

Annual financial report Life Technologies Europe B.V.

For the year ended December 31, 2023

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Directors' report

The directors of Life Technologies Europe BV (the Company) present their annual report together with the audited annual accounts of the Company for the financial year ended 31 December 2023.

Principal activities

Life Technologies Europe BV and its subsidiaries sell life science instruments and systems, reagents, and services used by pharmaceutical, biotechnology, agricultural, clinical, government and academic scientific customers to make biodiscovery research techniques more effective and efficient. The company sells products (instruments), consumables (reagents) and services directly to customers both domestically and abroad. The countries of the European Union are the most important market in this respect.

As a sales organisation, the company benefits from centralised procedures in terms of marketing and distribution, internal control of processes and procedures, quality control, and internal and external provision of information.

Research and Development activities

Thermo Fisher Scientific Inc. invested \$1.3 billion in R&D in 2023, to deliver new technologies across their businesses. Within the group, Life Technologies Europe BV is not active in Research and Development and is not planning on incurring any significant Research and Development costs in the future.

Group structure

Life Technologies Europe BV has active branches in Belgium, Denmark, Finland, Ireland, Italy, Netherlands, Portugal, Sweden and Switzerland. Life Technologies Europe BV is located at Kwartsweg 2, 2665 NN Bleiswijk, the Netherlands.

Life Technologies Europe B.V. is a wholly owned subsidiary of Applied Biosystems B.V., Bleiswijk, the Netherlands. The ultimate parent is Thermo Fisher Scientific Inc.

Corporate Social Responsibility

The corporate social responsibility strategy is built on the four key pillars of: operations, colleagues, communities and environment, with the overall mission of making the world healthier, cleaner and safer. Our strategic framework, comprised of our key pillars, enables us to effectively prioritize and successfully manage the ESG issues fundamental to our business and central to building a sustainable future. Our giving strategy includes educational programs and volunteering.

Our signature STEM education programs connect student and colleagues through hands on and team-based activities that highlight our technologies, make connections to careers in STEM and demonstrate how our company impacts the world.

The company is a part of Thermo Fisher Scientific Inc.'s global strategy to reduce our carbon footprint by 30% by 2030. As part of this global initiative we are committed to reviewing and reducing greenhouse gas emissions.

As of 2025, Life Technologies Europe B.V. is required to comply with the Corporate Sustainability Reporting Directive ('CSRD') and EU Taxonomy. The company will have to report on its key performance indicators along the three key dimensions of Environmental, Social & Governance (ESG). The company is part of Thermo Fisher Scientific group and is currently working on the implementation of CSRD and EU Taxonomy together with the Thermo Fisher Scientific group.

Key work to date is as follows:

- After a detailed assessment of Thermo Fisher's reporting structure and CSRD reporting approach options, management expect to issue one globally consolidated CSRD report starting in 2026 (using 2025 data).
- A gap analysis of our current disclosures and the disclosure requirements set out under the European Sustainability Reporting Standards (ESRS) has been conducted.
- The development of a high-level roadmap is underway, outlining key activities over the next two years to close the identified gaps and support CSRD compliance. This will include a double materiality assessment, details of which will be communicated in a future update.

Directors' report(continued)

Principal risks and uncertainties

Strategic risks (risk rating: low)

Competitive risk - the markets for our products and services are very competitive and price sensitive. Our competitors have significant financial, operational, sales and marketing resources, and experience in research and development. Our competitors could develop new technologies that compete with our products and services or even render our products and services obsolete. If a competitor develops superior technology or cost-effective alternatives to our products and services, our business could be seriously harmed.

The markets for some of our products are also subject to specific competitive risks. These markets are highly price competitive. Our competitors have competed in the past by lowering prices on certain products. If they do so again, we may be forced to respond by lowering our prices and thereby reducing our revenues and profits. Failure to anticipate and respond to price competition may hurt our competitive position.

The company responds to competitive risks through price benchmarking competition and strengthening brands.

Cyber and IT risks (risk assessment: medium)

A material disruption or breach of the security of our information technology systems or a breach of data protection laws could adversely affect our business.

