

# **Varian Medical Systems Scandinavia A/S**

**CVR-number 29 47 60 12**

**Lyskær 9**

**2730 Herlev**

## **Financial Statements for the Period 1 October 2019 - 30 September 2020**

The Financial Statements were presented  
and adopted at the Annual General Meeting  
of the Company on 4 March 2021

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**Lauri Aalto, Chairman**

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## **Management's Statement on the Annual Report**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Varian Medical Systems Scandinavia A/S for the financial year 2019/2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

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

In our opinion, the Annual Report give a true and fair view of the financial position at 30 September 2020 of the Company operations for 2019/2020.

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

Herlev, 4 March 2021

### **Executive Board**

*Ole Hagen Laustsen*

### **Supervisory Board**

*Michelle Dawn Cook*  
*Chairman*

*Julie Young Wong*

*Patrick Daniel Müller*

# Independent Auditor's Report

To the Shareholders of Varian Medical Systems Scandinavia A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2020, and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Varian Medical Systems Scandinavia A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

## 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 Statement Act. We did not identify any material misstatement in Management's Review.

## 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's 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, 4 March 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

*Jesper Wiinholt*  
State Authorised Public Accountant  
mne 13914

*Daniel Nielsen*  
State Authorised Public Accountant  
mne 45105

## Company Information

<b>The Company</b>	Varian Medical Systems Scandinavia A/S Lyskær 9 DK-2730 Herlev CVR-nr. 29 47 60 12 Municipality of domicile: Herlev
<b>Supervisory Board</b>	Michelle Dawn Cook Julie Young Wong Patrick Daniel Müller
<b>Executive Board</b>	Ole Hagen Laustsen, CEO
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
<b>Bankers</b>	Danske Bank Holmens Kanal 2 - 12 DK-1092 København K
<b>Lawyers</b>	Kroman Reumert Sundkrogsgade 5 DK-2100 København Ø  DLA Piper Denmark Advokatpartnerselskab Rådhuspladsen 4 DK-1550 København V

## Financial Highlights

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

	<u>2019/2020</u>	<u>2018/2019</u>	<u>2017/2018</u>	<u>2016/2017</u>	<u>2015/2016</u>
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Key figures</b>					
<b>Income Statement</b>					
Revenue	318,695	369,710	354,293	154,449	232,269
Gross profit	67,373	61,915	50,292	29,674	42,096
Profit/(loss) before financial income and expenses	36,665	27,173	21,717	12,885	24,794
Net financials	-464	2,875	-1,136	-5,257	1,345
Profit/(loss) for the year	28,387	23,420	16,021	6,318	19,930
<b>Balance sheet</b>					
Investment in fixed assets	410	146	1,159	745	131
Balance sheet total	259,764	373,510	388,541	278,705	200,978
Equity	44,269	32,619	53,699	55,149	68,831
<b>Number of employees</b>	50	47	48	45	37
<b>Ratios</b>					
Gross margin	21,1	16,7	14,2	19,2	18,1
Profit margin	11,5	7,3	6,1	8,3	10,7
Return on net assets	14,1	7,3	5,6	4,6	12,3
Solvency ratio	17,0	8,7	13,8	19,8	34,2
Return on equity	73,8	54,3	29,4	10,2	31,7

For definitions, see under accounting policies.

Financial highlights from before 2017/18 have not been restated after change in accounting policy.

## Review

### **Main activity**

The Company's activities consist of sale and service of oncology systems within Scandinavia and Iceland. The business is run from rented premises at Herlev. The Company has a permanent establishment in Sweden and has an office at the Danish Centre for Particle Therapy in Aarhus.

### **Development in the year**

The Company's result and financial development exceeded expectations and is considered satisfactory. The result for the year was a profit of DKK 28,386,497 against DKK 23,420,036 in 2018/2019.

### **The expected development**

It is assumed that revenue and results for the financial year 2020/2021 will end at lower level than reported for the financial year 2019/2020.

### **Financial risks**

Credit facility etc. up to DKK 121 million at Danske Bank is guaranteed by the Company's Parent Company.

### **Special risks**

Revenue and thereby results are affected by political grants as the Company's customers are mainly public hospitals. Moreover, the exchange rate development between the Nordic currencies and the USD is of importance to the results. The Company does not hedge the currency positions.

### **Gender distribution**

As required in section 99b of the Danish Financial Statements Act, the Company believes that diversity among employees, including gender distribution, contributes positively to the working environment and strengthens the company performance and competitiveness. We have in the financial year 2019/20 increased the number of female members of the Board of Directors.

