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Havneholmen 29
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DAKO DENMARK 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

Klaus Christian Sauber

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. 33 21 13 17

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COMPANY DETAILS

Company	Dako Denmark A/S Produktionsvej 42 2600 Glostrup CVR no.: 33 21 13 17 Established: 15 June 1967 Registered Office: Glostrup Financial Year: 1 November 2016 - 31 October 2017
Board of Directors	Richard Norman Larsen, Chairman Majken Nielsen Jan Vesth-Wiersholm
Board of Executives	Klaus Christian Sauber Lene Klejs Stuhr
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	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 Denmark 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

Klaus Christian Sauber	Lene Klejs Stuhr

Board of Directors

Richard Norman Larsen Chairman	Majken Nielsen	Jan Vesth-Wiersholm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dako Denmark A/S

Opinion
We have audited the Financial Statements of Dako Denmark A/S for the financial year 1 November 2016 - 31 October 2017, which comprise income statement, balance sheet, statement of changes in equity, 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. 23299

FINANCIAL HIGHLIGHTS

	2016/17 DKK '000	2015/16 DKK '000	2014/15 DKK '000	2013/14 DKK '000	2012/13 DKK '000
Income statement					
Net revenue	2.297.540	1.727.949	1.601.475	1.317.649	1.282.333
Gross profit/loss	1.117.152	663.102	657.913	611.144	745.812
Operating profit/loss	515.986	69.678	11.351	-78.483	97.527
Financial income and expenses, net	-69.346	-9.341	-23.406	-11.503	-14.025
Profit/loss for the year	342.120	128.926	9.949	-113.161	-10.083
Balance sheet					
Balance sheet total	2.012.254	2.090.056	2.606.437	2.094.572	1.972.267
Equity	1.379.487	1.019.919	1.048.064	1.038.115	1.151.276
Invested capital	745.717	886.600	1.233.784	791.652	613.040
Investment in tangible fixed assets	-78.188	-28.922	-28.230	-82.479	-12.068
Average number of full-time employees	**137**	**639**	**696**	**722**	**572**
Ratios					
Solvency ratio	68,6	48,8	40,2	49,6	58,4
Return on equity	28,5	12,5	1,0	Neg.	Neg.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Solvency ratio: $\frac{\text{Equity ex. minorities, at year end x 100}}{\text{Total equity and liabilities, at year end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities
Dako Denmark A/S hereinafter referred to as "Dako" became part of Agilent Technologies Inc. hereinafter referred as "Agilent" in June 2012. Apart from the demerger of its field function into Agilent Technologies Denmark ApS, it continues to operate as a standalone entity within Agilent Technologies group.

Dako 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 within Agilent as a leader 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.

Performance in 2017
In 2017, Dako realized total sales of DKK 2,298 Million compared to DKK 1,727 Million in 2016, which translates to an increase of 33 %. The revenues continue to grow in 2017 in line with the growth in overall market. The revenues in 2017 also carry one-time acceleration due to operationalization of Dako Logistics Company ApS wherein all existing finished goods stock in Dako was transferred to the Logistics company on 1st Nov 2016. The management expects growth both in test volumes and market value in the coming years as economic environment improves.

Profit before financial income and expenses amounted to DKK 516 Million compared to DKK 69.6 Million in 2016. Net profit for the year amounted to DKK 347.9 Million compared to a Net profit of DKK 128.9 Million in 2016. The result in 2016 were positively affected by significant gains made on disposal of several overseas subsidiaries.

Developments during the year
On 1st Nov 2016, Dako transferred its logistics function including all its finished stock in-hand and logistics equipment to a newly formed Danish subsidiary called Dako Logistics Company ApS.

On 1st Nov 2016, the Norwegian branch operations which were consolidated with Dako's financial statements for Danish reporting purposes were transferred to a newly formed Norwegian subsidiary. The branch is now deregistered and the investments in the new Norwegian subsidiary are carried at cost price in Dako's financial statements.

On 1st Feb 2017, Agilent Technologies Denmark ApS took over all the remaining employees of Dako and simultaneously entered into a labor services agreement whereby such employees would continue to provide their services to Dako. This will help the employees to use same kind of ERP tools/services as the rest of the employees in the wider group.

Profit/loss for the year compared to future expectations
The Management expects a profitable fiscal ahead.

The management continues to work towards achieving operational efficiencies through process realignment and development.

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.

