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BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**DAKO A/S**  
**PRODUKTIONSVEJ 42, 2600 GLOSTRUP**  
**ANNUAL REPORT**  
**1 NOVEMBER 2016 - 31 OCTOBER 2017**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 22 March 2018**

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**Ieva Tackie**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 30 28 18 29**

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**COMPANY DETAILS**

<b>Company</b>	DAKO A/S Produktionsvej 42 2600 Glostrup  CVR no.: 30 28 18 29 Established: 25 February 2007 Registered Office: Glostrup Financial Year: 1 November 2016 - 31 October 2017
<b>Board of Directors</b>	Richard Norman Larsen, Chairman Majken Nielsen Jan Vesth-Wiersholm
<b>Board of Executives</b>	Klaus Christian Sauber
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Nordea Bank Danmark A/S Hovedvejen 116 2600 Glostrup

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of DAKO A/S for the financial year 1 November 2016 - 31 October 2017.

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

In our opinion the Financial Statements give a true and fair view of the the Company's financial position at 31 October 2017 and of the results of the the Company's operations for the financial year 1 November 2016 - 31 October 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Glostrup, 22 March 2018

Board of Executives

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Klaus Christian Sauber

Board of Directors

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Richard Norman Larsen  
Chairman

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Majken Nielsen

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Jan Vesth-Wiersholm

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of DAKO A/S

#### Opinion

We have audited the Financial Statements of DAKO A/S for the financial year 1 November 2016 - 31 October 2017, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 October 2017 and of the results of the Company operations for the financial year 1 November 2016 - 31 October 2017 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's 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.

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 Responsibility for 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.

## 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.

### 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, we conclude that 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 of Management's Review.

Copenhagen, 22 March 2018

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Ole C. K. Nielsen  
State Authorised Public Accountant  
MNE no. mne23299

## MANAGEMENT'S REVIEW

### Principal activities

The main activity in Dako A/S is to hold the shares in Dako Denmark A/S.

The Dako Group was acquired by Agilent Technologies Inc., an American listed company, in June 2012. Apart from the demerger of its field function into Agilent Technologies Denmark ApS, it continues to operate as a standalone group within Agilent Technologies group.

The Dako Group continues to build its business on a legacy of more than 45 years within pathology: From playing a pioneering role in the standardization of antibodies to Dako's current role as an Agilent Technologies company with a leading position in the pathology segment of the in vitro diagnostics (IVD) industry.

Dako's products are sold in more than 110 countries around the world and dedicated employees work to develop, manufacture and market reagents, antibodies, instruments and software for use in anatomic pathology laboratories worldwide.

### Financial Position for the year

Net Loss for the year amounts to DKK 11.2 million solely due to unfavorable currency fluctuations. The comparable result for previous year was a Net profit of DKK 189.6 million due to favorable effects of corporate restructuring. As of 31st October 2017, the balance sheet shows equity of DKK 6.5 billion.

### Significant events after the end of the financial year

Apart from the abovementioned developments, the Board of Directors and Executive Management are not aware of any event after 31st October 2017 that may have a material impact on the company's financial position.

### Corporate social responsibility

Agilent Technologies group is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. Our Citizenship Objective is to be an economic, intellectual and social asset to each nation and community in which we operate. Agilent's Community Relations and Giving Programs and the Agilent Foundation are tangible examples of our commitment to exemplary Corporate Citizenship.

**INCOME STATEMENT 1 NOVEMBER - 31 OCTOBER**

	Note	2016/17 DKK '000	2015/16 DKK '000
<b>GROSS PROFIT</b> .....		<b>0</b>	<b>126</b>
Administrative expenses.....		-50	409
<b>OPERATING LOSS</b> .....		<b>-50</b>	<b>535</b>
Result of equity investments in group and associat.....		0	189,070
Financial income.....	1	3,036	140
Financial expenses.....	2	-17,432	-25
<b>PROFIT BEFORE TAX</b> .....		<b>-14,446</b>	<b>189,720</b>
Tax on profit/loss for the year.....	3	3,178	-143
<b>PROFIT FOR THE YEAR</b> .....		<b>-11,268</b>	<b>189,577</b>
 <b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		-11,268	189,577
<b>TOTAL</b> .....		<b>-11,268</b>	<b>189,577</b>