### **Statement of corporate social responsibility**

As a subsidiary of Varian Medical Systems Inc., we do not have an independent CSR policy. For further information, please refer to <http://investors.varian.com/>.

### **Human rights and climate impact statement**

As part of the Varian group, the Company is subject to the Group's policies on human rights and climate change. For further information, please refer to Varian Sustainability Report at <http://investors.varian.com/>.

### **Research and development activities**

The Company does not carry out its own research and development, but is indirectly involved in the group's research and development activities.

### **Intellectual capital resources**

As a company delivering advanced hospital equipment it is essential for the Company's continued growth to attract and retain highly skilled workforce in sales, installation, training, service and administration. Through a comprehensive internally compulsory course program, it is ensured that employees' knowledge is constantly maintained and expanded.



## **Accounting Policies**

### **Basis of preparation**

The Annual Report of Varian Medical Systems Scandinavia A/S for the financial year 1 October 2019 – 30 September 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### **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 costs 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

## Accounting Policies

### 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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

## Income Statement

### Revenue

The revenues are derived primarily from the sale of radiotherapy and proton therapy hardware and software products, support, training and maintenance of all those products, installation services and the sale of parts. The Company accounts for a contract with a customer when there is approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company's revenues are measured based on consideration specified in the contract with each customer.

The Company recognizes revenues as the performance obligations are satisfied by transferring control of the product or service to a customer. The majority of the Company's revenue arrangements consist of multiple performance obligations including hardware, software, and services. Determining the stand-alone selling price ("SSP") and allocation of consideration from an arrangement to the individual performance obligations, and the appropriate timing of revenue recognition are determined based on the Company's best estimates with respect to these arrangements. For bundled arrangements, the Company accounts for individual products and services separately if they are distinct, that is, if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it on its own or with other resources that are readily available to the customer. The consideration (including any discounts) is allocated between separate products and services in a bundle based on their individual SSP. The SSP is determined based on observable prices at which the Company separately sells the products and services. If an SSP is not directly observable, then the Company will estimate the SSP considering marketing conditions, entity-specific factors, and information about the customer or class of customer that is reasonably available.

The Company's linear accelerators are generally sold in a bundled arrangement with hardware and software accessory products that enhance efficiency and enable delivery of advanced radiotherapy and radio-surgery treatments; however, certain products are infrequently sold on a stand-alone basis. The majority of machine and software sales include installation services, training, warranty, and support services. Delivery of different performance obligations in a revenue arrangement often span more than one reporting period. For example, a linear accelerator and software may be delivered in one reporting period, but the related installation of those products may be completed in a later period. Hardware and software extended maintenance and service contracts are occasionally sold during the initial product sale, but the majority are sold separately near or at the end of the initial warranty period. Revenues related to extended warranty and service contracts are earned after the expiration of the initial warranty period.

Payment terms and conditions vary by contract type, although terms are generally commensurate with a significant milestone, such as contract signing, shipment, delivery, acceptance or service commencement.

Hardware products may include software that the hardware is dependent on and highly interrelated with and cannot operate without. The Company typically has a standard base configuration for its hardware products, but there are typically multiple options and configuration choices. Revenues from the sale of hardware are recognized when the Company transfers control to the customer. Product installation includes uncrating, moving the machine to the treatment room, connection and validating configuration.

## **Accounting Policies**

In addition, a number of testing protocols are completed to confirm the equipment is performing to the contracted specifications. The Company recognizes revenues for hardware installation over time as the customer receives and consumes benefits provided as the Company performs the installation services.

Software products include information management, treatment planning, image processing, clinical knowledge exchange, patient care management, decision-making support, and practice management software. Software installation includes transferring software to the customer's computers, configuration of the software and potentially data migration. The Company recognizes revenues for on-premise software and software installation upon the customer's acceptance of the software and installation services.

Service revenues include revenues from initial and extended software support agreements, extended hardware warranty agreements, training, paid service arrangements when a customer does not have an extended warranty and parts that are sold by the service department. Revenues from hardware and software support agreements are accounted for ratably over the term of the agreement. Services and training revenues are recognized in the period the services and training are performed. Revenues for sales of parts are recognized when the parts are delivered to the customer and control is transferred.

The Company's sale of hardware includes a one-year warranty. The Company uses the cost accrual method to account for assurance-type warranties. The standard warranty provision further includes services in addition to an assurance-type warranty (for example, preventative maintenance inspections, help desk support, and when and if available operating system upgrades). These service-type warranty features are recorded as a separate performance obligation and recognized ratably over the oneyear warranty period.

