# *Nunc A/S*

Kamstrupvej 90, DK-4000 Roskilde

# Annual Report for 2018

CVR No 39 58 29 10

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28/5 2019

Grant Hellier Lawrence
Chairman of the General Meeting

# Contents



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nunc A/S for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

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

Roskilde, 28 May 2019

**Executive Board**

Grant Hellier Lawrence

**Board of Directors**

| | | |
|---|---|---|
| Petrus Thomas van der Zande<br>Chairman | Linda Carina Carlsson | Grant Hellier Lawrence |
| Søren Christensen<br>Staff Representative | Helle Pia Nielsen<br>Staff Representative | |

# Independent Auditor's Report

To the Shareholder of Nunc A/S

**Opinion**
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nunc A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

**Statement on Management's Review**
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

**Management's responsibilities for the Financial Statements**
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 May 2019
**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
*CVR No 33 77 12 31*

Morten Jørgensen
State Autorised Public Accountant
mne32806

Simon Vinberg Andersen
State Autorised Public Accountant
mne35458

# Company Information

| | |
|---|---|
| **The Company** | Nunc A/S<br>Kamstrupvej 90<br>DK-4000 Roskilde<br>Website: www.thermofisher.com<br><br>CVR No: 39 58 29 10<br>Financial period: 1 January - 31 December<br>Municipality of reg. office: Roskilde |
| **Board of Directors** | Petrus Thomas van der Zande, Chairman<br>Linda Carina Carlsson<br>Grant Hellier Lawrence<br>Søren Christensen<br>Helle Pia Nielsen |
| **Executive Board** | Grant Hellier Lawrence |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>DK-2900 Hellerup |

# Financial Highlights

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| **Key figures** | | | | | |
| **Profit/loss** | | | | | |
| Revenue | 498,685 | 550,836 | 442,376 | 432,698 | 428,538 |
| Gross profit/loss | 170,347 | 257,630 | 176,153 | 152,365 | 140,737 |
| Operating profit/loss | 113,184 | 215,633 | 128,828 | 88,106 | 96,580 |
| Profit/loss before financial income and expenses | 113,200 | 215,638 | 128,858 | 88,106 | 96,580 |
| Net financials | -78 | 7,338 | 12,024 | 14,231 | 12,690 |
| Net profit/loss for the year | 88,153 | 170,487 | 109,388 | 78,380 | 85,099 |
| **Balance sheet** | | | | | |
| Balance sheet total | 734,378 | 664,887 | 759,889 | 1,260,121 | 1,185,483 |
| Equity | 579,554 | 491,401 | 320,914 | 1,144,627 | 1,066,247 |
| Investment in property, plant and equipment | 24,380 | 32,639 | 17,727 | 49,195 | 30,792 |
| Number of employees | 374 | 387 | 380 | 378 | 375 |
| **Ratios** | | | | | |
| Gross margin | 34.2% | 46.8% | 39.8% | 35.2% | 32.8% |
| Profit margin | 22.7% | 39.1% | 29.1% | 20.4% | 22.5% |
| Return on assets | 15.4% | 32.4% | 17.0% | 7.0% | 8.1% |
| Solvency ratio | 78.9% | 73.9% | 42.2% | 90.8% | 89.9% |
| Return on equity | 16.5% | 42.0% | 14.9% | 7.1% | 8.3% |

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

# Management's Review

### Key activities

As in prior years, the Company's primary activities have consisted in making and selling disposable plastic products for cell culture, molecular biology, immunology and diagnostics. The products are sold primarily to laboratories and the pharmaceutical industry.

### Development in the year

The income statement of the Company for 2018 shows a profit of TDKK 88,153, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 579,554.

In 2018, the Company realized a revenue of TDKK 498,685, which is a decrease of TDKK 52,151 compared with 2017 do to the transfer pricing adjustment last year.

Management considers the profit for the year satisfactory.

### The past year and follow-up on development expectations from last year

For the financial year 2019, Company Management expect a revenue and a result before tax at the same level as in 2018.

### Research and development

The Company's research and development activities are proceeding as planned, and are expected to be at the same level next year.

### External environment

The Company is aware of the environment and works on reducing the environmental impact from its activities. The Company is working applying the ISO 14001 Environmental Management Standard.

### Intellectual capital resources

It is vital for Nunc A/S's continued growth to attract and retain staff covering many different lines of education. Among the staff are engineers, academics, commercially trained people, technicians and specialist workers.