## BALANCE SHEET AT 31 OCTOBER

ASSETS	Note	2017 DKK '000	2016 DKK '000
Investments in subsidiaries.....		6,238,256	6,220,810
Fixed asset investments.....	4	<b>6,238,256</b>	<b>6,220,810</b>
<b>FIXED ASSETS.....</b>		<b>6,238,256</b>	<b>6,220,810</b>
Receivables from group enterprises.....		283,340	301,089
Receivables corporation tax.....		3,178	777
Receivables.....		<b>286,518</b>	<b>301,866</b>
Cash and cash equivalents.....		5,853	1,793
<b>CURRENT ASSETS.....</b>		<b>292,371</b>	<b>303,659</b>
<b>ASSETS.....</b>		<b>6,530,627</b>	<b>6,524,469</b>

**BALANCE SHEET AT 31 OCTOBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2017</b> DKK '000	<b>2016</b> DKK '000
Share capital.....		104,991	104,991
Retained profit.....		6,425,596	6,419,418
<b>EQUITY.....</b>	<b>5</b>	<b>6,530,587</b>	<b>6,524,409</b>
Trade payables.....		40	60
<b>Current liabilities.....</b>		<b>40</b>	<b>60</b>
<b>LIABILITIES.....</b>		<b>40</b>	<b>60</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>6,530,627</b>	<b>6,524,469</b>
 Contingencies etc.	 6		
Charges and securities	7		
Related parties	8		
Consolidated financial statements	9		

## NOTES

	2016/17 DKK '000	2015/16 DKK '000	Note
<b>Financial income</b>			<b>1</b>
Group enterprises.....	2,105	8	
Other interest income.....	931	132	
	<b>3,036</b>	<b>140</b>	
<b>Financial expenses</b>			<b>2</b>
Group enterprises.....	1	0	
Other financial expenses.....	17,431	25	
	<b>17,432</b>	<b>25</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	-3,178	-777	
Adjustment of deferred tax.....	0	920	
	<b>-3,178</b>	<b>143</b>	
<b>Fixed asset investments</b>			<b>4</b>
		Investments in subsidiaries	
Cost at 1 November 2016.....		6,220,810	
Additions.....		17,446	
Cost at 31 October 2017.....		<b>6,238,256</b>	
Carrying amount at 31 October 2017.....		<b>6,238,256</b>	
<b>Equity</b>			<b>5</b>
	Share capital	Retained profit	Total
Equity at 1 November 2016.....	104,991	6,419,418	6,524,409
Capital increase.....		17,446	17,446
Proposed distribution of profit.....		-11,268	-11,268
Equity at 31 October 2017.....	<b>104,991</b>	<b>6,425,596</b>	<b>6,530,587</b>

## NOTES

	Note
<b>Contingencies etc.</b>	<b>6</b>
<b>Contingent liabilities</b>	
<b>Joint liabilities</b>	
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.	
Tax payable of the group's jointly taxed income is stated in the annual report of Agilent Technologies Denmark ApS, which serves as management company for the joint taxation.	
<b>Charges and securities</b>	<b>7</b>
None.	
<b>Related parties</b>	<b>8</b>
<b>The Controlling interest</b>	
Agilent Technologies Europe B.V., Parent company	
Agilent Technologies Inc., Ultimate parent company	
<b>Ownership</b>	
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:	
Agilent Technologies Europe B.V. Holland, Groenelaan 5, 1186 AA Amstelveen, Holland.	
<b>Consolidated financial statements</b>	<b>9</b>
The company is included in the Group Annual Report of Agilent Technologies, Inc.	
The Group Annual Report may be obtained at the following address:	
5301 Stevens Creek Boulevard	
Santa Clara, CA 95051	

## ACCOUNTING POLICIES

The annual report of DAKO A/S for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with additional choice of rules relating to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

The Annual Report is presented in TDKK.

### **Consolidated financial statements**

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Agilent Technologies Inc., at 5301 Stevens Creek Boulevard, Santa Clara, CA 95051.

## INCOME STATEMENT

### **Net revenue**

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### **Administrative expenses**

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisation.

### **Investments in subsidiaries**

Dividend from subsidiary is recognised in the financial year when the dividend is declared.

### **Financial income and expenses in general**

Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### **Tax on profit for the year**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish subsidiary enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## BALANCE SHEET

### **Fixed asset investments**

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

## ACCOUNTING POLICIES

### Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.