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# ***Thermo Electron A/S***

Stamholmen 193, DK-2650 Hvidovre

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

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CVR No 28 31 43 88

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

Magnus Glissmann Bojer-  
Larsen  
Chairman



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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thermo Electron A/S 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.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hvidovre, 24 May 2017

### **Executive Board**

Grant Hellier Lawrence

### **Board of Directors**

Petrus Thomas Adrianus van der  
Zande  
Chairman

Linda Carina Carlsson

Grant Hellier Lawrence

# Independent Auditor's Report

To the Shareholders of Thermo Electron A/S

## 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 Thermo Electron A/S 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.

## 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, in our view, 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 in Management's Review.

# Independent Auditor's Report

## 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.

## 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.

## 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.

Hellerup, 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**

Thermo Electron A/S  
Stamholmen 193  
DK-2650 Hvidovre

Telephone: 70 23 62 60  
Website: [www.thermofisher.com](http://www.thermofisher.com)

CVR No: 28 31 43 88  
Financial period: 1 January - 31 December  
Municipality of reg. office: Hvidovre

### **Board of Directors**

Petrus Thomas Adrianus van der Zande, Chairman  
Linda Carina Carlsson  
Grant Hellier Lawrence

### **Executive Board**

Grant Hellier Lawrence

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Bankers**

Nordea Danmark A/S

# Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2016 TDKK	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	120.156	133.931	124.924	119.503	83.636
Operating profit/loss	114	-9.370	-447	5.075	2.855
Profit/loss before financial income and expenses	517	-7.677	-652	5.075	2.855
Net financials	-50	78	-12	-7	-3
Net profit/loss for the year	463	-5.830	-536	2.965	2.125
<b>Balance sheet</b>					
Balance sheet total	52.037	50.949	51.778	44.774	62.668
Equity	10.285	9.823	15.653	16.189	13.224
Investment in property, plant and equipment	159	935	417	1.071	318
Number of employees	35	30	31	29	17
<b>Ratios</b>					
Gross margin	21,7%	11,4%	18,0%	23,1%	20,0%
Profit margin	0,4%	-5,7%	-0,5%	4,2%	3,4%
Return on assets	1,0%	-15,1%	-1,3%	11,3%	4,6%
Solvency ratio	19,8%	19,3%	30,2%	36,2%	21,1%
Return on equity	4,6%	-45,8%	-3,4%	20,2%	17,5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

In connection with changes to accounting policies, the comparative figures back to 2012 have not been restated. See the description under accounting policies.



## **Management's Review**

Financial Statements of Thermo Electron A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

### **Key activities**

The primary activity of the company is sale and service of instruments and ancillary equipment to laboratories in Denmark.

### **Development in the year**

The income statement of the Company for 2016 shows a profit of DKK 462,731, and at 31 December 2016 the balance sheet of the Company shows equity of DKK 10,285,422.

### **Targets and expectations for the year ahead**

For the financial year 2017, Company Management expect a revenue at the same level as in 2016 and a positive result before tax.

### **External environment**

There are not considered any specific risks beyond what is normal for the industry.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### **Unusual events**

The financial position at 31 December 2016 of the Company and the results of the activities of the Company for the financial year for 2016 have not been affected by any unusual events.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Revenue</b>		<b>120.155.887</b>	<b>133.931.196</b>
Other operating income		1.435.596	1.693.005
Expenses for raw materials and consumables		-79.043.779	-102.608.431
Other external expenses		-16.452.402	-17.701.997
<b>Gross profit/loss</b>		<b>26.095.302</b>	<b>15.313.773</b>
Staff expenses	1	-23.774.482	-22.156.404
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-770.961	-833.875
Other operating expenses		-1.032.787	0
<b>Profit/loss before financial income and expenses</b>		<b>517.072</b>	<b>-7.676.506</b>
Financial income		38.502	83.051
Financial expenses		-88.560	-4.602
<b>Profit/loss before tax</b>		<b>467.014</b>	<b>-7.598.057</b>
Tax on profit/loss for the year	2	-4.283	1.767.846
<b>Net profit/loss for the year</b>		<b>462.731</b>	<b>-5.830.211</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		462.731	-5.830.211
		<b>462.731</b>	<b>-5.830.211</b>

# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Software		63.713	264.754
<b>Intangible assets</b>	3	<b>63.713</b>	<b>264.754</b>
Office equipment and other tangible assets		1.678.580	1.758.629
<b>Property, plant and equipment</b>	4	<b>1.678.580</b>	<b>1.758.629</b>
<b>Fixed assets</b>		<b>1.742.293</b>	<b>2.023.383</b>
Raw materials and consumables		255.763	40.211
Finished goods and goods for resale		888.660	62.345
<b>Inventories</b>		<b>1.144.423</b>	<b>102.556</b>
Trade receivables		37.722.567	44.633.234
Receivables from group enterprises		11.401.899	3.894.940
Other receivables		0	96.439
Prepayments	5	25.348	198.912
<b>Receivables</b>		<b>49.149.814</b>	<b>48.823.525</b>
<b>Currents assets</b>		<b>50.294.237</b>	<b>48.926.081</b>
<b>Assets</b>		<b>52.036.530</b>	<b>50.949.464</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		500.000	500.000
Retained earnings		9.785.422	9.322.691
<b>Equity</b>		<b>10.285.422</b>	<b>9.822.691</b>
Provision for deferred tax	6	88.826	152.201
Provisions, guarantees	7	613.347	694.351
<b>Provisions</b>		<b>702.173</b>	<b>846.552</b>
Prepayments received from customers		0	476.924
Trade payables		2.006.513	2.272.123
Payables to group enterprises		16.299.749	13.746.907
Corporation tax		165.500	0
Other payables		11.687.582	11.317.304
Deferred income	8	10.889.591	12.466.963
<b>Short-term debt</b>		<b>41.048.935</b>	<b>40.280.221</b>
<b>Debt</b>		<b>41.048.935</b>	<b>40.280.221</b>
<b>Liabilities and equity</b>		<b>52.036.530</b>	<b>50.949.464</b>
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500.000	9.322.691	9.822.691
Net profit/loss for the year	0	462.731	462.731
<b>Equity at 31 December</b>	<b>500.000</b>	<b>9.785.422</b>	<b>10.285.422</b>

# Notes to the Financial Statements

	2016 DKK	2015 DKK
<b>1 Staff expenses</b>		
Wages and salaries	21.503.138	20.463.319
Pensions	1.569.484	1.293.792
Other social security expenses	81.523	61.685
Other staff expenses	620.337	337.608
	<b>23.774.482</b>	<b>22.156.404</b>
<b>Average number of employees</b>	<b>35</b>	<b>30</b>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

## 2 Tax on profit/loss for the year

Current tax for the year	165.500	-2.105.200
Adjustments for the year of deferred tax	-63.375	235.454
Tax concerning previous years	-97.842	101.900
	<b>4.283</b>	<b>-1.767.846</b>

## 3 Intangible assets

	Software DKK
Cost at 1 January	1.335.312
Cost at 31 December	1.335.312
Impairment losses and amortisation at 1 January	1.070.558
Amortisation for the year	201.041
Impairment losses and amortisation at 31 December	1.271.599
<b>Carrying amount at 31 December</b>	<b>63.713</b>
Amortised over	5 years

# Notes to the Financial Statements

## 4 Property, plant and equipment

	Office equipment and other tangible assets DKK
Cost at 1 January	2.662.183
Additions for the year	892.658
Disposals for the year	-733.505
Cost at 31 December	2.821.336
Impairment losses and depreciation at 1 January	903.554
Depreciation for the year	569.920
Reversal of impairment and depreciation of sold assets	-330.718
Impairment losses and depreciation at 31 December	1.142.756
<b>Carrying amount at 31 December</b>	<b>1.678.580</b>
Depreciated over	3-5 years

## 5 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

## 6 Provision for deferred tax

	2016 DKK	2015 DKK
Provision for deferred tax 1 January	152.201	0
Adjustments for the year of deferred tax	-63.375	152.201
<b>Provision for deferred tax 31 December</b>	<b>88.826</b>	<b>152.201</b>

# Notes to the Financial Statements

	2016 DKK	2015 DKK
<b>7 Provisions, guarantees</b>		
The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.		
Other provisions	613.347	694.351
	<b>613.347</b>	<b>694.351</b>
<b>8 Deferred income</b>		
Deferred income consists of payments received in respect of income in subsequent years.		
<b>9 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.107.887	1.433.454
Between 1 and 5 years	1.981.068	1.293.202
	<b>4.088.955</b>	<b>2.726.656</b>



# Notes to the Financial Statements

## 10 Related parties

### Consolidated Financial Statements

The Company's ultimate Parent Company, which prepares Consolidated Financial Statements in which the Company is incorporated as subsidiary, is

Name	Place of registered office
Thermo Fisher Scientific Inc	

The Group Annual Report of Thermo Fisher Scientific Inc may be obtained at the following address:

Thermo Fisher Scientific Inc., 81 Wyman Street Waltham, MA 02454; USA

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of Thermo Electron A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in DKK.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Thermo Fisher Scientific Inc, the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

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.

### Income Statement

#### Revenue

Revenue from the sale of products and services is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

#### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise costs related to distribution, sales, advertising, administration, premises etc.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

### **Financial income and expenses**

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

### **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 companies in the Thermo Fischer concern. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Intangible assets**

Software acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Office equipment and other tangible assets	3-5 years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Inventories

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

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

### Prepayments

Prepayments comprise prepaid expenses concerning .

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5. Provisions are measured and recognised based on experience with guarantee work.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### 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, including the tax base of tax loss carry-forwards, 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.

### 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

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

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$