Abbott Rapid Diagnostics A/S

Nupark 53, 2,, 7500 Holstebro

Company reg. no. 24 20 46 50

Annual report

1 January - 31 December 2021

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

Petter Aspaas 30.5.2022

Chairman of the meeting:

Contents

Management's report

Today, the Board of Directors and the Managing Director have discussed and approved the annual report of Abbott Rapid Diagnostics A/S for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021.

We are of the opinion that the managements' review includes a fair description of the issues dealt with.

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

Holstebro,

Managing Director

Henrik Kjeldsmark Jensen
CEO

Board of Directors:

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Petter Aspaas	Oddvar Arne Vanberg	Berit Landsend-Holo

Independent auditors' report

Opinion

We have audited the financial statements of Abbott Rapid Diagnostics A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the company, as well as statement of cash flows. The financial statements are prepared under 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 1 January - 31 December 2021, and of the results of the company operations as well as the cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis of 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.

Responsibilities of management and those charged with governance 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 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.

Independent auditors' report

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.

- 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 internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the Management's commentary.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditors' report

Statement on the Management's review (continued)

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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen,

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Birgit M. Schrøder

State Authorised Public Accountant
MNE -nr 21337

Company information

The Company	Abbott Rapid Diagnostics Nupark 53, 2, 7500 Holstebro	
	Company reg no.	24 20 46 50
	Financial year:	1 January 2021 - 31 December 2021
Board of directors	Petter Aspaas, Chairman Oddvar Arne Vanberg Berit Landsend-Holo	
Managing Director	Henrik Kjeldsmark Jensen, CEO	
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg	
Parent company	St. Jude Medical International Holdings S.a.r.l.	

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 9,954,905 against DKK 9,983,680 last year. Income from ordinary activities after tax totals DKK 809,532 against DKK 647,156 last year.

Impact of Covid-19

The year 2021 was heavily impacted 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 2021 increasing revenue due to revenue generated from the sale of COVID tests. The company will monitor all activities of the pandemic and introduce all measures necessary to continue to deliver a profitable performance in 2022.

Other information

On 2 August 2021, the parent company changes its name from Abbot Diagnostics Technologies AS to St. Jude Medical International Holdings S.a.r.l.

Events after the end of the financial year

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

Accounting policies

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.

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.

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.

Accounting policies

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).

Accounting policies

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 fixture 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 property, land, and 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 other operating income or other operating expenses.

Leases

All other 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.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are 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.

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.

Accounting policies

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”.

According to the rules of joint taxation, Abbott Rapid Diagnostics is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Notes		2021	2020
	Gross Profit	**9,954,905**	**9,983,678**
1	Staff Costs	-8,452,501	-8,107,119
	Depreciation and impairment of non current assets	-248,754	-786,285
	Operating Profit	**1,253,650**	**1,090,274**
2	Other Financial Income	10,914	26,821
3	Other Financial Costs	-136,643	-286,422
	Pre-Tax net profit or loss	**1,127,921**	**830,673**
4	Tax on net profit or loss for the year	-318,389	-183,517
	Net profit or loss for the year	**809,532**	**647,156**
	Proposed appropriation of net profit		
	Transferred to retained earnings	809,532	647,156
	Total allocations and transfers	**809,532**	**647,156**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
5	Other fixtures and fittings, tools and equipment	543,791	946,583
	Total other fixtures and fittings, tools and equipment	543,791	946,583
	Deposits	24,000	24,000
	Total investments	24,000	24,000
	Total non-current assets	**567,791**	**970,583**
	Current assets		
	Trade receivables	4,564,237	6,147,964
	Receivables from group enterprises	23,495,817	22,133,019
	Deferred tax assets	318,379	542,107
	Other receivables	44,812	99,190
	Total receivables	28,423,245	28,922,280
	Cash on hand and demand deposits	3,995,588	6,165,299
	Total current assets	**32,418,833**	**35,087,579**
	Total assets	**32,986,624**	**36,058,162**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Share capital	600,000	600,000
	Reainted earnings	28,288,044	27,478,512
	Total equity	**28,888,044**	**28,078,512**
	Current liabilities and other provisions		
	Trade payables	189,391	459,177
	Payables to group enterprises	187,206	3,956,882
	Income Tax Payables to group enterprises	168,168	-
	Other payables	3,553,815	3,563,591
	Total liabilities other than provisions	**4,098,580**	**7,979,650**
	Total equity and liabilities	**32,986,624**	**36,058,162**

Statement of changes in equity

All amounts in DKK.

	Share capital	Retained earnings	Total
Equity 1 January 2021	600,000	27,478,512	28,078,512
Income for the year	-	809,532	809,532
	600,000	**28,288,044**	**28,888,044**

NOTES

All amounts in DKK

1. Staff costs

	2021	2020
Wages and salaries	7,695,757	7,369,843
Pension costs	664,933	589,374
Other costs for social security	91,811	147,902
	8,452,501	8,107,119
Average number of full-time employees	12	12

2. Other financial income

	2021	2020
Interest income	10,914	10,892
Foreign exchange gains	0	15,929
	10,914	26,821

3. Other financial costs

	2021	2020
Interest expense	56,187	149,367
Foreign exchange losses	59,117	116,105
Bank charges	21,339	20,950
	136,643	286,422

NOTES

All amounts in DKK

4. Tax on net profit or loss for the year

During the financial year, the Company did not make any payments with regards to income taxes. At 31 December 2021, the Company has recognised an income tax liability of DKK 168,168 (2020: DDK nil) and income tax expense of DKK 168,168 (2020: DKK nil).

At 31 December 2021, the Company has recognised deferred tax expense of DKK 150,221 (2020: DKK 183,517) and ending deferred tax asset of DKK 318,379 (2020: DKK 318,379).

5. Other fixtures and fittings, tools and equipment

Cost at 1 January 2021	8,568,604	13,035,775
Additions	383,778	1,174,281
Disposals	(6,972,773)	(5,641,452)
Cost at 31 December 2021	1,979,609	8,568,604
Depreciation and writedown 1 January 2021	(7,622,021)	(11,791,726)
Amortisation and depreciation for the year	(248,754)	(786,285)
Depreciaton of assets disposed of	6,434,957	4,955,990
Depreciation and impairment losses at 31 December 2021	(1,435,818)	(7,622,021)
Carrying amount, 31 December 2021	**534,791**	**946,583**

6. Contingencies

Lease obligations under operating leases relating to total future lease payments are as follows:

	2021	2020
Within 1 year	52,548	105,375
Between 1 and 5 years	60,534	83,060
Greater than 5 years	-	-
	113,082	188,435

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.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.