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# ***Proxeon Biosystems ApS***

Kamstrupvej 90, DK-4000 Roskilde

## **Annual Report for 1 January - 31 December 2016**

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CVR No 26 84 80 24

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/5 2017

Magnus Glissmann Bojer-  
Larsen  
Chairman



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	6
Balance Sheet 31 December	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10

## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Proxeon Biosystems ApS for the financial year 1 January - 31 December 2016.

The Annual Report is 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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Roskilde, 24 May 2017

### **Executive Board**

Grant Lawrence

### **Board of Directors**

Piet Van der Zande  
Chairman

Anthony Hugh Smith

Grant Lawrence

# Independent Auditor's Report

To the Shareholder of Proxeon Biosystems ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Proxeon Biosystems ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 responsibilities 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.

# Independent Auditor's Report

## **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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 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.

## Independent Auditor's Report

- 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.

Copenhagen, 24 May 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mikkel Sthyr

State Authorised Public Accountant

Morten Jørgensen

State Authorised Public Accountant

## Company Information

### **The Company**

Proxeon Biosystems ApS  
Kamstrupvej 90  
DK-4000 Roskilde  
Website: [www.proxeon.com](http://www.proxeon.com)

CVR No: 26 84 80 24  
Financial period: 1 January - 31 December  
Municipality of reg. office: Roskilde

### **Board of Directors**

Piet Van der Zande, Chairman  
Anthony Hugh Smith  
Grant Lawrence

### **Executive Board**

Grant Lawrence

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Gross profit/loss</b>		<b>39.918.221</b>	<b>63.955.772</b>
Administrative expenses		-227.213	-64.700
<b>Operating profit/loss</b>		<b>39.691.008</b>	<b>63.891.072</b>
<b>Profit/loss before financial income and expenses</b>		<b>39.691.008</b>	<b>63.891.072</b>
Financial income		156.661	5.149.644
Financial expenses		-1	0
<b>Profit/loss before tax</b>		<b>39.847.668</b>	<b>69.040.716</b>
Tax on profit/loss for the year	2	-8.766.490	-18.920.522
<b>Net profit/loss for the year</b>		<b>31.081.178</b>	<b>50.120.194</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	31.081.178	50.120.194
	<b>31.081.178</b>	<b>50.120.194</b>



# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Receivables from group enterprises		229.039.613	207.299.594
Other receivables		5.999	0
Deferred tax asset		71.251	95.002
<b>Receivables</b>		<b>229.116.863</b>	<b>207.394.596</b>
<b>Currents assets</b>		<b>229.116.863</b>	<b>207.394.596</b>
<b>Assets</b>		<b>229.116.863</b>	<b>207.394.596</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		4.000.000	4.000.000
Retained earnings		215.320.550	184.239.372
<b>Equity</b>		<b>219.320.550</b>	<b>188.239.372</b>
Trade payables		83.000	85.000
Payables to group enterprises		970.576	2.866.647
Corporation tax		8.742.737	16.199.196
Other payables		0	4.381
<b>Short-term debt</b>		<b>9.796.313</b>	<b>19.155.224</b>
<b>Debt</b>		<b>9.796.313</b>	<b>19.155.224</b>
<b>Liabilities and equity</b>		<b>229.116.863</b>	<b>207.394.596</b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	3		
Related parties	4		
Accounting Policies	5		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	4.000.000	184.239.372	188.239.372
Net profit/loss for the year	0	31.081.178	31.081.178
<b>Equity at 31 December</b>	<b>4.000.000</b>	<b>215.320.550</b>	<b>219.320.550</b>

# Notes to the Financial Statements

## 1 Main activity

The Company's core activity is to develop and market technology, equipment and consumables for pharmaceutical and biotechnological research, and possibly clinical therapy, and other related activities.

	2016 DKK	2015 DKK
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	8.742.737	16.199.196
Deferred tax for the year	23.751	31.847
Adjustment of tax concerning previous years	2	2.689.479
	<b>8.766.490</b>	<b>18.920.522</b>

## 3 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2016.

## 4 Related parties

### Consolidated Financial Statements

The company is included in the consolidated report of the Parent Company

Name	Place of registered office
Thermo Fisher Scientific Inc., which is the company's ultimate Parent Company.	

The consolidated report of Thermo Fisher Scientific Inc. may be obtained at the following address:

Thermo Fisher Scientific Inc., 168 Third Avenue, Waltham, MA 02451, USA

# Notes to the Financial Statements

## 5 Accounting Policies

The Annual Report of Proxeon Biosystems ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 5 Accounting Policies (continued)

### Income Statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue and cost of sales has not been disclosed in the Annual Report.

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

#### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 5 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries in the Thermo Fisher Scientific Group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.