Research and Development
Dako has a long tradition of leading the way in cancer diagnostics research and development beginning with Dako's pioneering work on antibody production, purification and standardization in the 1960s. With the acquisition by Agilent, the Dako portfolio is expected to develop further and faster meeting market and customer demands.

Research and Development (continued)
Dako's development pipeline focuses on solutions that will continue to take customers to the next level in regard to diagnostic quality and speed. Dako R&D constantly interacts with customers to understand what challenges they face, what breakthrough technologies they need in order to gain a new level of diagnostic value and what large or small improvements will make their lives easier.

Know-how and pharma partnerships
The approval of Dako's pharmDx™ product HercepTest™ and Herceptin® (by Genentech) in 1998 was the first example of an oncology drug directly linked to a specific diagnostic test. By selecting the right drug for the right patient, companion diagnostics (pharmDx™) help drive the benefits of personalized medicine over the shortcomings of trial-and-error medicine.

As an independent player in this field, Dako today is an important partner for pharmaceutical companies. Dako, as a pharma partner, is committed to improving patient care by helping pharmaceutical companies efficiently to develop and commercialize drugs with increased efficacy and better safety profiles. Dako is presently working with a number of the major tier 1 and tier 2 pharmaceutical companies to develop new potential pharmDx™ products.

Strategic initiatives
In 2016-2017, Dako continued to pursue partnership opportunities within the increasingly important area of personalized medicine and other partnerships with companies holding complementary technologies.

Operational initiatives/developments
During the year, Dako strengthened the Omnis platform with improved instrument hardware, customer friendly software and accommodation for wider range of reagents. Further, significant work was done on the H&E staining technology which aims to deliver more efficient diagnosis through its low cost high volume characteristics. The Agilent groups now aims to build in-house instrument manufacturing capabilities in a group company in Malaysia, accordingly an in-house manufactured Special Stains instrument is being launched in the markets in FY18.

Stakeholders
As an Agilent Technologies company, Dako continues to be committed to sharing knowledge and engaging in dialog with all relevant stakeholders at all times. Dako strives to ensure an open, timely and trustworthy communication that supports the company's strategic agenda and builds on Agilent's core values.

Risk Management
Risk is an inherent part of operating within the diagnostics industry and therefore also influences many aspects of Dako's business worldwide. Continued global growth, an increasing regulatory environment and changes in the market dynamics create both challenges and opportunities for Dako.

Key Business Risks

The regulatory environment
As a manufacturer and supplier of products for clinical diagnostics, Dako is subject to a range of requirements in the countries in which it operates. Dako is focused on complying with these regulations and is dedicated to having a constructive and collaborative dialogue with the authorities.

Research and development
Dako is engaged in research and development of new products and the risk that the research or development efforts do not materialize in a new product is an integrated part of such activities. Dako is constantly monitoring and assessing the status of potential new products in its pipeline to ensure that it is using its resources for the best product candidates.

MANAGEMENT'S REVIEW

Operational initiatives/developments (continued)

Intellectual property rights
Dako is focused on offering high quality products to its customers and is continuously engaged in R&D activities to ensure that it can maintain a high-quality product portfolio. Research and development of new products is expensive and thus Dako must protect the investments made in research and development of new products. Wherever possible, Dako seeks to have inventions arising out of its R&D activities covered by intellectual property rights. Such intellectual property rights safeguard Dako's business against other companies' or an individual's utilization of inventions by Dako.

Product supply
Dako carefully monitors the supply situation and as a general rule maintains a safety inventory to ensure that it can supply its customers in the event of a temporary production breakdown or if other unforeseen events should occur which impact Dako's ability to manufacture or ship products to its customers.

Sourcing
To ensure that Dako purchases materials and other products needed for its operations at competitive prices, a large part of such purchases have been centralized. This way Dako ensures that parameters such as volume, range and the term of the sourcing agreements can be used to achieve better prices and payment terms than if each purchase had been made as a stand-alone purchase.

Market conditions
A number of Dako's products are sold with reimbursement from public authorities. Reductions in these reimbursements may impact Dako's consolidated sales and cash flow. The competitive environment is expected to be stable with high entry barriers due to technological and investment reasons. Overall the market is expected to grow at 8% to 10% due to aging populations and healthcare expansion in new geographies.

Financial risks
The financial risk factors primarily comprise foreign exchange, and credit risks. Dako's financial risk management is based on policies approved by the Board of Directors. The company may use derivatives to hedge financial risks. Hedging of financial risks is managed at management level and is only focused on managing risks arising from the company's operations and financing.

