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

**DAKO LOGISTICS COMPANY APS**  
**PRODUKTIONSVEJ 42, 2600 GLOSTRUP**  
**ANNUAL REPORT**  
**19 JULY 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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**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. 37 88 93 77**

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**COMPANY DETAILS****Company**

Dako Logistics Company ApS  
Produktionsvej 42  
2600 Glostrup

CVR no.: 37 88 93 77  
Established: 19 July 2016  
Registered Office: Glostrup  
Financial Year: 19 July 2016 - 31 October 2017

**Board of Executives**

Klaus Christian Sauber  
Jan Vesth-Wiersholm

**Auditor**

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
1561 Copenhagen V

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Dako Logistics Company ApS for the financial year 19 July 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 19 July 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

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Jan Vesth-Wiersholm

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Dako Logistics Company ApS

#### Opinion

We have audited the Financial Statements of Dako Logistics Company ApS for the financial year 19 July 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 19 July 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

**FINANCIAL HIGHLIGHTS**

	<b>2016/17</b>
	<b>DKK '000</b>
<b>Income statement</b>	
Net revenue.....	1.429.725
Gross profit/loss.....	17.408
Operating profit/loss.....	16.963
Financial income and expenses, net.....	27.675
Profit/loss for the year.....	34.818
<b>Balance sheet</b>	
Balance sheet total.....	649.653
Equity.....	38.073
Invested capital.....	387.951
Investment in tangible fixed assets.....	-3.012
<b>Ratios</b>	
Gross margin.....	1,2
Solvency ratio.....	5,9
Return on equity.....	91,5

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

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Solvency ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

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

## MANAGEMENT'S REVIEW

### Principal activities

Dako Logistics Company ApS, hereinafter referred to as “company”, was setup with the aim of handling logistics operations in Denmark as part of the supply chain function for Dako product lines. The company was registered on 19th Jul 2016 and operationalized on 1st Nov 2016. The first fiscal year ends on 31st Oct 2017.

### Development in activities and financial position

The company's operations were set up on the same ERP platform as used by the group's overall distributorship network, this generates significant operational efficiencies. The managements objective is to continuously strive for efficiencies through process improvements and development.

### Profit/loss for the year compared to future expectations

In 2017, the company had revenues of TDKK 1,429M resulting in profits of DKK 34.8M in 2017. Since this is the first year of operation of the company hence no comparatives for past period have been provided.

### 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.

### 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 with improved operating profits.

### 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 company does not have employees as it has outsourced its manpower requirements to another group company in Denmark.



## INCOME STATEMENT 19 JULY - 31 OCTOBER

	Note	2016/17 DKK '000
<b>NET REVENUE</b> .....	1	<b>1.429.725</b>
Cost of sales.....		-1.412.307
Other operating income.....		4
Other external expenses.....	2	-14
<b>GROSS PROFIT/LOSS</b> .....		<b>17.408</b>
Depreciation, amortisation and impairment.....		-445
<b>OPERATING PROFIT</b> .....		<b>16.963</b>
Other financial income.....	3	34.663
Other financial expenses.....	4	-6.988
<b>PROFIT BEFORE TAX</b> .....		<b>44.638</b>
Tax on profit/loss for the year.....	5	-9.820
<b>PROFIT FOR THE YEAR</b> .....	6	<b>34.818</b>

**BALANCE SHEET AT 31 OCTOBER**

<b>ASSETS</b>	<b>Note</b>	<b>2017 DKK '000</b>
Other plant, machinery, tools and equipment.....		2.567
<b>Tangible fixed assets</b> .....	<b>7</b>	<b>2.567</b>
<b>FIXED ASSETS</b> .....		<b>2.567</b>
Finished goods and goods for resale.....		385.384
<b>Inventories</b> .....		<b>385.384</b>
Receivables from group enterprises.....		261.670
<b>Receivables</b> .....		<b>261.670</b>
<b>Cash and cash equivalents</b> .....		<b>32</b>
<b>CURRENT ASSETS</b> .....		<b>647.086</b>
<b>ASSETS</b> .....		<b>649.653</b>