Modern and automated production processes are applied to ensure competitive quality in products. Fields of activity are cell culture, immuno chemestry, DNA analyses and storage of biological tests.

The Company uses a Cobolt 60 radiation facility as well as various IT software and hardware.

The common denominator for these areas is that they require a high level of competence. Resources are therefore invested in upgrading the skills of the Company's staff further and in creating a sound working environment.

# Management's Review

**Report on Corporate Social Responsibility, cf. Section 99 a of the Danish financial Statements Act**

*Business model and risk analysis*

Nunc A/S's basic position is that we must show responsibility, decency, good ethics and moral as well as respect for our activities, customers, employees, business partners and other stakeholders. The Company sells plastic products of a high quality to laboratories and the pharmaceutical industry. Consequently, the Company is highly exposed and in contact with a large number of people and business relations, and, thus, we and the Thermo Fisher Group have a significant impact on society. As part of running a responsible business, a risk assessment is made to identify the need for policies, guidelines and actions.

The Group's risk of impacting the environment and climate, human rights and corruption is considered limited. The risk assessment is based on an analysis of selected elements with respect to their potential risk for the Company's and the Group's stakeholders. In this connection, the risk is a product of the importance of the element in the day-to-day business and the likely impact of the element on the Group or its stakeholders. To the extent that material risks have been identified in the individual areas, they have been described together with the relevant policies.

*Environment and climate at Nunc A/S*

Nunc A/S is aware of the general challenges faced by society connected with the environment and the climate, including climate variations and changes. The Group takes on its share of the responsibility for contributing to solving such challenges and, therefore, focuses on limiting the negative impact on the environment and the climate that the Company might have. Nunc A/S's ambition is continuously to work on the areas in which the impact on the environment and the climate is most direct so that the effort becomes as effective as possible. Energy consumption is one area to which we pay attention. The Company's different segments all work on reducing the amount of energy consumed for production, transport, lighting and heating. Moreover, recycling and the amount of recycled materials are important to the Group in connection with decisions regarding construction work and renovation.

In 2018, we invested in new air compressors with a view to saving energy on electricity and heating and, thus, reducing the emission of $CO_2$.

*Social and employee matters at Nunc A/S*

Nunc A/S considers it very important to be an attractive workplace and implements measures to ensure this on a current basis, eg through improving the working environment. The Company supports ILO's eight fundamental conventions on employee rights. In the Group, we support and take into account our employees so that they get the best conditions for thriving at work. We have an organisation that invites an open dialogue across the Company. Throughout the Company, all employees have been offered the use of a health centre, healthy canteen food and the participation in social events with their colleagues and families. Moreover, all employees were offered a health insurance in 2018.

# Management's Review

*Human rights*

Nunc A/S bases its work with human rights on UN's world goals on human rights and the interpretation that it is the role of the state to protect and the role of enterprises to respect human rights. In the Group, it is important to ensure that neither employees, customers nor other stakeholders are exposed to any type of discrimination. Besides the general attention to equal rights for all, irrespective of gender, age, religion, sexual orientation or ethnicity, the Group has special attention on ensuring that handicapped people have equal access to the various offers that the Group provides. In 2018, the employees of Nunc A/S once again received training in ethical behaviour with respect to the above.

*Anti-corruption*

There are many reasons for Nunc A/S giving high priority to anti-corruption and anti-bribery. The Group acknowledges that a society and a business environment characterised by trust between customers, enterprises and citizens are for the common good. Moreover, corruption and bribery prevent the development of a responsible and sustainable business. The Company will do its utmost to ensure that business partners comply with current rules. The Group is dedicated to preventing any type of corruption as early as possible. We are moreover committed not to offer, promise, give or receive any type of bribery. Thus, in 2018, all employees in Nunc A/S received training in Global Anti-corruption and Code of Business Conduct and Ethics.

We moreover observe the approval hierarchy established in the Group.

**Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act**

*Gender representation in Management*

Nunc A/S finds that diversity in Management and among employees, including gender representation, strengthens the Company's performance and competitiveness.

Nunc A/S does not tolerate any type of discrimination, and employees are employed on the basis of qualifications only.

In 2018, Nunc A/S continued to offer equal opportunities to men and women who want to make a career in the Company. This includes paid supplementary training, annual appraisal interviews as well as particular focus on ensuring that all mid-level managers share experience and seek inspiration both from each other and from networks across Nunc A/S.

*Top management - Board of Directors*

Nunc A/S's target is for 40%, as a minimum, of the members of the Board of Directors elected at the General Meeting to constitute the underrepresented gender by 2023, at the latest.

