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Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**AGILENT TECHNOLOGIES DENMARK APS**  
**PRODUKTIONSVEJ 42, 2600 GLOSTRUP**  
**ANNUAL REPORT**  
**1 NOVEMBER 2016 - 31 OCTOBER 2017**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 22 March 2018**

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**Ieva Tackie**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 21 85 29 02**

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**COMPANY DETAILS**

<b>Company</b>	Agilent Technologies Denmark ApS Produktionsvej 42 2600 Glostrup  Telephone: 70137313 Telefax: 45820630 Website: <a href="http://www.agilent.dk">www.agilent.dk</a>  CVR no.: 21 85 29 02 Established: 1 July 1999 Registered Office: Glostrup Financial Year: 1 November 2016 - 31 October 2017
<b>Board of Directors</b>	Richard Norman Larsen, Chairman Majken Nielsen Jan Vesth-Wiersholm
<b>Board of Executives</b>	Klaus Christian Sauber Lene Klejs Stuhr
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Agilent Technologies Denmark ApS for the financial year 1 November 2016 - 31 October 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the the Company's financial position at 31 October 2017 and of the results of the the Company's operations for the financial year 1 November 2016 - 31 October 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 22 March 2018

Board of Executives

\_\_\_\_\_  
Klaus Christian Sauber

\_\_\_\_\_  
Lene Klejs Stuhr

Board of Directors

\_\_\_\_\_  
Richard Norman Larsen  
Chairman

\_\_\_\_\_  
Majken Nielsen

\_\_\_\_\_  
Jan Vesth-Wiersholm

## INDEPENDENT AUDITOR'S REPORT

### *To the Shareholder of Agilent Technologies Denmark ApS*

#### **Opinion**

We have audited the Financial Statements of Agilent Technologies Denmark ApS for the financial year 1 November 2016 - 31 October 2017, which comprise income statement, balance sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 October 2017 and of the results of the Company operations for the financial year 1 November 2016 - 31 October 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 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 Responsibility for the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- 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 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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 22 March 2018

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Ole C. K. Nielsen  
State Authorised Public Accountant  
MNE no. mne23299

**FINANCIAL HIGHLIGHTS**

	2016/17	2015/16	2014/15	2013/14	2012/13
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Net revenue.....	972,494	1,004,026	121,473	93,585	115,381
Gross profit/loss.....	95,581	153,102	18,432	15,146	15,995
Operating profit/loss.....	1,302	6,506	1,687	4,270	468
Financial income and expenses, net.....	6,553	-245	-1,511	610	-69
Profit/loss for the year.....	1,731	1,259	136	5,367	228
<b>Balance sheet</b>					
Balance sheet total.....	864,241	468,742	56,132	60,613	51,215
Equity.....	69,922	68,190	19,515	19,379	17,758
Investment in tangible fixed assets.....	-3,259	0	0	0	0
<b>Ratios</b>					
Gross margin.....	9.8	15.2	15.2	16.2	13.9
Rate of return.....	0.5	4.9	7.9	23.5	3.8
Solvency ratio.....	8.1	14.5	34.8	32.0	34.7
Return on equity.....	2.5	2.9	0.7	28.9	1.3

## FINANCIAL HIGHLIGHTS

The ratios stated in the list of key figures and ratios have been calculated as follows:

<i>Gross margin:</i>	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
<i>Rate of return:</i>	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
<i>Invested capital:</i>	$\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}$
<i>Solvency ratio:</i>	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
<i>Return on equity:</i>	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

*The ratios follow in all material respects the recommendations of the Danish Finance Society.*



## MANAGEMENT'S REVIEW

### *Principal activities*

Agilent Technologies Denmark ApS, hereinafter referred to as “company”, operates as a reseller of products/services covering life sciences, diagnostics and applied chemicals markets. The major part of the products/services range is purchased from group companies within and outside of Denmark.

### *Developments during the year*

On 1st Nov 2016, the company transferred (by way of a sale transaction) the Asia Pacific portion of the field business it had acquired as part of its demerger with Dako Denmark over to another group entity in Singapore which has better coverage in the territory involved.

On 1st Feb 2017, the company took over all the remaining employees of Dako Denmark A/s and simultaneously entered into a labor services agreement whereby such employees would continue to provide their services to Dako Denmark A/S and Dako Logistics Company ApS. This will help the employees to use same kind of ERP tools/services as the rest of the employees in the wider group.

