Ab Sciex ApS

Åkandevej 21
2700 Brønshøj
CVR No. 32448615

Annual report 2019

The Annual General Meeting adopted the annual report on 26.06.2020

Juan Martin Wolpert
Chairman of the general meeting

Contents

Entity details

Entity

Ab Sciex ApS
Åkandevej 21
2700 Brønshøj

CVR No.: 32448615
Date of foundation: 11.09.2009
Registered office: København
Financial year: 01.01.2019 - 31.12.2019

Executive Board

Juan Martin Wolpert, direktør
Michael Thomas Cowhig, direktør
Inese Lowenstein, direktør

Auditors

Ernst & Young Godkendt Revisionspartnerselskab
Dirch Passer Alle 36
2000 Frederiksberg
CVR No.: 30700228

Statement by Management

The Executive Board have today considered and approved the annual report of Ab Sciex ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.06.2020

Executive Board

Juan Martin Wolpert
direktør

Michael Thomas Cowhig
direktør

Inese Lowenstein
direktør

Independent auditor's extended review report

To the shareholders of Ab Sciex ApS

Conclusion

We have performed an extended review of the financial statements of Ab Sciex ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at. 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 the management commentary.

Copenhagen, 26.06.2020

Ernst & Young, Godkendt Revisionspartnerselskab
CVR No. 30700228

Henrik Kronborg Iversen
State Authorised Public Accountant
Identification No (MNE) mne24687

Rasmus Bloch Jespersen
State Authorised Public Accountant
Identification No (MNE) mne35503

Management commentary

Primary activities

The object of the company is to market and sell analytical instrumentation, consumables, service and other related products. The Company operates as a sales entity in the Danish market for the AB Sciex Group and a fully owned subsidiary of Danaher.

Description of material changes in activities and finances

The Company's income statement for the year ended 31 December 2019 shows a profit of DKK 416,319 and the balance sheet at 31 December 2019 shows equity of DKK 31,065,828.

Events after the balance sheet date

Since the period under review, the potential rapid spreading of COVID-19 has become a significant emerging risk to the global economy. Management continue to monitor the impact of the virus on the business as more information about the epidemic emerges, with particular focus on the potential impact on staff shortages and operating delays.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		**7,207,580**	**6,009,798**
Staff costs	1	(6,367,547)	(5,404,446)
Depreciation, amortisation and impairment losses	2	(271,068)	(243,772)
Operating profit/loss		**568,965**	**361,580**
Other financial income	3	29,876	383
Other financial expenses	4	(39,086)	(213,405)
Profit/loss before tax		**559,755**	**148,558**
Tax on profit/loss for the year	5	(143,436)	(49,890)
Profit/loss for the year		**416,319**	**98,668**
Proposed distribution of profit and loss			
Retained earnings		416,319	98,668
Proposed distribution of profit and loss		**416,319**	**98,668**

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		19,507	253,589
Intangible assets		**19,507**	**253,589**
Other fixtures and fittings, tools and equipment		517,806	0
Property, plant and equipment		**517,806**	**0**
Investments in group enterprises		34,621,646	34,621,646
Other financial assets	6	**34,621,646**	**34,621,646**
Fixed assets		**35,158,959**	**34,875,235**
Manufactured goods and goods for resale		1,470,115	1,027,680
Inventories		**1,470,115**	**1,027,680**
Trade receivables		5,039,832	1,740,125
Receivables from group enterprises	7	4,274,021	4,735,389
Other receivables		0	559,122
Prepayments		87,256	47,306
Receivables		**9,401,109**	**7,081,942**
Cash		**153,384**	**104,407**
Current assets		**11,024,608**	**8,214,029**
Assets		**46,183,567**	**43,089,264**

