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

Stamholmen 193, DK-2650 Hvidovre

## **Annual Report for 1 January - 31 December 2015**

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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  
30/5 2016

Bo Matthisson  
Chairman



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## **Management's Statement**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Thermo Electron A/S for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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, 30 May 2016

### **Executive Board**

Grant Hellier Lawrence

### **Board of Directors**

Petrus Thomas Adrianus van der  
Zande  
Chairman

Linda Carina Carlsson

Jukka Tapio Lavi

# **Independent Auditor's Report on the Financial Statements**

To the Shareholders of Thermo Electron A/S

## **Report on the Financial Statements**

We have audited the Financial Statements of Thermo Electron A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

# **Independent Auditor's Report on the Financial Statements**

## **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## **Statement on Management's Review**

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 30 May 2016

**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  
Jukka Tapio Lavi

### **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:

	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	133.931	124.924	119.503	83.636	74.284
Operating profit/loss	-9.370	-447	5.075	2.855	3.640
Profit/loss before financial income and expenses	-7.677	-652	5.075	2.855	3.640
Net financials	78	-12	-7	-3	37
Net profit/loss for the year	-5.830	-536	2.965	2.125	2.803
<b>Balance sheet</b>					
Balance sheet total	50.949	51.778	44.774	62.668	31.682
Equity	9.823	15.653	16.189	13.224	11.099
Investment in property, plant and equipment	935	417	1.071	318	24
Number of employees	30	31	29	17	14
<b>Ratios</b>					
Gross margin	11,4%	18,0%	23,1%	20,0%	18,2%
Profit margin	-5,7%	-0,5%	4,2%	3,4%	4,9%
Return on assets	-15,1%	-1,3%	11,3%	4,6%	11,5%
Solvency ratio	19,3%	30,2%	36,2%	21,1%	35,0%
Return on equity	-45,8%	-3,4%	20,2%	17,5%	28,9%

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 2011 have been restated. See the description under accounting policies.

# **Management's Review**

## **Main activity**

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 2015 shows a loss of DKK 5,830,211, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 9,822,691.

The result is not considered satisfactory.

## **The past year and follow-up on development expectations from last year**

For the financial year 2016, Company Management expect a revenue at the same level as in 2015 and a positive result before tax.

## **External environment**

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

## **Intellectual capital resources**

The Company is aware of the environment and works on reducing the environmental impact from its activities.

## **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 2015 of the Company and the results of the activities of the Company for the financial year for 2015 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	2015 DKK	2014 DKK
<b>Revenue</b>		<b>133.931.196</b>	<b>124.924.356</b>
Other operating income		1.693.005	0
Expenses for raw materials and consumables		-102.608.431	-86.147.981
Other external expenses		-17.701.997	-16.245.381
<b>Gross profit/loss</b>		<b>15.313.773</b>	<b>22.530.994</b>
Staff expenses	1	-22.156.404	-22.165.602
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-833.875	-812.374
Other operating expenses		0	-204.781
<b>Profit/loss before financial income and expenses</b>		<b>-7.676.506</b>	<b>-651.763</b>
Financial income		83.051	1.593
Financial expenses		-4.602	-13.688
<b>Profit/loss before tax</b>		<b>-7.598.057</b>	<b>-663.858</b>
Tax on profit/loss for the year	2	1.767.846	128.099
<b>Net profit/loss for the year</b>		<b>-5.830.211</b>	<b>-535.759</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-5.830.211	-535.759
		<b>-5.830.211</b>	<b>-535.759</b>