### *Financial Position for the year*

In 2017 the company realized total sales of DKK 972M compared to DKK 1,004M. The result for the year is a Profit of TDKK 1,731.

### *Significant events after the end of the financial year*

Apart from the abovementioned developments, the Board of Directors and Executive Management are not aware of any event after 31st October 2017 that may have a material impact on the company's financial position.

### *Special risks*

#### *Risk Management*

Risk is an inherent part of operating within the diagnostics industry and therefore also influences many aspects of Dako's business worldwide. Continued global growth, an increasing regulatory environment and changes in the market dynamics create both challenges and opportunities for Dako.

#### *Key Business Risks*

##### *The regulatory environment*

As a manufacturer and supplier of products for clinical diagnostics, Dako is subject to a range of requirements in the countries in which it operates. Dako is focused on complying with these regulations and is dedicated to having a constructive and collaborative dialogue with the authorities.

##### *Market conditions*

A number of Dako's products are sold with reimbursement from public authorities. Reductions in these reimbursements may impact Dako's consolidated sales and cash flow. The competitive environment is expected to be stable with high entry barriers due to technological and investment reasons. Overall the market is expected to grow at 8% to 10% due to aging populations and healthcare expansion in new geographies.

##### *Financial risks*

The financial risk factors primarily comprise foreign exchange, and credit risks. Dako's financial risk management is based on policies approved by the Board of Directors. The company may use derivatives to hedge financial risks. Hedging of financial risks is managed at management level and is only focused on managing risks arising from the company's operations and financing.

##### *Foreign exchange risk*

Foreign exchange risk occurs both as a result of imbalance between income and expenses in each foreign currency and because the company has net assets in a number of foreign subsidiaries. Subsidiaries outside Denmark mainly do business in local currencies, both internally within the Group and with external partners.

## MANAGEMENT'S REVIEW

### *Special risks (continued)*

#### ***Credit risk***

The company's credit risk primarily relates to receivables, securities, cash and cash equivalents, and positive fair values of derivative financial instruments. The balance sheet valuation of all the items mentioned corresponds to the size of the maximum credit risk. The company has historically not experienced any material loss on receivables, as most customers are public hospitals or laboratories.

Counterparty risks concerning cash and cash equivalents and financial instruments are managed by only entering into agreements with financial institutions which have achieved a satisfactory rating from recognized international credit-rating institutions.

#### ***Liquidity risk***

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

#### ***Environmental responsibility***

Dako finds it very important to be in compliance with or exceed applicable environmental regulations of the countries and local communities in which Dako operates. Acting in a responsible manner is essential, and Dako acknowledges that environmental sustainability goes hand-in-hand with an efficient use of resources, which is why Dako strives to reduce the use of energy, water and raw materials and the production emission and waste. Dako systematically considers environmental aspects when remodeling any of its sites, in particular with respect to initiatives that can reduce energy consumption.

#### ***Future expectations***

The Management expects a profitable fiscal ahead.

The management continues to work towards achieving operational efficiencies through process realignment and development.

#### ***Corporate social responsibility***

Agilent Technologies group is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. Our Citizenship Objective is to be an economic, intellectual and social asset to each nation and community in which we operate. Agilent's Community Relations and Giving Programs and the Agilent Foundation are tangible examples of our commitment to exemplary Corporate Citizenship.

## MANAGEMENT'S REVIEW

### *Target figures and policies for the underrepresented gender*

The Board has a total strength of three members out of which 1 is female, hence a female participation of 33 %.

The company takes a position that a diverse organization is value-adding and contributes to the achievement of overall business goals. It is therefore a policy to encourage a balanced gender distribution at all management levels by:

- Securing that filling of all management positions, whether facilitated by HR or external consultants, is done by assessment of the collective skill set of each candidate independent of gender.
- Requiring that external search consultants engaged for recruitment for management positions propose a reasonable number of candidates of each gender.
- Having succession planning practices in place requiring managers to identify a gender-diverse range of potential successors for critical management positions.
- Requiring managers to discuss with qualified subordinates of the under-represented gender as part of their recurrent performance review how and if advancement to a (higher) management position could be relevant and what potentially would be required.
- Regularly obtaining qualitative data regarding the background for the gender distribution at various management levels both from a potential candidate perspective and from an employer perspective.