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Retained earnings		30,940,828	30,524,509
Equity		**31,065,828**	**30,649,509**
Deferred tax		25,000	53,610
Provisions		**25,000**	**53,610**
Prepayments received from customers		2,921,861	3,509,500
Trade payables		302,884	161,198
Payables to group enterprises		3,529,770	1,667,325
Income tax payable		231,500	79,500
Other payables		5,318,442	4,098,890
Deferred income		2,788,282	2,869,732
Current liabilities other than provisions		**15,092,739**	**12,386,145**
Liabilities other than provisions		**15,092,739**	**12,386,145**
Equity and liabilities		**46,183,567**	**43,089,264**
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	30,524,509	30,649,509
Profit/loss for the year	0	416,319	416,319
Equity end of year	**125,000**	**30,940,828**	**31,065,828**

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	5,767,023	4,874,323
Pension costs	521,701	459,657
Other social security costs	78,823	70,466
	6,367,547	**5,404,446**

Average number of full-time employees	**7**	**6**

2 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	234,082	234,082
Depreciation of property, plant and equipment	36,986	9,690
	271,068	**243,772**

3 Other financial income

	2019 DKK	2018 DKK
Exchange rate adjustments	29,876	383
	29,876	**383**

4 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	16,383	193,934
Exchange rate adjustments	0	1,301
Other financial expenses	22,703	18,170
	39,086	**213,405**

5 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	152,000	79,500
Change in deferred tax	(28,610)	(46,390)
Adjustment concerning previous years	20,046	16,780
	143,436	**49,890**

6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	34,621,646
Cost end of year	**34,621,646**
Carrying amount end of year	**34,621,646**

Impairment considerations
At year-end, the Company has performed a review of impairment indicators and concluded that im-pairment indicators were present. The Company has prepared an impairment test and thereby calculat-ed the recoverable amount of the Company's investment in group enterprises.

The impairment test is based on Danaher's standard internal valuation methodology. This method is based on financial reporting as of 31 December 2019, and representatitive EBITDA multiplied by bench-marked multiplicator based on a peergroup analysis, adjusted for control premiums if applicable and non-operating assets/liabilities.

The impairment test did not result in need for impairment.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Phenomenex ApS	Hareskovby	Corporation	100	31,917,078	507,560

7 Receivables from group enterprises

The Company is covered by the Group's treasury policy. The treasury policy ensures that the Company will have sufficient liquidity to settle its obligations as they are due. Furthermore, the cash pool arrangement is set up in such a way that the payables amounts will not be called unless the Company has sufficient liquidity or has obtained sufficient financing to pay off the balance.

8 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	**609,000**	**98,000**

9 Contingent liabilities

The company is jointly taxed with Danaher Tax Administration ApS, which is the Management Company (Administrationsselskab) for the Danish joint taxation. The company is jointly and severally unlimited liable with the other jointly taxed companies for payment of corporation tax for the income year 2013 and later, and for withholding tax on interest, royalties and dividens, which are payable on 1 July 2012 or later. At 31 December 2019, the jointly taxed companies' net liability to SKAT is disclosed in the an-nual report for Danaher Tax Administration ApS, registration number 28 31 68 87. Any subsequent as-sessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

10 Related parties with controlling interest

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Danaher Corporation
2200 Pennsylvania Avenue, NW
Suite 800W
Washington, DC 20037
USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Danaher Corporation, Washington DC

The consolidated financial statements for the Danaher Group can be acquired at the following link:
http://investors.danaher.com/annual-report-and-proxy

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

The financial statements for AB Sciex ApS and its subsidiary are part of the consolidated financial statements for Danaher Corporation, USA.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition. Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity’s primary activities.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Danish Danaher group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are reassessed annually. The amortisation period used is 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated

depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 - 5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount. In case of evidence of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Impairment of non-current assets
The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.
Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).
The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets. Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

Cost of goods for resale and consumables consists of purchase price plus delivery costs.
The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.
The Company has chosen IAS 39 as interpretation for impairment of financial assets.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Cash Pool
Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group enterprises' and 'Payables to group enterprises', as applicable.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.
Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.