Foreign exchange risk
Foreign exchange risk occurs both as a result of imbalance between income and expenses in each foreign currency and because the company has net assets in a number of foreign subsidiaries. Subsidiaries outside Denmark mainly do business in local currencies, both internally within the Group and with external partners.

Interest rate risk
Interest rate risk occurs as a consequence of imbalance between interest-bearing assets and liabilities, and changes in the interest rate influence both the balance sheet and the income statement.

Credit risk
The company's credit risk primarily relates to receivables, securities, cash and cash equivalents, and positive fair values of derivative financial instruments. The balance sheet valuation of all the items mentioned corresponds to the size of the maximum credit risk. The company has historically not experienced any material loss on receivables, as most customers are public hospitals or laboratories.

Counterparty risks concerning cash and cash equivalents and financial instruments are managed by only entering into agreements with financial institutions which have achieved a satisfactory rating from recognized international credit-rating institutions.

Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed

Operational initiatives/developments (continued)
conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Corporate Social Responsibility
As part of Agilent Technologies, Dako is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. This commitment is consistent with Agilent's corporate objectives and is essential for the company's continued business success.

Environmental responsibility
Dako finds it very important to be in compliance with or exceed applicable environmental regulations of the countries and local communities in which Dako operates. Acting in a responsible manner is essential, and Dako acknowledges that environmental sustainability goes hand-in-hand with an efficient use of resources, which is why Dako strives to reduce the use of energy, water and raw materials and the production emission and waste. Dako systematically considers environmental aspects when remodeling any of its sites, in particular with respect to initiatives that can reduce energy consumption.

Future expectations
Operating in a market with attractive growth, Dako holds greater potential and expects higher future growth rates and results. Dako expects continued organic sales growth in 2017-18 with improved operating profits.

The company's foreign branches
The company's activitites include a branch in Norway which is consolidated in the Finansial Statements as the branch is part of the legal entity, Dako Denmark A/S.

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.

Target figures and policies for the underrepresented gender
The Board has a total strength of three members out of which one is female, hence a female participation of 33%.

It is Dako's position that a diverse organization is value-adding and contributes to the achievement of Dako's business goals. It is therefore Dako's policy to encourage a balanced gender distribution at all management levels by:

- Securing that filling of all management positions, whether facilitated by HR or external consultants, is done by assessment of the collective skill set of each candidate independent of gender.

- Requiring that external search consultants engaged for recruitment for management positions propose a reasonable number of candidates of each gender.

- Having succession planning practices in place requiring managers to identify a gender-diverse range of potential successors for critical management positions.

- Requiring managers to discuss with qualified subordinates of the under-represented gender as part of their recurrent performance review how and if advancement to a (higher) management position could be relevant and what potentially would be required.

- Regularly obtaining qualitative data regarding the background for the gender distribution at various management levels both from a potential candidate perspective and from an employer perspective.

INCOME STATEMENT 1 NOVEMBER - 31 OCTOBER

	Note	2016/17 DKK '000	2015/16 DKK '000
NET REVENUE	1	**2.297.540**	**1.727.949**
Cost of sales and development expences		-1.180.388	-1.064.847
GROSS PROFIT/LOSS		**1.117.152**	**663.102**
Research and development expenses		-309.126	-287.109
Distribution costs	3	-42.999	-85.453
Administrative expenses	2, 3	-249.932	-223.593
OPERATING PROFIT		**515.095**	**66.947**
Other operating income		891	4.684
Other operating expenses		0	-1.953
OPERATING PROFIT		**515.986**	**69.678**
Result of equity investments in group and associat	4	-581	84.281
Financial income	5	12.657	9.618
Financial expenses	6	-82.003	-18.959
PROFIT BEFORE TAX		**446.059**	**144.618**
Tax on profit/loss for the year	7	-103.939	-15.692
PROFIT FOR THE YEAR	8	**342.120**	**128.926**