Revenue collected on behalf of a principal is not recognised as revenue. Instead the commission which the Company receives from the principal is recognised and there is no gross presentation of the full selling price and the related costs of sales.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

### **Cost of sales**

As in previous years, cost of sales consists of cost prices of the equipment delivered plus customs and costs of transportation to the place of business as well as expenses for installations and guarantee services. Direct delivery charges and expenses for training of customers in the application of the equipment are also included in cost of sales.

### **Sales and marketing expenses**

Sales and marketing expenses comprise the salary, staff, travelling and external expenses directly related to the sales and marketing activity.

### **Administrative and sundry indirect expenses**

Administrative and sundry indirect expenses comprise salaries, stationery and other external expenses.

### **Financial income and expenses**

Financial income and expenses comprise interest and realized and unrealized exchange rate adjustments.

# Accounting Policies

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less any accumulated depreciation. Depreciation is made on a straight line basis as follows:

Fixtures, fittings, tools and equipment	3-5 years
Leasehold improvements	5 years
Motor Vehicles	5 years

Depreciation period and residual value are reassessed annually. Assets without permanent value for the Company are expensed in the acquisition year.

### Fixed asset investments

Financial fixed assets consist of deposit relating to rented premises.

### Inventories

Inventories are measured under the FIFO principle at cost with addition of costs of transportation to the place of business. Considering the date of acquisition, write-down has been made to meet losses due to technical obsolescence.

### 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, and in respect of trade receivables, a general provision is also made.

### Prepayments

Prepayments recognised in assets include expenses incurred in respect of subsequent financial years, typically prepaid rent, insurance premiums, subscriptions, etc. as well as fair value adjustments of derivative financial instruments with a positive fair value.

### Equity

#### Dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend expected to be distributed for the year is disclosed as a separate equity item.

### 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.

### Financial debts

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

### Deferred income and other debt

Deferred income recognised as debt comprises payments received concerning income in subsequent years and fair value adjustments of derivative financial instruments with a negative fair value.

### Accounts in foreign currencies

Assets and liabilities in foreign currencies are translated into Danish kroner at the official rates of exchange on the balance sheet date.

## **Accounting Policies**

### **Corporation tax and deferred tax**

Tax for the year consists of current tax for the year and 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 entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax is calculated at the tax rate applying for the year.

Current tax receivables are recognised in receivables in the balance sheet in the event of overpayment, while current tax liabilities are recognised in short-term debt in the event of non-payment.

Deferred tax is recognised in the balance sheet as the tax on all temporary differences. Deferred tax is calculated at the tax rate which, based on legislation passed before the end of the financial year, will apply at the time when it is expected to be realised.

Deferred tax assets are recognised at the value at which they are expected to be realised.

### **Cash Flow Statement**

In pursuance of section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared as the cash flow statement is included in the Consolidated Financial Statements of the Company's Parent Company.

## Accounting Policies

### Financial ratios

The financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

<i>Gross margin</i>	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<i>Profit margin</i>	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
<i>Return on net assets</i>	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
<i>Solvency ratio</i>	=	$\frac{\text{Equity at year - end} \times 100}{\text{Total assets}}$
<i>Return on equity</i>	=	$\frac{\text{Net profit for the year} \times 100}{(\text{Equity at year - end} + \text{Equity at year start})/2}$

## Income Statement 1 October - 30 September

	Note	2019/2020 DKK	2018/2019 DKK
<b>Revenue</b>	1	<b>318.695.284</b>	<b>369.709.935</b>
Cost of sales	2	-251.322.189	-307.794.615
<b>Gross profit</b>		<b>67.373.095</b>	<b>61.915.320</b>
Sales and marketing expenses	2	-26.249.853	-30.377.072
Administration and sundry indirect expenses	2	-4.458.646	-4.365.630
<b>Profit before financial income and expenses</b>		<b>36.664.596</b>	<b>27.172.618</b>
Financial income	3	750.374	3.000.707
Financial expenses	4	-1.214.361	-125.787
<b>Profit before tax</b>		<b>36.200.609</b>	<b>30.047.538</b>
Tax on the profit for the year	5	-7.814.112	-6.627.502
<b>Net profit for the year</b>	6	<b>28.386.497</b>	<b>23.420.036</b>