**INCOME STATEMENT 1 NOVEMBER - 31 OCTOBER**

	Note	2016/17 DKK '000	2015/16 DKK '000
<b>NET REVENUE</b> .....	1	<b>972,494</b>	<b>1,004,026</b>
Cost of sales.....		-876,913	-850,924
<b>GROSS PROFIT/LOSS</b> .....		<b>95,581</b>	<b>153,102</b>
Distribution costs.....	2	-65,792	-113,597
Administrative expenses.....	2, 3	-33,092	-32,847
<b>OPERATING PROFIT</b> .....		<b>-3,303</b>	<b>6,658</b>
Other operating income.....	4	4,605	-152
<b>OPERATING PROFIT</b> .....		<b>1,302</b>	<b>6,506</b>
Financial income.....	5	10,398	1,491
Financial expenses.....	6	-3,845	-1,736
<b>PROFIT BEFORE TAX</b> .....		<b>7,855</b>	<b>6,261</b>
Tax on profit/loss for the year.....	7	-6,124	-5,002
<b>PROFIT FOR THE YEAR</b> .....	8	<b>1,731</b>	<b>1,259</b>

## BALANCE SHEET AT 31 OCTOBER

ASSETS	Note	2017 DKK '000	2016 DKK '000
Goodwill.....		151,256	170,163
<b>Intangible fixed assets.....</b>	<b>9</b>	<b>151,256</b>	<b>170,163</b>
Other plants, machinery, tools and equipment.....		3,624	3,103
<b>Tangible fixed assets.....</b>	<b>10</b>	<b>3,624</b>	<b>3,103</b>
<b>FIXED ASSETS.....</b>		<b>154,880</b>	<b>173,266</b>
Finished goods and goods for resale.....		10,144	4,248
<b>Inventories.....</b>		<b>10,144</b>	<b>4,248</b>
Trade receivables.....		266,002	193,899
Receivables from group enterprises.....		137,258	20,041
Deferred tax assets.....	11	1,863	1,306
Other receivables.....		379	45,267
Receivables joint taxation contribution.....		116,390	12,812
Prepayments and accrued income.....	12	243	0
<b>Receivables.....</b>		<b>522,135</b>	<b>273,325</b>
<b>Cash and cash equivalents.....</b>		<b>177,082</b>	<b>17,903</b>
<b>CURRENT ASSETS.....</b>		<b>709,361</b>	<b>295,476</b>
<b>ASSETS.....</b>		<b>864,241</b>	<b>468,742</b>

## BALANCE SHEET AT 31 OCTOBER

EQUITY AND LIABILITIES	Note	2017 DKK '000	2016 DKK '000
Share capital.....		5,000	5,000
Retained profit.....		64,922	63,190
<b>EQUITY.....</b>		<b>69,922</b>	<b>68,190</b>
Other provisions for liabilities.....	13	6,390	4,692
<b>PROVISION FOR LIABILITIES.....</b>		<b>6,390</b>	<b>4,692</b>
Accruals and deferred income.....		1,570	1,483
<b>Long-term liabilities.....</b>	14	<b>1,570</b>	<b>1,483</b>
Trade payables.....		21,352	3,245
Payables to group enterprises.....		515,485	311,375
Corporation tax.....		136,213	23,642
Other liabilities.....		91,935	28,210
Accruals and deferred income.....	15	21,374	27,905
<b>Current liabilities.....</b>		<b>786,359</b>	<b>394,377</b>
<b>LIABILITIES.....</b>		<b>787,929</b>	<b>395,860</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>864,241</b>	<b>468,742</b>
 Contingencies etc.	 16		
Related parties	17		
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## EQUITY

	Share capital	Retained profit	Total
Equity at 1 November 2016.....	5,000	63,191	68,191
Proposed distribution of profit.....		1,731	1,731
<b>Equity at 31 October 2017.....</b>	<b>5,000</b>	<b>64,922</b>	<b>69,922</b>

At 1st November 2016 the share capital was raised by 1 share at a value of 1 DKK.