We rely on our information technology systems to process, transmit and store electronic information (including sensitive data such as confidential business information and personal data of employees, customers and other business partners), and to manage a variety of business processes and activities (e.g., interacting with suppliers, selling our products and services, fulfillment of orders and invoicing, collection and execution of payments, shipment of products, provision of services and support to customers, tracking customer activities, fulfilling contractual obligations, and other business activities).

Management have considered and assessed the effect of cyber and IT risk on the Company and have deemed there to be appropriate IT security measures and back-up processes in place to safeguard the Company against this risk. Management acknowledge that this risk continues to be a present and ever-changing issue for the business, and therefore deem cyber security to be of medium level risk to the Company.

Operational Risks (risk rating: low)

Fraud Risk – The company's operations expose it to the possibility of fraud risk in the form of any unexpected loss, be it financial, reputation or material due to fraudulent activity.

Thermo Fisher requires the highest standards of business ethics and integrity on the part of all employees and requires compliance with all applicable laws and regulations in the conduct of its business. To that end, Thermo Fisher has adopted and implemented this Code of Business Conduct and Ethics. Compliance is a core value for Thermo Fisher and as a result of this the company is committed to conducting its business ethically and in full compliance with the laws of the countries where we operate. Each year employees have to complete a mandatory course on company ethics and anti-bribery policies. If an employee observes or suspects a violation of a law or regulation or other elements of the Thermo Fisher Policies and Procedures, the employee should contact the Ethics Hotline.

The company has internal controls and compliance processes in place to protect the company against acts committed by employees, agents or businesses that we acquire that would violate laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behaviour, export and import compliance, money laundering and data privacy, but these controls and processes may not be sufficient to prevent every such wrongful act.

Any such instances of fraud identified are required to be communicated to management immediately and also required to be reported via the internal quarterly representation letter to the corporate accounting group including the Chief Accounting Officer.

Directors' report(continued)

The management of the company adheres to the corporate standards and has implemented them in the local environment. Management have performed their assessment and have concluded that the controls implemented in the company are sufficient and appropriate to mitigate the risk of fraud. Furthermore, no indications or occurrence of fraud was noted.

Economic Risks - The global economy continues to give rise to new and existing economic challenges. In the event of worsening economic conditions in the businesses or geographic areas in which we sell our products, and/or services, demand for our products, and/or services, could be reduced and result in a decrease in sales volume that could have a negative impact on our business volumes. Although, the entity is impacted by the group transfer pricing policy therefore margins are reflected in line with this. Global credit and capital markets continue to experience volatility and disruption. Our business is affected by general economic conditions and related uncertainties affecting markets in which we operate.

The company mitigates economic risk through continual analysis of economic developments, and through maintaining a diverse customer portfolio.

Customer base Risk - Our customers include researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Fluctuations in the research and development budgets of these researchers and their organisations could have a significant effect on the demand for our products. Budgets may fluctuate due to mergers of pharmaceutical and biotechnology companies, site consolidations or relocations to other parts of the globe, spending priorities, general economic conditions and institutional and governmental budgetary policies.

Financial Position (risk rating: low)

The company's operations expose it to a variety of financial risks that include the effects of currency risk and credit risk. Activities that need to be performed from a risk perspective are laid out in the Corporate policies.

The company operates foreign currency bank accounts in order to offset foreign currency receipts and payments. The company has implemented policies that require appropriate credit checks on potential customers before a sale is made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

Financial reporting risk (risk rating: low)

Revenue Recognition – risk of inappropriate revenue recognition around the financial year end.

Sales orders are reviewed to ensure 1) Persuasive evidence of an arrangement exists 2) Delivery of products occurred or services rendered 3) The selling price is fixed or determinable 4) Collectability is reasonably assured.

Management have performed their assessment and concluded that these measures are sufficient to mitigate the risk of inappropriate revenue recognition in the Company.

Investment Value – risk of impairment of investment values.

Investments are reviewed annually based on net assets and future net income to identify impairment triggers. Where an impairment trigger is identified an analysis is performed based on a discounted cash flow model using a market adjusted discount rate.

Laws and regulations (risk rating: low)

A changing legislative and regulatory environment increases the cost of doing business, tax levels and the complexity of our operations.

This risk is mitigated through the company's knowledge and awareness of regulations, and through the monitoring, review and reporting of any changes, in line with operational procedures and guidance.

Financial risks are also disclosed in note 13.

Directors' report(continued)

Objectives and policies for risk management

It is Life Technologies Europe BV's objective to assess risk on a regular basis. Activities that need to be performed from a risk perspective are laid out in the Corporate policies. Currently Life Technologies Europe BV has assessed the currency risk and has determined not to hedge these currency risks. These risks mainly result from positions in currencies outside the Euro zone. With regard to price risk the Board of Directors has assessed that limited risk exists since the Company only holds cash at bank and in hand. The Board of Directors has assessed the interest rate risk and has determined not to enter into financial derivatives. To manage credit risk customers are assessed for their credit worthiness.

All employees and those connected must comply with the Codes of Conduct of the Ultimate Parent (Thermo Fisher Scientific Inc.):

<https://ir.thermofisher.com/investors/corporate-governance/code-of-business-conduct-and-ethics/default.aspx>.

Financing and Investments

The Company is mainly financed through equity. No major investments or financing needs are expected for the coming year. Given the positive equity and access to group funding the Company prepares the financial statements based on the going concern assumption.

Result for the period

The net profit of the Company for the financial year was EUR 203,713,000 (2022: EUR 34,345,000). The increase is primarily attributed to the dividends received of EUR 180,938,000 (2022: EUR nil). The Company distributed dividends of EUR 180,938,000 during the year (2022: EUR nil) up to group. Excluding the effect of the dividend received, profit for the year was EUR 22,775,000, a decrease of EUR 11,570,000 compared to 2022 profits. Key drivers of this decrease include reduced revenue (particularly in the Belgian, Italian and Swiss branches), and the increase general and admin expenditure which is in part attributed to pension valuation changes year on year. The gross margin percentage for the financial year was 18.6% (2022: 16.9%). The slight increase in margin is due to the 11% decrease in revenue, primarily due to a decrease in the sale of COVID-19 consumable products where there were higher volume related sales in 2022. The directors recommend the net profit be allocated to retained earnings. Total assets as at 31 December 2023 total EUR 1,113,262,000 (2022: EUR 1,093,061,000).

Number of employees

The average number of employees in 2023 amounted to 616 (2022: 623). Of these employees, 386 were employed outside the Netherlands (2022: 378).

Unequal distribution of seats in respect of management board

According to the Articles of Association, the Management Board must consist of one or more members. The size and composition of the Management Board and the combined experience and expertise of its members should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in the Company currently having a Management Board in which two members are male. The wider management group (Directors and Proxy Holders) consists of 11 members, where 7 members are female. In order to increase gender diversity on the Management Board, the Company continues to pay close attention to the gender diversity in the process of recruiting and appointing new Management Board members.

Outlook

The directors aim to maintain the management policies which have resulted in the Company's continued growth over the past few years.

The Transfer Pricing policy of the group provides procedures, so that distributor companies earn an operating margin which has been determined to be arm's-length when benchmarked against similar unaffiliated distribution companies.

Directors' report(continued)

Outlook (continued)

The Company plans to fulfil its strategy through further efficiencies and utilising its current business potential. No significant investments or change in headcount are expected in the next financial year.

The Company forms part of the LSG division, which is forecasting positive growth in revenue for the next year. Management expect the entity to continue to be profitable for the foreseeable future, based on the expected performance of the larger division.

Two-tier board company (Structuurregime)

An election for the Life Technologies Europe BV Works Council took place in May 2022 and was completed on May 25, 2022. As a result, the company met all 3 conditions to qualify for the structuur regime. The company has been non-compliant in that, as of the date of these 2023 accounts being signed, the Chamber of Commerce has not yet been notified on the start of the 3 year break-in period. However, within the next month, the company intends to inform the Chamber of Commerce on the start of the 3 year break-in period and of the company's intention to convert to a structuur vennootschap. Upon informing the Chamber of Commerce, the company will take the necessary steps to convert to a structuur vennootschap, including updating all necessary bylaws accordingly and establishing a supervisory board.

Unusual events on projections

There are no special events that should be taken into account for the financial statements.

Bleiswijk, May 30, 2024

DocuSigned by:
Louis Bond
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J.N Bond
Director

DocuSigned by:
Piet van der Zande
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P.T.A. van der Zande
Director

Life Technologies Europe B.V.

Balance sheet as at 31 December 2023

Balance sheet after proposed appropriation of results

	notes	31 December 2023	31 December 2022
		<u>EUR '000</u>	<u>EUR '000</u>
Assets			
Non-current assets			
Intangible assets	4	2,316	3,065
Property, plant and equipment	5	7,754	8,551
Financial assets	6	621,135	622,650
Total of non-current assets		<u>631,205</u>	<u>634,266</u>
Current assets			
Inventories	7	10,587	15,536
Receivables	8	470,569	433,734
Cash at bank and in hand	9	901	9,525
Total of current assets		<u>482,057</u>	<u>458,795</u>
Total of assets		<u><u>1,113,262</u></u>	<u><u>1,093,061</u></u>
Equity			
Share capital	10	32	32
Share premium		508,428	508,428
Currency translation reserve		(2,229)	(4,489)
Other reserves		(6,598)	(6,479)
Retained earnings		497,876	475,101
Total of equity		<u><u>997,509</u></u>	<u><u>972,593</u></u>
Provisions	11	2,442	2,584
Current liabilities	12	<u>113,311</u>	<u>117,884</u>
Total of equity and liabilities		<u><u>1,113,262</u></u>	<u><u>1,093,061</u></u>

Life Technologies Europe B.V.

Profit and loss account for the year ended 31 December 2023

	notes	2023 EUR '000	2022 EUR '000
Net Turnover	15	590,668	664,676
Cost of sales	16	<u>(480,748)</u>	<u>(552,162)</u>
Gross profit		<u>109,920</u>	<u>112,514</u>
Selling expenses	17	(66,264)	(67,801)
General and administrative expenses	18	<u>(20,595)</u>	<u>(11,847)</u>
Total costs		<u>(86,859)</u>	<u>(79,648)</u>
Operating profit		23,061	32,866
Other income	19	-	1,093
Financial income and expenses	23	6,372	3,341
Income from shares in group undertaking	24	<u>180,938</u>	<u>-</u>
Profit before taxation		210,371	37,300
Income tax expense	25	<u>(6,658)</u>	<u>(2,955)</u>
Profit after taxation		<u>203,713</u>	<u>34,345</u>

Life Technologies Europe B.V.

1. General

1.1 Activities

Life Technologies Europe B.V. and its branches sell life science instruments and systems, reagents, and services used by pharmaceutical, biotechnology, agricultural, clinical, government and academic scientific customers to make biosdiscovery research techniques more effective and efficient. The Company sells services and reagents directly to the customer. Sales are made both domestically and abroad. The countries of the European Union are the most important market in this respect.

1.2 Group structure

Life Technologies Europe B.V. in Bleiswijk, the Netherlands, has active branches in Belgium, Denmark, Finland, Ireland, Italy, Netherlands, Portugal, Sweden and Switzerland. Life Technologies Europe B.V. is located at Kwartsweg 2, 2665NN Bleiswijk, the Netherlands.

Life Technologies Europe B.V. is a wholly owned subsidiary of Applied Biosystems B.V., Bleiswijk, the Netherlands. The ultimate parent is Thermo Fisher Scientific Inc., Waltham, USA.

The Company is registered at the chamber of commerce under number 29040249. The Company statutory seat is 2910 AH Nieuwerkerk, ad IJssel, Kwartsweg 2, Bleiswijk, the Netherlands.

1.3 Consolidation

In accordance with Article 408 of Part 9 of Book 2 of the Dutch Civil Code consolidated accounts are not prepared. The consolidated annual accounts of Thermo Fisher Scientific Inc., in which the financial data of Life Technologies Europe BV and its subsidiaries are consolidated, are filed at the Chamber of Commerce under number 29040249.

1.4 Basis of Preparation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's estimates include, among others, asset reserve requirements as well as the amounts of future cash flows associated with certain assets and businesses that are used in assessing the risk of impairment.

1.5 Cash flow statement

In conformity with the exemption provisions of the Guidelines for Annual Reporting in the Netherlands (RJ360.104), a cash flow statement is not presented. Accordingly, the consolidated annual accounts of Thermo Fisher Scientific Inc., in which Life Technologies Europe BV and its subsidiaries are consolidated, are filed at the Chamber of Commerce in Den Haag under number 29040249.

1.6 Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously and
- The positive intention is to settle the assets and liabilities on a net basis or simultaneously.

1.7 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Life Technologies Europe BV or the ultimate parent company and close relatives are regarded as related parties.

Life Technologies Europe B.V.

1. General (continued)

1.7 Related parties (continued)

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

1.8 Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Life Technologies Europe BV make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

1.9 Going concern

The Company prepared the financial statements on a going concern basis. Management is not aware of any material uncertainties related to events or conditions which may cause significant doubt upon the entity's ability to continue as a going concern.

To support the going concern assessment of Life Technologies Europe BV, we have assessed the entity's current cash and net asset position as at the financial year end, which are both strong at EUR 900,551 and EUR 997,509,000 respectively. Due to this, and continued profitable trading performance, we deem that there is no risk around going concern. In addition to this the directors have received a letter of support from Thermo Fisher Scientific Inc. and have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

2. Principles of valuation of assets and liabilities

2.1 General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and income statement, references are made to the notes.

2.2 Functional currency

The financial statements are presented in euro, which is the functional and presentation currency of the Company.

2.3 Foreign activities

Assets and liabilities of foreign activities with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these branches and translated at the closing rate. Any resulting exchange differences are taken to the legal reserve for translation differences within equity.

2.4 Comparison with prior year

The valuation principles and methods used in determining the result are the same as those used in the prior year.

Life Technologies Europe B.V.

2. Principles of valuation of assets and liabilities (continued)

2.5 Functional currency

2.5.1 Transactions, receivables and debts

Transactions denominated in foreign currencies in the reporting period are recognised in the financial statements at the exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are recognised through profit or loss.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Exchange differences on foreign-currency loans contracted to finance a net investment in a foreign operation are recognised in the statutory reserve for translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

2.6 Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that there has been a triggering event which makes it necessary to adjust the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) down to its realisable value.

With regard to determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 2.9 'Impairment of fixed assets and its recognition'.

2.6.1 Customer Lists

Costs of intangible assets other than those internally generated, including patents and licences, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful life of five years.

2.6.2 Goodwill

Goodwill resulting from acquisitions and calculated in accordance with section "Acquisition and disposal of group companies" is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the income statement to the extent that charges and losses occur, where it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

2.7 Tangible fixed assets

Buildings are valued at acquisition cost plus additional expenses less straight-line depreciation over the estimated useful economic life. Permanent impairment of assets as at balance sheet date is taken into account.

Other fixed assets are valued at acquisition or manufacturing cost plus additional expenses less straight-line depreciation over the estimated useful economic life and impairments.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value, as follows:

Life Technologies Europe B.V.

2. Principles of valuation of assets and liabilities (continued)

2.7 Tangible fixed assets (continued)

- Buildings are depreciated over 20 years
- Leasehold improvements are depreciated over the life of the relevant lease
- Machinery and equipment are depreciated in five to twenty years.

No provision has been recognized for future major maintenance costs for the buildings. Any future major maintenance costs will be capitalised, and depreciated over 20 years.

2.8 Financial fixed assets

Financial fixed assets concern investments in subsidiaries. Pursuant to Sub-Section 9 of Section 389 and Subsection 1 of Section 408, Book 2, of the Dutch Civil Code, investments in subsidiaries over whose operating and financial activities the Company may exercise significant influence are carried at cost rather than in accordance with the equity method. Investments are stated at cost, less provision for any permanent diminution in value. Dividends are recorded when declared.

2.8.1 Group companies

Group companies and other participating interests in which the company exercises significant influence are stated at cost. The company is considered to exercise significant influence if it holds at least 20% of the voting rights.

