Thermo Electron A/S

Stamholmen 193, DK-2650 Hvidovre

Annual Report for 1 January - 31 December 2019

CVR No 28 31 43 88

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 27/8 2020

Grant Hellier Lawrence
Chairman of the General Meeting

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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 27 August 2020

Executive Board

Grant Hellier Lawrence

Board of Directors

Petrus Thomas Adrianus van der Zande Chairman	Lynn Gray	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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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 Financials 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.

- 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, 27 August 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Morten Jørgensen
State Authorished Public Accountant
mne32806

Simon Vinberg Andersen
State Authorised Public Accountant
mne35458

Company Information

The Company	Thermo Electron A/S Stamholmen 193 DK-2650 Hvidovre Telephone: + 45 70 23 62 60 Website: 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 Lynn Gray Grant Hellier Lawrence
Executive Board	Grant Hellier Lawrence
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2019	2018	2017	2016	2015
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	158.057	151.112	151.607	120.156	133.931
Operating profit/loss	11.913	14.900	9.018	114	-9.370
Profit/loss before financial income and expenses	10.445	14.072	8.367	517	-7.677
Net financials	0	-1	-12	-49	78
Net profit/loss for the year	8.839	10.601	6.412	463	-5.830
Balance sheet					
Balance sheet total	92.118	71.114	57.355	52.036	50.949
Equity	36.137	27.298	16.697	10.285	9.823
Investment in property, plant and equipment	0	1.928	246	159	935
Number of employees	43	41	37	35	30
Ratios					
Gross margin	29,0%	30,0%	25,2%	21,7%	11,4%
Profit margin	6,6%	9,3%	5,5%	0,4%	-5,7%
Return on assets	11,3%	19,8%	14,6%	1,0%	-15,1%
Solvency ratio	39,2%	38,4%	29,1%	19,8%	19,3%
Return on equity	27,9%	48,2%	47,5%	4,6%	-45,8%

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.

Management's Review

Financial Statements of Thermo Electron A/S for 2019 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 2019 shows a profit of TDKK 8,839, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 36,137.

Targets and expectations for the year ahead

For the financial year 2020, Company Management expect a revenue at the same level as in 2019 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 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

The Company's outlook for the future will most likely be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak. Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Income Statement 1 January - 31 December

	Note	2019 TDKK	2018 TDKK
Revenue		**158.057**	**151.112**
Expenses for raw materials and consumables		-96.983	-92.149
Other external expenses		-15.192	-13.667
Gross profit/loss		**45.882**	**45.296**
Staff expenses	1	-33.435	-29.808
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-534	-588
Other operating expenses		-1.468	-828
Profit/loss before financial income and expenses		**10.445**	**14.072**
Financial expenses		0	-1
Profit/loss before tax		**10.445**	**14.071**
Tax on profit/loss for the year	2	-1.606	-3.470
Net profit/loss for the year		**8.839**	**10.601**

Balance Sheet 31 December

Assets

	Note	2019 TDKK	2018 TDKK
Software		0	0
Intangible assets	3	**0**	**0**
Office equipment and other tangible assets		330	2.331
Property, plant and equipment	4	**330**	**2.331**
Fixed assets		**330**	**2.331**
Inventories		**6.078**	**2.262**
Trade receivables		40.425	40.324
Receivables from group enterprises		44.134	25.968
Deferred tax asset	7	680	0
Prepayments	5	471	229
Receivables		**85.710**	**66.521**
Currents assets		**91.788**	**68.783**
Assets		**92.118**	**71.114**

Balance Sheet 31 December

Liabilities and equity

	Note	2019	2018
		TDKK	TDKK
Share capital		500	500
Retained earnings		35.637	26.798
Equity		**36.137**	**27.298**
Provision for deferred tax	7	0	286
Provisions, guarantees	8	554	622
Provisions		**554**	**908**
Other payables		1.297	0
Long-term debt	9	**1.297**	**0**
Trade payables		4.597	2.260
Payables to group enterprises		17.335	10.410
Corporation tax		2.506	3.141
Other payables	9	13.840	13.157
Deferred income	10	15.852	13.940
Short-term debt		**54.130**	**42.908**
Debt		**55.427**	**42.908**
Liabilities and equity		**92.118**	**71.114**
Distribution of profit	6		
Contingent assets, liabilities and other financial obligations	11		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	500	26.798	27.298
Net profit/loss for the year	0	8.839	8.839
Equity at 31 December	**500**	**35.637**	**36.137**