*Other management levels*

Similarly, the Company has a target of increasing the ratio of the underrepresented gender at other management levels to 20-40%.

***Status 2018***

*Senior management level*

The members of the Board of Directors of Nunc A/S elected by the General Meeting include three men and two women. At the most recent General Meeting, all members of the Board of Directors ran for reelection and, thus, the adopted target figure was met.

*Other management levels*

There are eight persons in the Nunc A/S management group, and the ratio of women at other management levels was 50% at the end of 2018. Thus, the adopted target ratio has been met.

**Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

**Unusual events**

The financial position at 31 December 2018 of the Company and the results of the activities of the Company for the financial year for 2018 have not been affected by any unusual events.

**Subsequent events**

No events have occurred after the balance sheet date, which could significantly affect the Company's financial position.

# Income Statement 1 January - 31 December

| | Note | 2018<br>TDKK | 2017<br>TDKK |
|---|---|---|---|
| **Revenue** | 1 | **498,685** | **550,836** |
| Cost of sales | 2 | -328,338 | -293,206 |
| **Gross profit/loss** | | **170,347** | **257,630** |
| Distribution expenses | 2 | -6,277 | -8,187 |
| Administrative expenses | 2 | -50,886 | -33,810 |
| **Operating profit/loss** | | **113,184** | **215,633** |
| Other operating income | 3 | 16 | 5 |
| **Profit/loss before financial income and expenses** | | **113,200** | **215,638** |
| Financial income | 4 | 483 | 12,685 |
| Financial expenses | 5 | -561 | -5,347 |
| **Profit/loss before tax** | | **113,122** | **222,976** |
| Tax on profit/loss for the year | 6 | -24,969 | -52,489 |
| **Net profit/loss for the year** | | **88,153** | **170,487** |

# Balance Sheet 31 December

## Assets

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | TDKK | TDKK |
| Computer Software | | 157 | 431 |
| **Intangible assets** | 7 | **157** | **431** |
| Land and buildings | | 62,278 | 51,053 |
| Other fixtures and fittings, tools and equipment | | 105,046 | 111,292 |
| Property, plant and equipment in progress | | 23,283 | 26,028 |
| **Property, plant and equipment** | 8 | **190,607** | **188,373** |
| Investments in subsidiaries | 9 | 230,717 | 230,717 |
| **Fixed asset investments** | | **230,717** | **230,717** |
| **Fixed assets** | | **421,481** | **419,521** |
| **Inventories** | 10 | **44,487** | **40,129** |
| Trade receivables | | 2,298 | 2,121 |
| Receivables from group enterprises | | 256,905 | 177,350 |
| Other receivables | | 6,612 | 15,634 |
| Prepayments | 11 | 2,595 | 10,132 |
| **Receivables** | | **268,410** | **205,237** |
| **Currents assets** | | **312,897** | **245,366** |
| **Assets** | | **734,378** | **664,887** |

# Balance Sheet 31 December

## Liabilities and equity

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | TDKK | TDKK |
| Share capital | | 1,000 | 1,000 |
| Retained earnings | | 578,554 | 490,401 |
| **Equity** | | **579,554** | **491,401** |
| Provision for deferred tax | 13 | 21,411 | 20,319 |
| **Provisions** | | **21,411** | **20,319** |
| Prepayments received from customers | | 8,874 | 1,725 |
| Trade payables | | 33,711 | 46,490 |
| Payables to group enterprises | | 22,901 | 2,203 |
| Corporation tax | | 23,878 | 61,282 |
| Other payables | | 40,983 | 37,971 |
| Deferred income | 14 | 3,066 | 3,496 |
| **Short-term debt** | | **133,413** | **153,167** |
| **Debt** | | **133,413** | **153,167** |
| **Liabilities and equity** | | **734,378** | **664,887** |

| | |
|---|---|
| Distribution of profit | 12 |
| Contingent assets, liabilities and other financial obligations | 15 |
| Related parties | 16 |
| Fee to auditors appointed at the general meeting | 17 |
| Accounting Policies | 18 |

# Statement of Changes in Equity

| | Share capital | Retained earnings | Total |
|---|---|---|---|
| | TDKK | TDKK | TDKK |
| Equity at 1 January | 1,000 | 490,401 | 491,401 |
| Net profit/loss for the year | 0 | 88,153 | 88,153 |
| **Equity at 31 December** | **1,000** | **578,554** | **579,554** |