## Balance Sheet at 30 September

<b>Assets</b>	<b>Note</b>	<b>2019/2020</b>	<b>2018/2019</b>
		DKK	DKK
Fixtures, fittings, tools and equipment		882.552	942.754
Leasehold improvements		183.268	264.060
<b>Property, plant and equipment</b>	<b>7</b>	<b>1.065.820</b>	<b>1.206.814</b>
Deposits		431.820	421.288
<b>Fixed asset investments</b>	<b>8</b>	<b>431.820</b>	<b>421.288</b>
<b>Fixed assets</b>		<b>1.497.640</b>	<b>1.628.102</b>
<b>Inventories</b>		<b>41.041.869</b>	<b>40.600.066</b>
Trade receivables		55.943.730	13.341.578
Receivables from group enterprises		12.415.852	20.255.272
Deferred tax assets	10	160.898	169.410
Other receivables		78.343.868	92.528.058
<b>Receivables</b>		<b>146.864.348</b>	<b>126.294.318</b>
<b>Cash at bank and in hand</b>		<b>70.360.038</b>	<b>204.987.649</b>
<b>Current assets</b>		<b>258.266.254</b>	<b>371.882.033</b>
<b>Assets</b>		<b>259.763.894</b>	<b>373.510.135</b>



## Balance Sheet at 30 September

### Liabilities and equity

	Note	2019/2020 DKK	2018/2019 DKK
Share capital	9	750.000	750.000
Retained earnings		43.519.010	15.132.513
Proposed dividend of the year		0	16.736.750
<b>Equity</b>		<b>44.269.010</b>	<b>32.619.263</b>
Other provisions	11	9.130.928	16.435.674
<b>Provisions</b>		<b>9.130.928</b>	<b>16.435.674</b>
Trade payables		1.053.740	18.393.794
Prepayments from customers		2.809.709	0
Payables to group enterprises		103.439.317	184.251.272
Corporation tax		6.633.983	7.865.382
Accrued expenses		22.500.729	25.489.705
Other payables		69.926.478	88.455.045
<b>Current debt</b>		<b>206.363.956</b>	<b>324.455.198</b>
<b>Debt</b>		<b>206.363.956</b>	<b>324.455.198</b>
<b>Liabilities and equity</b>		<b>259.763.894</b>	<b>373.510.135</b>
Fees to auditors elected at general meeting	12		
Contingent liabilities and security	13		
Related parties and ownership	14		
The Group	15		
Post-balance sheet events	16		

## Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
<b>Equity at 1 October</b>	<b>750.000</b>	<b>15.132.513</b>	<b>16.736.750</b>	<b>32.619.263</b>
Dividends distributed	0	0	-16.736.750	-16.736.750
Net profit for the year	0	28.386.497	0	28.386.497
Proposed dividend for the year	0	0	0	0
<b>Equity at 30 September</b>	<b>750.000</b>	<b>43.519.010</b>	<b>0</b>	<b>44.269.010</b>

# Notes to the Annual Report

## 1 Segment information

<u>2019/2020</u>	<b>Systems</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
Denmark	98.244.492	64.499.265		162.743.757
Norway	11.450.615	15.669.049		27.119.664
Sweden	70.066.586	47.642.267		117.708.853
Other countries	2.741.971	3.481.120		6.223.092
Intercompany			4.429.279	4.429.279
Other Income	226.537		244.103	470.640
	<u><b>182.730.201</b></u>	<u><b>131.291.700</b></u>	<u><b>4.673.382</b></u>	<u><b>318.695.284</b></u>

<u>2018/2019</u>	<b>Systems</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
Denmark	150.855.008	33.436.373		184.291.381
Norway	32.653.284	23.547.344		56.200.628
Sweden	60.679.371	56.693.438		117.372.809
Other countries	1.703.938	3.712.109		5.416.047
Intercompany			5.636.230	5.636.230
Other Income	472.077		320.763	792.840
	<u><b>246.363.678</b></u>	<u><b>117.389.264</b></u>	<u><b>5.956.993</b></u>	<u><b>369.709.935</b></u>

2019/20

DKK

2018/2019

DKK

## 2 Staff expenses

Wages and salaries	41.736.463	41.903.145
Other expenses for social security and pensions	4.098.509	4.033.700
	<u><b>45.834.972</b></u>	<u><b>45.936.845</b></u>

The amount is distributed on the items "Cost of Sales", "Sales and marketing expenses" and "Administration and sundry indirect expenses" in the Income Statement.

In pursuance of section 98b(3) of the Danish Financial Statements Act, the remuneration to the Executive Board is not stated.