**BALANCE SHEET AT 31 OCTOBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2017 DKK '000</b>
Share capital.....		50
Retained profit.....		38.023
<b>EQUITY.....</b>		<b>38.073</b>
Provision for deferred tax.....	8	68
<b>PROVISION FOR LIABILITIES.....</b>		<b>68</b>
Payables to group enterprises.....		386.862
<b>Long-term liabilities.....</b>	<b>9</b>	<b>386.862</b>
Short-term portion of long-term liabilities.....	9	193.160
Payables to group enterprises.....		21.738
Corporation tax.....		9.752
<b>Current liabilities.....</b>		<b>224.650</b>
<b>LIABILITIES.....</b>		<b>611.512</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>649.653</b>
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## EQUITY

	Share capital	Retained profit	Total
Equity at 19 July 2016.....	50	0	50
Group contribution.....		3.205	3.205
Proposed distribution of profit.....		34.818	34.818
<b>Equity at 31 October 2017.....</b>	<b>50</b>	<b>38.023</b>	<b>38.073</b>

## NOTES

	2016/17 DKK '000	Note
<b>Net revenue</b>		<b>1</b>
<b>Segment details (geography)</b>		
Americas.....	411.531	
APAC.....	261.544	
EMEA.....	756.650	
	<b>1.429.725</b>	
<b>Segment details (activities)</b>		
Genomics.....	7.903	
Pathology.....	1.134.384	
Reagent Partnership.....	287.438	
	<b>1.429.725</b>	
<p>The business segments in the company are controlled by revenue per product group and by three regions: EMEA (Europe, Middle East and Africa, Africa), Americas (North and South America) and APAC (Asian Pacific).</p>		
<b>Fee to statutory auditors</b>		<b>2</b>
Samlet honorar:		
BDO.....	288	
	<b>288</b>	
Specifikation af honorar:		
Statutory audit.....	223	
Tax consultancy.....	20	
Other services.....	45	
	<b>288</b>	
<b>Other financial income</b>		<b>3</b>
Group enterprises.....	327	
Other financial income.....	34.336	
	<b>34.663</b>	
<b>Other financial expenses</b>		<b>4</b>
Group enterprises.....	6.988	
	<b>6.988</b>	
<b>Tax on profit/loss for the year</b>		<b>5</b>
Calculated tax on taxable income of the year.....	9.752	
Adjustment of deferred tax.....	68	
	<b>9.820</b>	

## NOTES

	2016/17 DKK '000	Note		
<b>Proposed distribution of profit</b>		<b>6</b>		
Accumulated profit.....	34.818			
	<b>34.818</b>			
 <b>Tangible fixed assets</b>		 <b>7</b>		
	Other plant, machinery, tools and equipment			
Cost at 19 July 2016.....	0			
Additions.....	3.012			
<b>Cost at 31 October 2017.....</b>	<b>3.012</b>			
Depreciation and impairment losses at 19 July 2016.....	0			
Depreciation for the year.....	445			
<b>Depreciation and impairment losses at 31 October 2017.....</b>	<b>445</b>			
<b>Carrying amount at 31 October 2017.....</b>	<b>2.567</b>			
 <b>Provision for deferred tax</b>		 <b>8</b>		
Provision for deferred tax comprises deferred tax on tangible fixed assets.				
	2016/17 DKK '000			
Deffered tax relates to:				
Operating equipment.....	68			
	<b>68</b>			
Årets udskudte skat i resultatopgørelsen.....	68			
<b>Provision for deferred tax 31 October 2017.....</b>	<b>68</b>			
 <b>Long-term liabilities</b>		 <b>9</b>		
	19/7 2016 total liabilities	31/10 2017 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group enterprises.....	0	580.022	193.160	0
	<b>0</b>	<b>580.022</b>	<b>193.160</b>	<b>0</b>

**NOTES**

	<b>Note</b>
<b>Contingencies etc.</b>	<b>10</b>

**Contingent liabilities**

	2017 DKK '000
Lease liabilities (operating leases):	
Within 1 year.....	9
Between 1-5 years.....	26

**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 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.

**Related parties**

Dako Denmark A/S, Parent company  
Agilent Technologies Inc., Ultimate 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 Denmark 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

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## ACCOUNTING POLICIES

The annual report of Dako Logistics Company ApS 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 with the following accounting principles.

### 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.

#### 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.

#### Cost 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.

#### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### Financial income and expenses in general

Financial income and expenses include interest income and expenses, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. 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.

### BALANCE SHEET

#### Tangible fixed assets

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.



**ACCOUNTING POLICIES**

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
Other plants, fixtures 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.

**Impairment of fixed assets**

The carrying amount of tangible assets 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.

## 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

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.

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.