BALANCE SHEET AT 31 OCTOBER

ASSETS	Note	2017 DKK '000	2016 DKK '000
Development projects completed		131.121	182.554
Intangible fixed assets acquired		1.151	1
Goodwill		1.752	12.265
Intangible fixed assets	9	**134.024**	**194.820**
Land and buildings		360.262	321.498
Production plants and machinery		60.947	49.662
Other plants, machinery, tools and equipment		3.948	5.322
Tangible fixed assets in progress and prepayment		16.157	23.517
Tangible fixed assets	10	**441.314**	**399.999**
Investments in subsidiaries		276.469	249.739
Receivables from group enterprises		524.490	534.414
Rent deposit and other receivables		3.758	4.965
Fixed asset investments	11	**804.717**	**789.118**
FIXED ASSETS		**1.380.055**	**1.383.937**
Raw materials and consumables		260.386	231.143
Work in progress		41.483	24.693
Finished goods and goods for resale		36.278	148.554
Inventories		**338.147**	**404.390**
Trade receivables		0	2.347
Receivables from group enterprises		141.201	46.464
Other receivables		9.217	21.515
Prepayments and accrued income	12	3.992	9.597
Receivables		**154.410**	**79.923**
Cash and cash equivalents		**139.642**	**221.806**
CURRENT ASSETS		**632.199**	**706.119**
ASSETS		**2.012.254**	**2.090.056**

BALANCE SHEET AT 31 OCTOBER

EQUITY AND LIABILITIES	Note	2017 DKK '000	2016 DKK '000
Share capital	13	61.682	61.682
Retained profit		1.317.805	958.237
EQUITY		**1.379.487**	**1.019.919**
Provision for deferred tax	14	64.483	72.722
PROVISION FOR LIABILITIES		**64.483**	**72.722**
Payables to group enterprises		0	700.448
Other liabilities		4.377	4.965
Long-term liabilities	15	**4.377**	**705.413**
Trade payables		67.859	60.509
Payables to group enterprises		371.509	118.948
Corporation tax		112.177	9.970
Other liabilities		12.362	101.525
Accruals and deferred income		0	1.050
Current liabilities		**563.907**	**292.002**
LIABILITIES		**568.284**	**997.415**
EQUITY AND LIABILITIES		**2.012.254**	**2.090.056**

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EQUITY

	Share capital	Retained profit	Total
Equity at 1 November 2016	61.682	958.239	1.019.921
Group contribution		17.446	17.446
Proposed distribution of profit		342.120	342.120
Equity at 31 October 2017	**61.682**	**1.317.805**	**1.379.487**

NOTES

	2016/17 DKK '000	2015/16 DKK '000	Note
Net revenue			1
Geographical segments			
Americas	87.796	341.111	
APAC	3.744	99.401	
EMEA	2.206.001	1.287.436	
	2.297.541	**1.727.948**	
Business segments			
Pathology	2.107.953	1.589.315	
Reagent Partnership	189.588	138.633	
	2.297.541	**1.727.948**	

The business segments in the company are controlled by revenue per product group and by three regions: EMEA (Europe, Middlw East and Africa, Africa), Americas (North and South America) and APAC (Asian Pacific).

	2016/17	2015/16	Note
			2
Fee to statutory auditors			
Total fee:			
BDO	962	1.327	
	962	**1.327**	
Fee specification:			
Statutory audit	428	689	
Tax consultancy	247	60	
Other services	287	578	
	962	**1.327**	
Staff costs			3
Average number of employees			
137 (2015/16: 639)			
Wages and salaries	61.975	344.520	
Pensions	778	31.488	
Social security costs	749	6.766	
Other staff costs	6.035	3.804	
	69.537	**386.578**	

In accordance to section 98 B (3) of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed.

	2016/17	2015/16	Note
Result of equity investments in group and associat			4
Result of equity investments in group enterprises	-3	162.868	
Result of equity investments in associated enterprises	-578	-78.587	
	-581	**84.281**	

NOTES

	2016/17 DKK '000	2015/16 DKK '000	Note
Financial income			5
Group enterprises	11.654	8.900	
Other financial income	1.003	718	
	12.657	**9.618**	
Financial expenses			6
Group enterprises	3.046	5.760	
Other financial expenses	78.957	13.199	
	82.003	**18.959**	
Tax on profit/loss for the year			7
Calculated tax on taxable income of the year	112.177	12.944	
Adjustment of deferred tax	-8.238	2.748	
	103.939	**15.692**	
Proposed distribution of profit			8
Accumulated profit	342.120	128.926	
	342.120	**128.926**	

Intangible fixed assets 9

	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 November 2016	536.998	72.487	52.565
Transferred from group companies	0	1.575	0
Disposals	0	-18	0
Cost at 31 October 2017	**536.998**	**74.044**	**52.565**
Amortisation at 1 November 2016	354.444	72.487	40.300
Reversal of amortisation of assets disposed of	0	-18	0
Depreciation for the year	51.433	424	10.513
Depreciation at 31 October 2017	**405.877**	**72.893**	**50.813**
Carrying amount at 31 October 2017	**131.121**	**1.151**	**1.752**

The company's development projects constitutes the development of electronic measuring equipment and machines. Development projects are recognized in the balance sheet on the basis of the up-to-date sales of the products and the expectation of the market over the remaining lifetime of the technology.