# Notes to the Financial Statements

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |

## 1 Revenue

**Geographical segments**

| | 2018 TDKK | 2017 TDKK |
|---|---|---|
| Revenue, Denmark | 364 | 148 |
| Revenue, exports | 498,321 | 483,845 |
| Adjustment to revenue regarding previous years | 0 | 66,843 |
| | **498,685** | **550,836** |

## 2 Staff

| | 2018 TDKK | 2017 TDKK |
|---|---|---|
| Wages and Salaries | 163,217 | 161,369 |
| Pensions | 13,870 | 13,940 |
| Other social security expenses | 3,306 | 3,413 |
| Other staff expenses | 285 | -1,570 |
| | **180,678** | **177,152** |
| Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items: | | |
| Cost of sales | 153,484 | 149,787 |
| Distribution expenses | 4,948 | 6,229 |
| Administrative expenses | 22,246 | 21,136 |
| | **180,678** | **177,152** |
| **Average number of employees** | **374** | **387** |

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

## 3 Other operating income

| | 2018 TDKK | 2017 TDKK |
|---|---|---|
| Profit on sale of fixed assets | 16 | 5 |
| | **16** | **5** |

# Notes to the Financial Statements

| | | 2018 | 2017 |
|---|---|---|---|
| | | TDKK | TDKK |
| **4** | **Financial income** | | |
| | Interest received from group enterprises | 0 | 12,666 |
| | Other financial income | 78 | 19 |
| | Exchange rate adjustments | 405 | 0 |
| | | **483** | **12,685** |
| **5** | **Financial expenses** | | |
| | Other financial expenses | 561 | 4,837 |
| | Exchange adjustments, expenses | 0 | 510 |
| | | **561** | **5,347** |
| **6** | **Tax on profit/loss for the year** | | |
| | Current tax for the year | 23,878 | 51,328 |
| | Deferred tax for the year | 1,091 | 1,161 |
| | Adjustment of tax concerning previous years | 0 | 238 |
| | Adjustment of deferred tax concerning previous years | 0 | -238 |
| | | **24,969** | **52,489** |

# Notes to the Financial Statements

## 7 Intangible assets

| | Computer Software |
|---|---|
| | TDKK |
| Cost at 1 January | 11,861 |
| Disposals for the year | -44 |
| Transfers for the year | 24 |
| Cost at 31 December | 11,841 |
| Impairment losses and amortisation at 1 January | 11,430 |
| Amortisation for the year | 254 |
| Impairment losses and amortisation at 31 December | 11,684 |
| **Carrying amount at 31 December** | **157** |
| Amortised over | 3-5 years |

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |
| Amortisation and impairment of intangible assets are recognised in the following items: | | |
| Administrative expenses | 254 | 447 |
| | **254** | **447** |

# Notes to the Financial Statements

## 8 Property, plant and equipment

| | Land and buildings | Other fixtures and fittings, tools and equipment | Property, plant and equipment in progress |
|---|---|---|---|
| | TDKK | TDKK | TDKK |
| Cost at 1 January | 94,166 | 569,104 | 26,028 |
| Additions for the year | 0 | 0 | 24,380 |
| Disposals for the year | 0 | -398 | 0 |
| Transfers for the year | 13,575 | 13,550 | -27,125 |
| Cost at 31 December | 107,741 | 582,256 | 23,283 |
| Impairment losses and depreciation at 1 January | 43,113 | 457,812 | 0 |
| Depreciation for the year | 2,350 | 19,796 | 0 |
| Reversal of impairment and depreciation of sold assets | 0 | -398 | 0 |
| Impairment losses and depreciation at 31 December | 45,463 | 477,210 | 0 |
| **Carrying amount at 31 December** | **62,278** | **105,046** | **23,283** |
| Depreciated over | 50 years | 3-15 years | |

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |
| Depreciation and impairment of property, plant and equipment are recognised in the following items: | | |
| Cost of sales | 21,242 | 21,909 |
| Administrative expenses | 902 | 846 |
| | **22,144** | **22,755** |

# Notes to the Financial Statements

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |
| **9 Investments in subsidiaries** | | |
| Cost at 1 January | 230,717 | 230,717 |
| **Carrying amount at 31 December** | **230,717** | **230,717** |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership | Equity | Net profit/loss for the year |
|---|---|---|---|---|---|
| Proxeon Biosystems ApS | Roskilde | 4,000,000 | 100% | 285,053,404 | 36,246,022 |