# Balance Sheet 31 December

## Assets

	Note	2015 DKK	2014 DKK
Software		264.754	465.795
<b>Intangible assets</b>	3	<b>264.754</b>	<b>465.795</b>
Office equipment and other tangible assets		1.758.629	1.456.603
<b>Property, plant and equipment</b>	4	<b>1.758.629</b>	<b>1.456.603</b>
<b>Fixed assets</b>		<b>2.023.383</b>	<b>1.922.398</b>
Raw materials and consumables		40.211	155.429
Finished goods and goods for resale		62.345	2.170.768
<b>Inventories</b>		<b>102.556</b>	<b>2.326.197</b>
Trade receivables		44.633.234	40.074.951
Receivables from group enterprises		3.894.940	6.771.276
Other receivables		96.439	100.103
Deferred tax asset		0	83.253
Prepayments		198.912	500.080
<b>Receivables</b>		<b>48.823.525</b>	<b>47.529.663</b>
<b>Currents assets</b>		<b>48.926.081</b>	<b>49.855.860</b>
<b>Assets</b>		<b>50.949.464</b>	<b>51.778.258</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		500.000	500.000
Retained earnings		9.322.691	15.152.902
<b>Equity</b>	<b>5</b>	<b>9.822.691</b>	<b>15.652.902</b>
Provision for deferred tax		152.201	0
Provisions, guarantees		694.351	734.614
<b>Provisions</b>		<b>846.552</b>	<b>734.614</b>
Prepayments received from customers		476.924	0
Trade payables		2.272.123	1.406.817
Payables to group enterprises		13.746.907	15.655.511
Other payables		11.317.304	9.614.642
Deferred income		12.466.963	8.713.772
<b>Short-term debt</b>		<b>40.280.221</b>	<b>35.390.742</b>
<b>Debt</b>		<b>40.280.221</b>	<b>35.390.742</b>
<b>Liabilities and equity</b>		<b>50.949.464</b>	<b>51.778.258</b>
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

# Notes to the Financial Statements

	2015 DKK	2014 DKK
<b>1 Staff expenses</b>		
Wages and salaries	20.463.319	20.323.227
Pensions	1.293.792	1.261.961
Other social security expenses	61.685	92.767
Other staff expenses	337.608	487.647
	<b>22.156.404</b>	<b>22.165.602</b>
<b>Average number of employees</b>	<b>30</b>	<b>31</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	-2.105.200	0
Adjustments for the year of deferred tax	235.454	-128.099
Tax concerning previous years	101.900	0
	<b>-1.767.846</b>	<b>-128.099</b>

# Notes to the Financial Statements

## 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	869.517
Amortisation for the year	201.041
Impairment losses and amortisation at 31 December	1.070.558
<b>Carrying amount at 31 December</b>	<b>264.754</b>
Amortised over	5 years

## 4 Property, plant and equipment

	Office equipment and other tangible assets DKK
Cost at 1 January	2.134.506
Additions for the year	934.860
Disposals for the year	-407.183
Cost at 31 December	2.662.183
Impairment losses and depreciation at 1 January	677.903
Depreciation for the year	632.834
Impairment and depreciation of sold assets for the year	-407.183
Impairment losses and depreciation at 31 December	903.554
<b>Carrying amount at 31 December</b>	<b>1.758.629</b>
Depreciated over	3-5 years

# Notes to the Financial Statements

## 5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500.000	15.152.902	15.652.902
Net profit/loss for the year	0	-5.830.211	-5.830.211
<b>Equity at 31 December</b>	<b>500.000</b>	<b>9.322.691</b>	<b>9.822.691</b>

The share capital consists of 5,000 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	2015	2014
	DKK	DKK
<b>6 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental agreements and leases</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.433.454	1.282.037
Between 1 and 5 years	1.293.202	2.236.232
	<b>2.726.656</b>	<b>3.518.269</b>

There are no security and contingent liabilities at 31 December 2015.

# Notes to the Financial Statements

## 7 Related parties and ownership

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Thermo Fisher Scientific Inc., USA

### *Consolidated Financial Statements*

The company is included in the consolidated report for the ultimate parent 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

# **Accounting Policies**

## **Basis of Preparation**

The Annual Report of Thermo Electron A/S for 2015 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.

Financial Statements for 2015 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.



# Accounting Policies

## Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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 transaction date rates 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.

# Accounting Policies

## 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.

## 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. Software 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

## Accounting Policies

when the asset is ready for use.

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 12,800 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.

# Accounting Policies

## 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.

## Accounting Policies

### 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$