## NOTES

	2016/17 DKK '000	2015/16 DKK '000	Note
<b>Net revenue</b>			<b>1</b>
<b>Segment details (geography)</b>			
EMEA.....	680,496	702,560	
Americas.....	166,540	171,939	
APAC.....	125,458	129,527	
	<b>972,494</b>	<b>1,004,026</b>	
<b>Segment details (activities)</b>			
Cross lab.....	51,979	53,665	
Diagnostics & Genomics.....	867,934	896,075	
Life sciences and applied markets group.....	52,581	54,286	
	<b>972,494</b>	<b>1,004,026</b>	
<b>Staff costs</b>			<b>2</b>
Average number of employees 557 (2015/16: 36)			
Wages and salaries.....	331,178	102,349	
Pensions.....	30,164	8,811	
Social security costs.....	4,403	385	
Other staff costs.....	3,486	1,529	
	<b>369,231</b>	<b>113,074</b>	
Remuneration of management and board of directors.....	4,872	2,502	
	<b>4,872</b>	<b>2,502</b>	
<b>Fee to statutory auditors</b>			<b>3</b>
Total fees:			
BDO.....	325	211	
	<b>325</b>	<b>211</b>	
Specification of fees:			
Statutory audit.....	214	77	
Tax consultancy.....	50	50	
Other services.....	61	84	
	<b>325</b>	<b>211</b>	
<b>Other operating income</b>			<b>4</b>

On 1st Nov 2016, the company sold the Asia Pacific portion of the field business it had acquired as part of its demerger with Dako Denmark in FY2016.



## NOTES

	2016/17 DKK '000	2015/16 DKK '000	Note
<b>Financial income</b>			<b>5</b>
Group enterprises.....	0	37	
Other financial income.....	10,398	1,454	
	<b>10,398</b>	<b>1,491</b>	
<b>Financial expenses</b>			<b>6</b>
Group enterprises.....	3,183	0	
Other financial expenses.....	662	1,736	
	<b>3,845</b>	<b>1,736</b>	
<b>Tax on profit/loss for the year</b>			<b>7</b>
Calculated tax on taxable income of the year.....	6,681	6,666	
Adjustment of deferred tax.....	-557	-1,664	
	<b>6,124</b>	<b>5,002</b>	
<b>Proposed distribution of profit</b>			<b>8</b>
Accumulated profit.....	1,731	1,259	
	<b>1,731</b>	<b>1,259</b>	
<b>Intangible fixed assets</b>			<b>9</b>
		Goodwill	
Cost at 1 November 2016.....		189,070	
Cost at 31 October 2017.....		<b>189,070</b>	
Amortisation at 1 November 2016.....		18,907	
Depreciation for the year.....		18,907	
Depreciation at 31 October 2017.....		<b>37,814</b>	
Carrying amount at 31 October 2017.....		<b>151,256</b>	

## NOTES

		Note
<b>Tangible fixed assets</b>		<b>10</b>
	Other plants, machinery, tools and equipment	
Cost at 1 November 2016.....	4,895	
Additions.....	3,259	
Disposals.....	-7,243	
<b>Cost at 31 October 2017.....</b>	<b>911</b>	
Depreciation and impairment losses at 1 November 2016.....	1,793	
Reversal of depreciation of assets disposed of.....	-5,772	
Depreciation for the year.....	1,266	
<b>Depreciation and impairment losses at 31 October 2017.....</b>	<b>-2,713</b>	
<b>Carrying amount at 31 October 2017.....</b>	<b>3,624</b>	
<b>Deferred tax assets</b>		<b>11</b>
Provision for deferred tax comprises deferred tax on tangible fixed assets and debt accruals.		
	<b>2016/17</b> DKK '000	<b>2015/16</b> DKK '000
Deferred tax constitutes:		
Tangible fixed assets.....	457	274
Debt accruals.....	1,406	1,032
	<b>1,863</b>	<b>1,306</b>
Balance, beginning of year.....	1,306	-358
Addition for the year.....	557	1,664
<b>Deferred tax assets 31 October 2017.....</b>	<b>1,863</b>	<b>1,306</b>
<b>Prepayments and accrued income</b>		<b>12</b>
Costs.....	243	0
	<b>243</b>	<b>0</b>
<b>Other provisions for liabilities</b>		<b>13</b>
0-1 år.....	6,390	4,692

Pensions commitments that are not covered by insurance are included in the other provisions with TDKK 1,195 (15/16: TDKK 1,476).

Warranties are included in other provisions with TDKK 5,196 (15/16: TDKK 3,627).