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |
| **10 Inventories** | | |
| Raw materials and consumables | 13,545 | 12,500 |
| Work in progress | 20,475 | 19,946 |
| Finished goods and goods for resale | 10,467 | 7,683 |
| | **44,487** | **40,129** |

## 11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, and subscriptions as well.

## 12 Distribution of profit

| | | |
|---|---|---|
| Retained earnings | 88,153 | 170,487 |
| | **88,153** | **170,487** |

# Notes to the Financial Statements

## 13 Provision for deferred tax

| | 2018 TDKK | 2017 TDKK |
|---|---|---|
| Provision for deferred tax at 1 January | 20,319 | 19,397 |
| Amounts recognised in the income statement for the year | 1,092 | 922 |
| **Provision for deferred tax at 31 December** | **21,411** | **20,319** |
| | | |
| Intangible assets | 35 | 85 |
| Property, plant and equipment | 17,828 | 16,736 |
| Inventories | 4,058 | 4,099 |
| Amortization | -675 | -769 |
| Prepaid expenses | 173 | 178 |
| Tax loss carry-forward | -8 | -10 |
| | **21,411** | **20,319** |

Deferred tax has been provided at 22% corresponding to the current tax rate.

## 14 Deferred income

Deferred income consists of energy subsidies received in respect of income in subsequent years.

# Notes to the Financial Statements

## 15 Contingent assets, liabilities and other financial obligations

| | 2018 | 2017 |
|---|---|---|
| | TDKK | TDKK |
| **Rental and lease obligations** | | |
| Lease obligations under operating leases. Total future lease payments: | | |
| Within 1 year | 921 | 906 |
| Between 1 and 5 years | 1,396 | 1,381 |
| | **2,317** | **2,287** |

**Other contingent liabilities**

The Company has at 31 December a total purchase obligation of DKK 4,162k related to raw materials and consumables.

The group companies are jointly and severally liable for tax on the jointly taxed income of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

# Notes to the Financial Statements

## 16 Related parties

| | Basis |
|---|---|
| **Controlling interest** | |
| Fisher BioImage ApS, Roskilde | Controlling shareholder |

**Transactions**

Except for intercompany transactions and normal management remuneration, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties.

**Consolidated Financial Statements**

The company is included in the consolidated report for the ultimate parent Thermo Fischer Scientific Inc.

| Name | Place of registered office |
|---|---|
| Thermo Fisher Scientific Inc | |

The Annual Report of Thermo Fischer Scientific Inc. may be obtained at the following address:

Thermo Fischer Scientific Inc., 168 Third Avenue, Waltham, MA 02451, USA.

## 17 Fee to auditors appointed at the general meeting

| | 2018<br>TDKK | 2017<br>TDKK |
|---|---|---|
| Audit fee to PricewaterhouseCoopers | 306 | 359 |
| Other assurance engagements | 0 | 37 |
| Tax advisory services | 71 | 728 |
| Other services | 29 | 29 |
| | **406** | **1,153** |

# Notes to the Financial Statements

## 18 Accounting Policies

The Annual Report of Nunc A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Thermo Fischer Scientific Inc., the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Thermo Fisher Scientific Inc, the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts, amount taht have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

# Notes to the Financial Statements

**18 Accounting Policies** (continued)

**Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

**Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

**Revenue**

Information on business segments and geographical segments based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

# Income Statement

**Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end. Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# Notes to the Financial Statements

**18 Accounting Policies** (continued)

### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

### Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries in the Thermo Fisher Scientific Group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

**18 Accounting Policies** (continued)

## Balance Sheet

### Intangible assets

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software are amortised over the remaining software period; however not exceeding 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | |
|---|---|
| Buildings | 50 years |
| Other fixtures and fittings, tools and equipment | 3-15 years |

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

### Impairment of fixed assets

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.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

# Notes to the Financial Statements

**18 Accounting Policies** (continued)

**Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

**Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

**Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

**Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

**18 Accounting Policies** (continued)

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

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

### Deferred income

Deferred income comprises of energy subsidies received in respect of income in subsequent years.

# Financial Highlights

### Explanation of financial ratios

| | |
|---|---|
| Gross margin | $\frac{\text{Gross profit x 100}}{\text{Revenue}}$ |
| Profit margin | $\frac{\text{Profit before financials x 100}}{\text{Revenue}}$ |
| Return on assets | $\frac{\text{Profit before financials x 100}}{\text{Total assets}}$ |
| Solvency ratio | $\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$ |
| Return on equity | $\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$ |