NOTES

Note

Tangible fixed assets 10

	Land and buildings	Production plants and machinery
Cost at 1 November 2016	542.721	154.577
Additions transferred from assets under construction	3.739	4.449
Additions	52.695	23.940
Disposals	-290	-2.812
Cost at 31 October 2017	**598.865**	**180.154**
Depreciation and impairment losses at 1 November 2016	221.223	104.914
Reversal of depreciation of assets disposed of	-238	15.088
Depreciation for the year	17.618	-795
Depreciation and impairment losses at 31 October 2017	**238.603**	**119.207**
Carrying amount at 31 October 2017	**360.262**	**60.947**

	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 November 2016	41.648	23.518
Additions transferred from assets under construction	726	-8.914
Transferred from group companies	740	0
Additions	0	1.553
Disposals	-1.535	0
Cost at 31 October 2017	**41.579**	**16.157**
Depreciation and impairment losses at 1 November 2016	36.326	
Reversal of depreciation of assets disposed of	-355	
Depreciation for the year	1.660	
Depreciation and impairment losses at 31 October 2017	**37.631**	
Carrying amount at 31 October 2017	**3.948**	**16.157**

Fixed asset investments 11

	Investments in subsidiaries	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 November 2016	597.055	534.414	4.965
Additions	28.455	0	0
Disposals	-1.725	-9.924	-1.207
Cost at 31 October 2017	**623.785**	**524.490**	**3.758**
Revaluation at 1 November 2016	-347.316	0	
Revaluation at 31 October 2017	**-347.316**	**0**	
Carrying amount at 31 October 2017	**276.469**	**524.490**	**3.758**

NOTES

Note

Investments in subsidiaries (DKK)

Name and registered office	Equity	Profit/loss for the year	Ownership
DAKO North America Inc., USA	560.863.985	44.514.781	100 %
DAKO Holding USA Inc., USA	347.411.718	2.492.435	100 %
DAKO Polska Sp.z.o.o., Poland	1.347.773	1.032.266	100 %
DAKO Instrumec AS, Norway	5.745.172	797.159	100 %
DAKO Denmark UK ApS, Denmark	17.046.143	-655.986	100 %
DAKO Denmark Belgium ApS, Denmark	2.859.453	-119.109	100 %
DAKO Denmark Brazil ApS, Denmark	1.065.372	-54.270	100 %
DAKO Denmark Canada ApS, Denmark	37.476.373	-6.907	100 %
DAKO Denmark Canada Inc., Canada	36.611.177	-20.681	100 %
DAKO Denmark China ApS, Denmark	50.498.194	-2.805.450	100 %
DAKO Denmark France ApS, Denmark	14.589.325	-553.559	100 %
DAKO Denmark Germany ApS, Denmark	52.011.921	-1.974.861	100 %
DAKO Denmark Korea ApS, Denmark	30.957.596	-1.509.582	100 %
DAKO Denmark Netherlands ApS, Denmark	20.522.137	-786.149	100 %
Agilent DGG Norge AS, Norway	7.425.949	392.228	100 %
DAKO Logistics Company ApS, Denmark	3.255.294	44.638.083	100 %

All foreign subsidiaries are recognised and measured as seperate entities. Equity and result of investments in subsidiaries are based in locally presented annual reports for 2016 and is translated to DKK at year-end. If a subsidiary has not presented an annual report as the subsidiary is not subject to local satutory requirements in relation to this, equity and result have not been keyed-in above.

Prepayments and accrued income 12

The item constitues prepaid cost pertaining to the following fiscal year.

Share capital 13

Specification of the share capital:

A-aktier, 61.682 stk. a nom. 1.000 DKK	61.682	61.682
	61.682	**61.682**

NOTES

Note

Provision for deferred tax 14

Provision for deferred tax comprises deferred tax on securities, accounts receivable, intangible fixed assets, including recignised finance leases.