Notes to the Financial Statements

		2019	2018
		TDKK	TDKK
1	**Staff expenses**		
	Wages and salaries	30.782	27.489
	Pensions	2.482	2.257
	Other social security expenses	171	30
	Other staff expenses	0	32
		33.435	**29.808**
	Average number of employees	**43**	**41**

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

		2019	2018
2	**Tax on profit/loss for the year**		
	Current tax for the year	2.506	3.141
	Adjustments for the year of deferred tax	-188	207
	Tax concerning previous years	66	122
	Adjustment of deferred tax concerning previous years	-778	0
		1.606	**3.470**

Notes to the Financial Statements

3 Intangible assets

	Software
	TDKK
Cost at 1 January	1.335
Cost at 31 December	1.335
Impairment losses and amortisation at 1 January	1.335
Impairment losses and amortisation at 31 December	1.335
Carrying amount at 31 December	**0**
Amortised over	5 years

4 Property, plant and equipment

	Office equipment and other tangible assets
	TDKK
Cost at 1 January	3.628
Disposals for the year	-2.354
Cost at 31 December	1.274
Impairment losses and depreciation at 1 January	1.297
Depreciation for the year	533
Impairment and depreciation of sold assets for the year	-886
Impairment losses and depreciation at 31 December	944
Carrying amount at 31 December	**330**
Depreciated over	3-5 years

Notes to the Financial Statements

5 Prepayments

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

6 Distribution of profit

	2019	2018
	TDKK	TDKK
Retained earnings	8.839	10.601
	8.839	**10.601**

7 Deferred tax asset

	2019	2018
Deferred tax asset at 1 January	-286	-79
Amounts recognised in the income statement for the year	188	-207
Amounts recognised in the income statement concerning previous years	778	0
Deferred tax asset at 31 December	**680**	**-286**

The recognised tax asset is expected to be utilised against future taxable income of the company or in the join taxation within a few years.

8 Provisions, guarantees

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.

	2019	2018
Other provisions	554	622
	554	**622**

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019	2018
	TDKK	TDKK
Other payables		
Between 1 and 5 years	1.297	0
Long-term part	1.297	0
Other short-term payables	13.840	13.157
	15.137	**13.157**

10 Deferred income

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

11 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2019	2018
Lease obligations under operating leases. Total future lease payments and rental obligations:		
Within 1 year	1.883	1.752
Between 1 and 5 years	2.595	1.336
	4.478	**3.088**

Other contingent liabilities

Thermo Electron A/S is jointly taxed with the Danish companies in the Thermo Fisher Scientific Group. The joint taxation also covers withholding taxes in form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustment to income taxes may lead to a larger liability. The tax for the individual companies is allocated in full basis of the expected taxable income.

Notes to the Financial Statements

12 Related parties

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company's ultimative 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

13 Accounting Policies

The Annual Report of Thermo Electron A/S for 2019 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 2019 are presented in TDKK.

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.

Notes to the Financial Statements

13 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.

Notes to the Financial Statements

13 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 main activities of the Company, 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 enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

13 Accounting Policies (continued)

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.

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

Depreciation period and residual value are reassessed annually.

Assets without permanent value for the Company are expensed in the acquisition year.

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.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Notes to the Financial Statements

13 Accounting Policies (continued)

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.

Prepayments

Prepayments comprise prepaid expenses concerning Subscriptions and other administration costs.

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.

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.

Notes to the Financial Statements

13 Accounting Policies (continued)

Deferred income

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

Financial Highlights

Explanation of financial ratios

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