NOTES

	<b>Note</b>																				
<b>Long-term liabilities</b>	<b>14</b>																				
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">1/11 2016</th> <th style="width: 10%; text-align: right;">31/10 2017</th> <th style="width: 10%; text-align: right;">Repayment</th> <th style="width: 10%; text-align: right;">Debt outstanding</th> </tr> <tr> <td></td> <td style="text-align: right;">total liabilities</td> <td style="text-align: right;">total liabilities</td> <td style="text-align: right;">next year</td> <td style="text-align: right;">after 5 years</td> </tr> </thead> <tbody> <tr> <td>Accruals and deferred income .....</td> <td style="text-align: right;">1,483</td> <td style="text-align: right;">1,570</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>1,483</b></td> <td style="text-align: right;"><b>1,570</b></td> <td style="text-align: right;"><b>0</b></td> <td style="text-align: right;"><b>0</b></td> </tr> </tbody> </table>		1/11 2016	31/10 2017	Repayment	Debt outstanding		total liabilities	total liabilities	next year	after 5 years	Accruals and deferred income .....	1,483	1,570	0	0		<b>1,483</b>	<b>1,570</b>	<b>0</b>	<b>0</b>	
	1/11 2016	31/10 2017	Repayment	Debt outstanding																	
	total liabilities	total liabilities	next year	after 5 years																	
Accruals and deferred income .....	1,483	1,570	0	0																	
	<b>1,483</b>	<b>1,570</b>	<b>0</b>	<b>0</b>																	
<b>Accruals and deferred income</b>	<b>15</b>																				
Deferred income mainly relates to prepaid service contracts.																					
<b>Contingencies etc.</b>	<b>16</b>																				
<b>Contingent liabilities</b>																					
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">2017</th> <th style="width: 10%; text-align: right;">2016</th> </tr> <tr> <td></td> <td style="text-align: right;">DKK '000</td> <td style="text-align: right;">DKK '000</td> </tr> </thead> <tbody> <tr> <td>Lease liabilities (operating leases):</td> <td></td> <td></td> </tr> <tr> <td>Within 1 year.....</td> <td style="text-align: right;">2,087</td> <td style="text-align: right;">1,333</td> </tr> <tr> <td>Between 1-5 years.....</td> <td style="text-align: right;">3,309</td> <td style="text-align: right;">2,219</td> </tr> </tbody> </table>		2017	2016		DKK '000	DKK '000	Lease liabilities (operating leases):			Within 1 year.....	2,087	1,333	Between 1-5 years.....	3,309	2,219						
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<b>Related parties</b>	<b>17</b>																				
The company is wholly owned subsidiary of Agilent Technologies Luxco Sarl, 46a, Avenue J.F. Kennedy, L 1855 Luxembourg. The ultimate parent company in which the company is included as a subsidiary is Agilent Technologies Inc. This company and its subsidiaries are considered as related parties.																					
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<b>Consolidated financial statements</b>	<b>18</b>																				
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## ACCOUNTING POLICIES

The annual report of Agilent Technologies Denmark ApS for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

The Annual Report is prepared consistently with the accounting principles used last year.

The Annual Report for 2016/17 is presented in DKK.

### **INCOME STATEMENT**

#### ***Net revenue***

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

#### ***Production costs***

Cost of sales comprises costs incurred to achieve revenue for the year. Under line production costs are included costs of good sold, salaries to sale support employees and depreciation.

#### ***Distribution costs***

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

#### ***Administrative expenses***

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

#### ***Other operating income***

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

#### ***Financial income and expenses in general***

Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### ***Tax on profit for the year***

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

### **BALANCE SHEET**

#### ***Intangible fixed assets***

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The estimate is on basis of the expected lifetime of products.

#### ***Tangible fixed assets***

Other plants, machinery, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

**ACCOUNTING POLICIES**

Depreciation of machinery and equipment is provided mainly under the declining balance method using rates which are calculated to extinguish the cost of these assets over their estimated useful lives.

	Useful life	Residual value
Other plants, machinery, tools and equipment.....	3-10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

***Impairment of fixed assets***

The carrying amount of intangible fixed and tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

***Inventories***

Stocks are measured at the lower of cost under the FIFO method and net realisable value.

***Receivables***

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

***Accruals, assets***

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

***Other provisions for liabilities***

Provisions for liabilities include the expected cost of warranty commitments and pension.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 year. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

**Pension commitments:**

To the extent that the pension commitments are not covered by insurance, they are included in the balance sheet as provisions. The calculation of the liability is based on actuarial computations.

## ACCOUNTING POLICIES

### *Tax payable and deferred tax*

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### *Liabilities*

Amortised cost of current liabilities usually corresponds to nominal value.

### *Accruals, liabilities*

Accruals recognised as liabilities include payments received regarding income in subsequent years.

### *Foreign currency translation*

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement.