
Nunc A/S

Kamstrupvej 90, DK-4000 Roskilde

Annual Report for 2022

CVR No. 39 58 29 10

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2023

Michael Toftvad
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Nunc A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Roskilde, 28 June 2023

Executive Board

Michael Toftvad
Manager

Board of Directors

Petrus Thomas Adrianus van der
Zande
Chairman

Michael Toftvad

Sara Maria Carrella

Helle Pia Nielsen

Maria Elisa Rex

Independent Auditor's report

To the shareholders 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financial 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.

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.

Independent Auditor's report

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 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Morten Jørgensen

State Authorised Public Accountant

mne32806

Mads Blichfeldt Fjord

State Authorised Public Accountant

mne46065

Company information

The Company	<p>Nunc A/S Kamstrupvej 90 DK-4000 Roskilde</p> <p>Website: www.thermofisher.com</p> <p>CVR No: 39 58 29 10</p> <p>Financial period: 1 January - 31 December</p> <p>Incorporated: 17 March 1953</p> <p>Municipality of reg. office: Roskilde</p>
Board of Directors	<p>Petrus Thomas Adrianus van der Zande, chairman Michael Toftvad Sara Maria Carrella Helle Pia Nielsen Maria Elisa Rex</p>
Executive Board	<p>Michael Toftvad</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	664,393	687,380	614,250	536,426	498,685
Gross profit/loss	235,841	268,142	223,784	177,607	170,347
Profit/loss of ordinary primary operations	163,201	179,328	165,203	119,263	113,184
Profit/loss before financial income and expenses	163,201	179,328	165,226	119,214	113,200
Profit/loss of financial income and expenses	4,328	-1,309	-322	-719	-78
Net profit/loss	130,331	138,678	128,612	92,454	88,153
Balance sheet					
Balance sheet total	2,295,706	2,184,984	997,863	827,472	734,378
Investment in property, plant and equipment	38,261	57,771	19,563	31,396	-23,934
Equity	2,158,806	2,028,475	800,620	672,008	579,554
Number of employees	370	375	371	373	374
Ratios					
Gross margin	35.5%	39.0%	36.4%	33.1%	34.2%
Profit margin	24.6%	26.1%	26.9%	22.2%	22.7%
Return on assets	7.1%	8.2%	16.6%	14.4%	15.4%
Solvency ratio	94.0%	92.8%	80.2%	81.2%	78.9%
Return on equity	6.2%	9.8%	17.5%	14.8%	16.5%

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 2022 shows a profit of TDKK 130,331, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 2,158,806.

In 2022, the Company realized a revenue of 664,393 TDKK, which is a decrease of 22,987 TDKK. compared to 2021 due to lower demand and marked conditions after Covid-19.

Management considers the profit for the year satisfactory.

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

For the financial year 2022, Company Management expected a revenue and a result before tax close to the level in 2021.

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.

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, quality and regulatory people, technicians and specialist workers.

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

The Company uses a Cobalt 60 gamma irradiation 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.

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 many 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.

Management's review

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.

The primary result in 2022 on environment and climate is a big reduction in energy consumption 835.755 kwh. equal to 63 % used to cool water for production, and overall Nunc A/S has reduced energy consumption for transport, lighting and heating by 4 % in 2022.

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, e.g. through improving the working environment. The Company supports ILO's eight fundamental conventions on employee rights. In the Group, we support and consider our employees, so that they get the best conditions for thriving at work. We have an organization that invites an open dialogue across the Company. Throughout the Company, all employees have been offered the use of a health center, healthy canteen food and the participation in social events with their colleagues and families.

The overall highest risk on social- and employee matters including human rights - are these days more a concern around the ongoing war in Ukraine. The implication on higher inflation rates, shortage on food and uncertainty for the future peace is these days the most impacting factors for employee matters as well as for human rights.

The above also indicates where the focus will be from a business perspective. To continue to be competitive in a global market the company is working to reduce gas and electricity. And at the same time reducing CO2 emissions.

Further ensuring our employees are given the best and safe working environment having flexible pension solutions, and social security benefits as well as having treatment centers if one is in need for support.

Denmark is one of the countries in the world that has the lowest level of corruption and bribe. And that's a status we have had for many years. And we expect the status to continue in the future. Further every employee within Thermo Fisher Scientific takes ethical training every year that includes sessions with focus on how to fight and eliminate bribery and corruption.

In 2022 our Employee Involvement Survey (EIS) was used as the result of our on going focus on which matters to keep track off and have a plan for, The status of 2022 shows that the employees are involved and for 2023 and forward there has be made more than 20 EIS plans, and every plan has a status meeting at the end of each quarter. Most of these plans are running to the end of 2023 for final status.

Human rights

Management's review

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 2022, the employees of Nunc A/S once again received training in ethical behavior with respect to the above.

In 2022, no Human Rights incidents has been registered regarding above policies, via whistleblower or other means. This is believed to be a correct assessment of the compliance with/adherence to policies in place. In 2023, Nunc A/S will continue providing training in ethical behavior and respect for human rights.

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 characterized 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 2022, all employees in Nunc A/S received training in Global Anti-corruption and Code of Business Conduct and Ethics. The training will be continued going forward.

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 2022, 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 2022

Board of Directors

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

Management's review

There are eleven persons in the Nunc A/S management group 36% are women and the ratio of women at other management levels was 41% at the end of 2022. Thus, the adopted target ratio has been met.

Report on data ethics, cf. Section 99 d of the Danish Financial Statements Act

We are focused to ensure all GDPR rules are held and we are at any time focused to stay in compliance within this area as well as any other area on data ethics. The company ensure any personal data is secured during the period of employment and ensure that private data is deleted after termination of any contract.

The general data usage follows our company policies set of rules. The company does not use AI. We use AOI and is a part of our controlling environment in our manufacturing and products (temperature tracking etc.) which ensure we are compliance with both GDPR and internal set of rules.

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 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	1	664,393	687,380
Production expenses	2	-428,552	-419,238
Gross profit		235,841	268,142
Distribution expenses	2	-4,727	-3,197
Administrative expenses	2	-67,913	-85,617
Profit/loss before financial income and expenses		163,201	179,328
Financial income	3	4,344	0
Financial expenses	4	-16	-1,309
Profit/loss before tax		167,529	178,019
Tax on profit/loss for the year	5	-37,198	-39,341
Net profit/loss for the year	6	130,331	138,678

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		3,122	4,311
Intangible assets	7	3,122	4,311
Land and buildings		63,412	62,833
Other fixtures and fittings, tools and equipment		121,767	120,476
Property, plant and equipment in progress		7,604	23,309
Property, plant and equipment	8	192,783	206,618
Investments in subsidiaries	9	230,717	230,717
Fixed asset investments		230,717	230,717
Fixed assets		426,622	441,646
Inventories	10	79,890	74,384
Trade receivables		18,469	4,780
Receivables from group enterprises		1,752,437	1,646,568
Other receivables		14,424	14,374
Prepayments	11	3,864	3,232
Receivables		1,789,194	1,668,954
Current assets		1,869,084	1,743,338
Assets		2,295,706	2,184,984

Balance sheet 31 December

Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		1,000	1,000
Retained earnings		2,157,806	2,027,475
Equity		2,158,806	2,028,475
Provision for deferred tax	12	28,291	26,346
Provisions		28,291	26,346
Prepayments received from customers		2,795	1,436
Trade payables		34,293	45,448
Payables to group enterprises		24,277	25,836
Corporation tax		14,013	15,211
Other payables		31,019	40,238
Deferred income	13	2,212	1,994
Short-term debt		108,609	130,163
Debt		108,609	130,163
Liabilities and equity		2,295,706	2,184,984
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Fee to auditors appointed at the general meeting	16		
Accounting Policies	17		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,000	2,027,475	2,028,475
Net profit/loss for the year	0	130,331	130,331
Equity at 31 December	1,000	2,157,806	2,158,806

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
1. Revenue		
Geographical segments		
Revenue, Denmark	704	7,545
Revenue, exports	663,689	679,835
	<u>664,393</u>	<u>687,380</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
2. Staff		
Wages and salaries	179,285	181,143
Pensions	15,805	15,667
Other social security expenses	4,178	3,896
Other staff expenses	12,868	21,867
	<u>212,136</u>	<u>222,573</u>

Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:

Production expenses	177,171	167,691
Distribution expenses	1,886	3,008
Administrative expenses	33,079	51,874
	<u>212,136</u>	<u>222,573</u>

