Abbott Rapid Diagnostics A/S

Nupark 53, 2, 7500 Holstebro

Company reg. no. 24 20 46 50

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the

Chairman of the meeting

Petter Dopus

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Notes:
To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Abbott Rapid Diagnostics for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January -31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Holstebro, 17. JUNI 2021

Managing Director

Henrik Kjeldsmark Jensen

Board of directors

Petter Aspaas

Chairman

Oddvar Arne Vanberg

Berit Landsend-Holo

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Independent auditor's report

To the shareholder of Abbott Rapid Diagnostics

Opinion

We have audited the financial statements of Abbott Rapid Diagnostics for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 based on these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen,

EY Godkendt Revisionspartnerselskab

State Authorised Public Accountant mne21337

Company information

The company Abbott Rapid Diagnostics

Nupark 53, 2, 7500 Holstebro

Company reg. no.

24 20 46 50

Financial year:

1 January 2020 - 31 December 2020

Board of directors Petter Aspaas, Chairman

Oddvar Arne Vanberg
Berit Landsend-Holo

Managing Director Henrik Kjeldsmark Jensen, CEO

Auditors EY Godkendt Revisionspartnerselskab

Parent company Abbott Diagnostics Technologies AS

Management commentary

The principal activities of the company

As in previous years the Company's main activities comprised of sale of medical and hospital equipment to the Danish Market.

Development in activities and financial matters

The gross profit for the year totals DKK 9,983,678 against DKK 15,279,289 last year. Income from ordinary activities after tax totals DKK 647,156 against DKK 2,839,786 last year.

Impact of Covid-19

The year 2020 was essentially characterized by COVID 19, declared a pandemic by the World Health Organization on March 11, 2020. The company has implemented appropriate measures for its employees, who have continued to work remotely and have not had to interrupt the company activities. The company remained profitable in 2020 even though revenue decreased as a result of lower activity across the economy due to the pandemic. Since the end of 2020, the company has started to sell Covid tests, an activity that has led to a steady flow of revenue and orders in 2021. The company will monitor all activities of the pandemic and introduce all measures necessary to continue to deliver a profitable performance in 2021

Events occurring after the end of the financial year

There are been no significant events impacting the company since the end of the year-

The annual report for Abbott Rapid Diagnostics has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures.

The accounting policies applied to these financial statements are consistent with those applied last year.

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial 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 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 financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories. It also includes the profit / loss from the disposal of tangible assets which are revenue generating.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Other Fixtures and Fittings, Tools and Equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

Useful life Residual value
Other fixtures and fittings, tools and equipment 3-5 years 0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as cost of sales if the equipment asset is revenue generating. If the asset is not revenue generating, then it is shown in other operating income or other operating expenses.

Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets is subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash on hand

Cash on hand comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as" Income tax receivable" or "Income tax payable".

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK

Not	-	2020	2019
	Gross profit	9.983.678	15.279.289
1	Staff costs	-8.107.119	-9.874.871
	Depreciation	-786.285	-1.666.079
	Operating profit	1.090.274	3.738.339
	Other financial income	26.821	-655
2	Other financial costs	-286.422	-93.373
	Pre-tax net profit or loss	830.673	3.644.311
	Tax on net profit or loss for the year	-183.517	-804.525
	Net profit or loss for the year	647.156	2.839.786
	Proposed appropriation of net profit:		
	Transferred to retained earnings	647.156	2.839.786
	Total allocations and transfers	647.156	2.839.786

Statement of financial position at 31 December

All amounts in DKK.

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	Assets		
Not	e 	2020	2019
	Non-current assets		
3	Other fixtures and fittings, tools and equipment	946.583	1.244.049
	Total other fixtures and fittings, tools and equipment	946.583	1.244.049
4	Deposits	24.000	186.414
	Total investments	24.000	186.414
	Total non-current assets	970.583	1.430.463
	Current assets		
	Manufactured goods and goods for resale	0	97.799
	Total inventories	0	97.799
	Trade receivables	6.147.964	3.994.121
	Receivables from group enterprises	22.133.019	8.267.411
	Deferred tax assets	542.107	725.624
	Other receivables	48.099	63.927
	Prepayments and accrued income	51.091	76.883
	Total receivables	28.922,280	13.127.966
	Cash on hand and demand deposits	6.165.299	18.831.332
	Total current assets	35.087.579	32.057.097
	Total assets	36.058.162	33.487.560

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
Note	2020	2019
Equity		
Share capital	600.000	600.000
Retained earnings	27.478.512	26.831.356
Total equity	28.078.512	27.431.356
Trade pavables	459.177	241.532
Trade payables	459.177	241.532
Payable to group enterprises	3.956.882	2.096.289
Income Tax Payables to group enterprises	0	932.524
Other payables	3.563.591	2.785.859
Total liabilities other than provisions	7.979.650	6.056.204
Total equity and liabilities	36.058.162	33.487.560

Statement of changes in equity

All amounts in DKK.

	Share capital	Retained earnings	Total
Equity 1 January 2020	600.000	26.831.356	27.431.356
Retained earnings for the year	0	647.156	647.156
	600.000	27.478.512	28.078.512

Notes

mounts in DKK.		
	2020	2019
Staff costs		
Salaries and wages	7.369.843	9.155.729
Pension costs	589.374	542.487
Other costs for social security	147.902	176.655
	8.107.119	9.874.871
Average number of employees	12	17
Other financial costs		
Financial costs, group enterprises	0	1.654
Other financial costs	286.422	91.719
	286.422	93.373
Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	13.035.775	12.571.286
•	1.174.281	464.489
Disposals during the year	-5.641.452	0
Cost 31 December 2020	8.568.604	13.035.775
Depreciation and writedown 1 January 2020	-11.791.726	-10.271.019
Amortisation and depreciation for the year	-786.285	-1.520.707
Disposals during the year	4.955.990	0
Depreciation and writedown 31 December 2020	-7.622.021	-11.791.726
Carrying amount, 31 December 2020	946.583	1.244.049
	Salaries and wages Pension costs Other costs for social security Average number of employees Other financial costs Financial costs, group enterprises Other financial costs Other fixtures and fittings, tools and equipment Cost 1 January 2020 Additions during the year Disposals during the year Cost 31 December 2020 Depreciation and writedown 1 January 2020 Amortisation and depreciation for the year Disposals during the year Disposals during the year Disposals during the year Depreciation and writedown 31 December 2020	Staff costs Salaries and wages 7.369.843 Pension costs 589.374 Other costs for social security 147.902 8.107.119 Average number of employees 12 Other financial costs 286.422 Other financial costs 286.422 Other financial costs 286.422 Other fixtures and fittings, tools and equipment Cost 1 January 2020 13.035.775 Additions during the year 1.174.281 Disposals during the year -5.641.452 Cost 31 December 2020 8.568.604 Depreciation and writedown 1 January 2020 -11.791.726 Amortisation and depreciation for the year -786.285 Disposals during the year 4.955.990 Depreciation and writedown 31 December 2020 -7.622.021

Notes

All an	nounts in DKK.		
		2020	2019
4.	Deposits		
	Cost 1 January 2020	186.414	186.414
	Disposals during the year	-162.414	0
	Cost 31 December 2020	24.000	186.414
	Carrying amount, 31 December 2020	24.000	186.414
5.	Contingencies		
	Lease obligations under operating leases. Total future lease payments.		
	Within I year	105.375	362.432
	Between 1 and 5 years	83.060	172.953
	Greater than 5 years	0	15.482
	Total rental and lease obligations	188.435	550.867

Joint taxation

With Abbott Laboratories A/S, company reg. no 31528615 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.