The amount breaks down as follows:		
Intangible assets	25.887	37.906
Property, plant and equipment	12.273	10.086
Inventories	26.629	25.882
Debts	-306	-1.152
	64.483	**72.722**

Balance, beginning of year	72.722	72.340
Addition for the year	0	382
Consumption for the year	-8.239	0
Provision for deferred tax 31 October 2017	**64.483**	**72.722**

Long-term liabilities 15

	1/11 2016 total liabilities	31/10 2017 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group enterprises	700.448	0	0	0
Other liabilities	4.965	4.377	619	0
	705.413	**4.377**	**619**	**0**

Contingencies etc. 16

Contractual obligations

The company has entered into contractual agreements including service agreements, minimum purchase agreements, ect. Total unrecognised commitments as per the balance sheet date amount to DKK 4,8 million.

Joint liabilities

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 divided 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 company Agilent Technologies Denmark ApS, which serves as management company for the joint taxation.

Charges and securities 17

Bank securities amounting to a total of DKK ('000) 1.228 was given at year-end.

NOTES

Note

Related parties 18
Dako A/S, Parent company

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:

Dako A/S, Produktionsvej 42, 2600 Glostrup

Consolidated Financial Statements
The company is included in the Group Annual Report of Agilent Technologies, Inc.

The Group Annual Report may be obtained at the following adress:

5301 Stevens Creek Boulevard
Santa Clara, CA 95051

Consolidated financial statements 19
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 Denmark A/S for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

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

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.

Costs of sales
Cost of sales comprises costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year. Commercial enterprises recognise cost of sales, and the manufacturing enterprises recognise production costs equal to the revenue for the year, including direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Research and development expenses
Research and developments expenses include research costs attributable to the Company's research and development function, including wages and salaries and maintenance of patens, amortisation and other indirect costs.

Research costs are recognised in the income statement as the costs incur.

Development projects in clearly defined and identifiable products and processes for which the technical rate og utilisation. adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangiable assets if there is a correlation between the costs incurred and future earnings. If not, development costs are recognised as costs in the income statement as incurred. In case og uncertainty in connection with the development of the new products, an assessment is made as to whether the capitalisation has not been fulfilled.

Public grants for research and development cost, which are recognised directly in the income statement, are recognised under Cost of sales and development expenses in such a way that they correspond to the costs for which they compensate. Grants awarded for acquisition of assets and development assests, which are recognised in the balance sheet, are set off against for which the grants are provided.

Amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation are also recognised in production costs.

Impairment losses are recognised in connection with expected losses on project contracts.

Distribution costs
The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

ACCOUNTING POLICIES

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.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Income from investments
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 group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

BALANCE SHEET

Intangible fixed assets

Goodwill
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years.

Development projects, patents and licenses and other acquired intangible assets
Development projects, patents and licenses comprise development projects completed and in progress together with acquired patens and licenses.

Development projects on clearly and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established. and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

In connection with measurement of software developed for internal use, external costs for consultants and software as well as internal direct and indirect costs related to the development phase are capitalised recognised. Intemal development of software and developments costs related to IT projects for internal use are capitalised under completed development projects.

ACCOUNTING POLICIES

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is a maximum of ten years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Acquired patents, licenses, etc. are measured at cost less accumulated amortisation. The rights are amortised on a straight-line basis using the estimate useful lives. The amortisation period is five years, however not more than the remaining duration of the relevant rights.

Acquired patents, licenses. etc. are written down to the lower of recoverable amount and carrying amount.

Tangible fixed assets
Buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Buildings	40 years	5 %
Plant and machinery	10 years	0 %
Other fixtures and fittings, tools and equipment	7 years	0 %

Assets costing less than DKK 50,000 are expensed in the year of aquisition.

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

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.

Profit or loss from sale of tangible fixed assets is stated as the difference between sales price less cost of sales and the carrying amount at the time of sale. Profit or loss is recognised in the Income Statement.

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 intangible fixed and tangible assets together with 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.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

The inventory of rabbits, goats and pigs has not been recognised as assets, as it is not possible to make measurement of cost.

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

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

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
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments
Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under the initial cost of the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

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.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

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.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

In accordance with section 86(4) of the Danish Financial Statements Act no cash flow statement has been prepared. The cash flow statement for Dako Denmark A/S incorporated in the cash flow statement of the consolidated Financial Statements of Agilent Technologies Inc., at 5301 Stevens Creek Boulevard, Santa Clara, CA 95051.