**	**22.878.069**
	Total payables	**24.852.954**	**22.878.069**
	Total equity and liabilities	**84.136.501**	**79.764.122**

6 Contingent liabilities
7 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.15 - 31.12.15		
Balance pr. 01.01.15	19.888.000	35.367.882
Net profit/loss for the year	0	1.630.171
Balance as at 31.12.15	19.888.000	36.998.053
Statement of changes in equity for 01.01.16 - 31.12.16		
Balance as at 01.01.16	19.888.000	36.998.053
Net profit/loss for the year	0	2.397.494
Balance as at 31.12.16	19.888.000	39.395.547

There have been no changes in share capital during the four preceding financial years.

Notes

	2016 DKK	2015 DKK

1. Staff costs

	2016 DKK	2015 DKK
Wages and salaries	11.196.305	10.921.295
Pensions	988.750	970.497
Other social security costs	289.053	297.104
Other staff costs	28.475	0
Total	12.502.583	12.188.896
Average number of employees during the year	19	19

2. Financial income

	2016 DKK	2015 DKK
Other interest income	1.949	1.593
Foreign currency translation adjustments	16.390	42.851
Total	18.339	44.444

3. Financial expenses

	2016 DKK	2015 DKK
Interest, group enterprises	45.567	73.654
Other interest expenses	19.518	31.577
Foreign currency translation adjustments	13.335	58.721
Other financial expenses	11	0
Total	78.431	163.952

4. Tax on profit or loss for the year

	2016 DKK	2015 DKK
Current tax for the year	694.144	518.199
Adjustment of deferred tax for the year	7.714	9.637
Adjustment of tax in respect of previous years	0	-488
Total	701.858	527.348

5. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.16	1.137.883
Cost as at 31.12.16	1.137.883
Depreciation and impairment losses as at 01.01.16	-1.114.009
Depreciation during the year	-7.958
Depreciation and impairment losses as at 31.12.16	-1.121.967
Carrying amount as at 31.12.16	15.916

6. Contingent liabilities

Lease commitments

The company has concluded operating lease agreements for cars and office rent with terms to maturity of a total of DKK 1,465,155 (2015: DKK 1,415,433).

Guarantee commitments

The Company has provided guarantees totalling DKK 132.263 through Nordea as security for its construction contracts.

The Company is subject to standard contractor guarantees.

Joint taxation

The company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationsselskab) for the Danish joint taxation. The company is jointly and severally unlimited liable with the other jointly taxed companies for payment of corporation tax for the income year 2013 and later, and for withholding tax on interest, royalties and dividens, which are payable on 1 July 2012 or later.

At 31 december 2016, the jointly taxed companies' net liability to SKAT is disclosed in the annual report for Danaher Tax Administraion ApS, registration number 28 31 68 87. Any subsequent assessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

7. Related parties

Hach Lange ApS is included in the consolidated financial statements of the parent, Danaher Corporation, Delaware, USA. Requisitioning of the parents consolidated financial statements can be seen at www.danaher.com/annual-report-and-proxy

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for reporting class C medium-sized.

Change in accounting policies

The company has implemented amendments to the Danish Financial Statements Act, see act no. 738 amending the Danish Financial Statements Act of 1 June 2015 (*lov nr. 738 om ændring af årsregnskabsloven m.v. af 1. juni 2015*). This includes new and amended disclosure and presentation requirements and amendments to provisions on recognition, measurement and classification. Amendments to provisions on recognition and measurement as well as classification are as follows:

Reassessment of residual values of property, plant and equipment

In future, residual values of property, plant and equipment are subject to annual reassessment. The Company had no significant residual values relating to property, plant and equipment in 2016 and 2015. Consequently, the adoption of this policy change is made with future effect, only.

Apart from the above changes, the accounting policies used in the preparation of the financial statements are consistent with those of last year

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising

8. Accounting policies - continued -

before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial income or expenses. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on

8. Accounting policies - continued -

behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff cost include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Depreciation, amortisation and impairment losses

The amortisation and depreciation of property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated/amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Other plant, fixtures and fittings, tools and equipment	3-10	0

8. Accounting policies - continued -

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

8. Accounting policies - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

8. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings within the same jurisdiction.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

8. Accounting policies - continued -

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.