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

Average number of employees	<u>370</u>	<u>375</u>
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	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	443	0
Other financial income	2,405	0
Exchange adjustments	1,496	0
	<u>4,344</u>	<u>0</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
4. Financial expenses		
Other financial expenses	16	896
Exchange adjustments, expenses	<u>0</u>	<u>413</u>
	<u>16</u>	<u>1,309</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	37,198	35,613
Deferred tax for the year	<u>0</u>	<u>3,728</u>
	<u>37,198</u>	<u>39,341</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
6. Profit allocation		
Retained earnings	<u>130,331</u>	<u>138,678</u>
	<u>130,331</u>	<u>138,678</u>

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects TDKK
Cost at 1 January	18,095
Transfers for the year	108
Cost at 31 December	<u>18,203</u>
Impairment losses and amortisation at 1 January	13,784
Impairment and amortisation of sold assets for the year	1,297
Impairment losses and amortisation at 31 December	<u>15,081</u>
Carrying amount at 31 December	<u>3,122</u>
Amortised over	<u>3-5 years</u>

8. Property, plant and equipment

	Land and buildings TDKK	Other fixtures and fittings, tools and equipment TDKK	Property, plant and equipment in progress TDKK
Cost at 1 January	115,760	644,512	23,309
Additions for the year	3,242	23,686	11,333
Disposals for the year	0	-7,541	0
Transfers for the year	0	0	-27,038
Cost at 31 December	<u>119,002</u>	<u>660,657</u>	<u>7,604</u>
Impairment losses and depreciation at 1 January	52,927	524,036	0
Depreciation for the year	2,663	22,395	0
Reversal of impairment and depreciation of sold assets	0	-7,541	0
Impairment losses and depreciation at 31 December	<u>55,590</u>	<u>538,890</u>	<u>0</u>
Carrying amount at 31 December	<u>63,412</u>	<u>121,767</u>	<u>7,604</u>
Amortised over	<u>50 years</u>	<u>3-15 years</u>	

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	230,717	230,717
Cost at 31 December	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	Ownership	Equity	Net profit/loss for the year
Proxeon Biosystems ApS	Roskilde	4,000,000	100%	387,369,000	30,393,000
				387,369,000	30,393,000

	2022	2021
	TDKK	TDKK
10. Inventories		
Raw materials and consumables	35,477	28,743
Work in progress	24,644	31,221
Finished goods and goods for resale	19,769	14,420
	79,890	74,384

11. Prepayments

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

	2022	2021
	TDKK	TDKK
12. Provision for deferred tax		
Deferred tax liabilities at 1 January	26,346	0
Amounts recognised in the income statement for the year	0	3,728
Amounts recognised in equity for the year	1,945	22,618
Deferred tax liabilities at 31 December	28,291	26,346

Notes to the Financial Statements

13. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

<u>2022</u>	<u>2021</u>
TDKK	TDKK

14. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	563	746
Between 1 and 5 years	<u>536</u>	<u>1,099</u>
	<u>1,099</u>	<u>1,845</u>

Other contingent liabilities

The Company has at 31 December 2022 a total purchase obligation of TDKK 5.095 related to raw materials and consumables.

Danish group companies are jointly and severally liable for tax on the jointly taxed incomes 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 Group's liability.

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Fisher Luxembourg Danish Holdings S.a.r.l., Luxembourg	Controlling shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

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 Fisher Scientific Inc.

<u>Name</u>	<u>Place of registered office</u>
Thermo Fisher Scientific Inc	Massachusetts, USA

The Group Annual Report of Thermo Fisher Scientific Inc may be obtained at the following address:
Thermo Fisher Scientific Inc., 168 Third Avenue, Waltham, MA 02451, USA.

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
16. Fee to auditors appointed at the general meeting		
Audit fee	0	440
Tax advisory services	0	45
Non-audit services	0	35
	<u>0</u>	<u>520</u>

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Nunc A/S for 2022 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 2022 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Thermo Fisher 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 that 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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Notes to the Financial Statements

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.

Segment information on revenue

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

Income statement

Net sales

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.

Production expenses

Production expenses comprise 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.

Production expenses also include amortisation of goodwill to the extent that goodwill relates to production activities.

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.

Notes to the Financial Statements

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 deferred tax for the year. The tax attributable to the profit for 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 with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Software are measured at the lower of cost less accumulated amortisation and recoverable amount.

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 added revaluations and 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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

Inventories

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

Notes to the Financial Statements

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 and costs of completion. 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, including the tax base of tax loss carry-forwards, 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.

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 payments received in respect of income in subsequent years.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

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