Average number of employees

50

47

## Notes to the Annual Report

	2019/20	2018/2019
	DKK	DKK
<b>3 Financial income</b>		
Interest income	750.374	722.401
Exchange rate adjustments	0	2.278.306
	<b>750.374</b>	<b>3.000.707</b>
<b>4 Financial expenses</b>		
Interest expenses	279.043	125.787
Exchange rate adjustments	935.318	0
	<b>1.214.361</b>	<b>125.787</b>
<b>5 Tax for the year</b>		
Adjustment, previous years	0	-1.958
Calculated corporation tax for the year	7.805.600	6.625.212
Adjustment of deferred tax	8.512	4.248
	<b>7.814.112</b>	<b>6.627.502</b>
<b>6 Proposed distribution of profit</b>		
Retained earnings	28.386.497	6.683.286
Proposed dividend for the year	0	16.736.750
	<b>28.386.497</b>	<b>23.420.036</b>

## Notes to the Annual Report

### 7 Property, plant and equipment

	Fixtures, fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 October	5.047.599	1.251.364	6.298.963
Additions during the year	410.276		410.276
Disposals during the year	-212.074		-212.074
Cost at 30 September	5.245.801	1.251.364	6.497.165
Depreciation and impairment at 1 October	4.104.845	987.304	5.092.149
Depreciation	470.478	80.792	551.270
Reversal of depreciation of disposals for the year	-212.074		-212.074
Depreciation and impairment at 30 September	4.363.249	1.068.096	5.431.345
<b>Carrying amount at 30 September</b>	<b>882.552</b>	<b>183.268</b>	<b>1.065.820</b>
Depreciated over	3-5 years	5 years	
		2019/20	2018/2019
		DKK	DKK

The depreciation for the year is distributed on the following items in the Income Statement:

Cost of sales	530.726	556.172
Sales and marketing expenses	11.709	18.097
Administration and sundry indirect expenses	8.835	15.422
	<b>551.270</b>	<b>589.691</b>

## Notes to the Annual Report

	2019/20	2018/2019
	DKK	DKK
<b>8 Deposits</b>		
Deposit relating to rented premises 1 October	421.288	421.288
Additions during the year	10.532	0
<b>Deposit relating to rented premises 31 September</b>	<b>431.820</b>	<b>421.288</b>

## 9 Share capital

The share capital consists of 75 shares of a nominal amount of DKK 10,000 or multiples hereof.  
No shares carry any special rights.

## 10 Deferred tax assets

Deferred tax at 1 October	169.410	173.658
Deferred tax for the year	-8.512	-4.248
<b>Deferred tax at 30 September</b>	<b>160.898</b>	<b>169.410</b>

## 11 Other provisions

Warranty obligations	9.130.928	16.435.674
<b>Other provisions at 30 September</b>	<b>9.130.928</b>	<b>16.435.674</b>

The warranty obligations are guarantees granted in connection with sales of systems.  
The guarantees typically run for 12 months after delivery.

## 12 Fees to auditors elected at general meeting

Audit fees	246.000	216.000
Tax advisory services	75.000	74.917
Other non-audit services	0	11.045
	<b>321.000</b>	<b>301.962</b>

## Notes to the Annual Report

### 13 Contingent liabilities and security

The Company has undertaken lease obligations which run until 2023.

The total lease obligations amount to kDKK 2.582 of which kDKK 1.357 falls due within 1 year and kDKK 1.225 falls due within 2 - 5 years.

The Company has issued third party guarantees of kDKK 62,879.

### 14 Related parties and ownership

#### Controlling interest

#### Basis

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Varian Medical Systems Inc  
Palo Alto, Californien, USA

Parent Company

#### Significant influence

The Executive and Supervisory Boards exercise significant influence by their managerial duties in the Company.

#### Transactions

As part of the ordinary operation of the Company, trade has been effected with related enterprises and shareholders with significant influence. The trade has been effected on an arm's length basis.

Apart from transactions in the financial year within the group, there have been no transactions with the Supervisory Board, the Executive Board, senior employees, significant shareholders, group enterprises or other related parties, except for normal management remuneration and fee for legal advisory services.

#### 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:

Varian Medical Systems Nederland B.V., Kokermolen 2, 3994 DH Houten, Holland

## **Notes to the Annual Report**

### **15 The Group**

The Company's ultimate Parent Company, which prepares Consolidated Financial Statements in which the Company is included as a subsidiary, is Varian Medical Systems Inc., 3100 Hansen Way, 94304 Palo Alto, California, USA.

The Annual Report of the Parent Company can be obtained at the Company's address.

### **16 Post-balance sheet events**

After the balance sheet date, no significant events have occurred which are considered to have a material influence on the assessment of the Annual Report.