2.9 Impairment of fixed assets and its recognition

On the balance sheet date, the company tests whether there are any indications of an asset which could be subject to impairment. If there are such indications, the legal entity should estimate the recoverable amount of the asset concerned. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its realisable value; the realisable value is the highest of the recoverable value and the value in use. An impairment is recognised as an expense in the profit and loss account immediately.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realisable value are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale. For the determination of the value in use, an estimate is made of the future net cash flows.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

Life Technologies Europe B.V.

2. Principles of valuation of assets and liabilities (continued)

2.10 Inventories

Inventories are valued at purchase price based on the FIFO method (first in, first out) or lower realisable value.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

A standard costing system is used, with costs based on normal operating conditions. Differences in actual versus standard costs which create favourable or unfavourable variances are recorded, reviewed, analysed and disposed of at the end of every accounting period. Normal variances are capitalized and amortized over the turn of the inventory. Generally, variances due to excess capacity are expensed as incurred.

2.11 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.12 Cash at banks and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

2.13 Provisions

2.13.1 General

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probably that an outflow of resources will be required and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received with the obligation is settled.

2.13.2 Pension provision

The Company has a number of pension schemes, including a number of defined benefit schemes. These provide defined pension benefits to staff upon reaching retirement age; the amount of which depends on age, salary and years of service.

The premium payable during the financial year is charged to the result. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

Pension provisions are calculated using the valuation methodology under ASC 715 (US GAAP) with the exception of the Italian TFR plan where IFRS (IAS19 R) is used. For materiality reasons, no US GAAP figures are provided for this scheme, but the impact is deemed to be limited.

Life Technologies Europe B.V.

2. Principles of valuation of assets and liabilities (continued)

2.13 Provisions (continued)

2.13.2 Pension provision (continued)

The pension provision/asset carried on the balance sheet is the present value of the pension benefit obligations under the defined benefit scheme net of the fair value of plan assets. The required pension provision is measured annually by independent actuaries using the actuarial method known as the 'Projected Unit Credit' method. The present value of the obligation is computed by discounting estimated future cash flows, using interest rates applying to high-quality corporate bonds with a term roughly consistent with the term of the related pension obligation.

Actuarial gains and losses arising from changes in actuarial assumptions exceeding 10% of the higher of pension benefit obligations and the fair value of plan assets at the start of the financial year are credited or charged to the profit and loss account over the expected average future years of service of the employees concerned.

Unrecognised past-service costs are taken directly to the profit and loss account unless the changes in the pension scheme depend on the employees remaining in service for a specific period (the qualifying period). In that case, the past-service costs are recognised on a straight-line basis over the qualifying period.

2.14 Deferred tax assets and liabilities

All taxes for the Netherlands (except for foreign taxes from the branches) are disclosed in the financial accounts of Applied Biosystems B.V. given Applied Biosystems B.V. forms the head of the fiscal unity in which Life Technologies Europe BV is included. Deferred tax assets and liabilities are included in respect of the timing differences in valuation of assets and liabilities for annual account purposes and tax purposes. The deferred tax assets and liabilities are calculated based on tax rates prevailing at the year-end or applicable future tax rates, insofar as already decreed by law. Deferred tax assets, including those resulting from loss carry-forwards, are valued if it can be reasonably assumed that these will be realised. The deferred tax assets and liabilities are included at face value.

2.15 Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

2.16 Operational leasing

The Company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

3. Principles of determination of result

3.1 General

The result represents the difference between the value of the goods delivered/services rendered and the costs and other charges for the year. The results on transactions are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

3.2 Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the profit and loss account in the period they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are directly taken to shareholder's equity.

Life Technologies Europe B.V.

3. Principles of determination of result (continued)

3.3 Net turnover

We derive our revenue from the sale of our products, consumables and services.

We recognise revenue from product sales upon transfer of control of the product. Transfer of control occurs depending upon the contractual terms agreed with the customer. Revenue is not recognised at the time of shipment of products in situations where risks and rewards of ownership are transferred to the customer at a point other than upon shipment to the customer due to the shipping terms, the existence of an acceptance clause, the achievement of milestones, or certain return or cancellation privileges. Revenue is recognised according to the shipping terms, at the time of customer acceptance, the lapse of acceptance provisions or cancellations privileges or achievement of milestones.

For products that are instruments, where installation is determined to be a separate earnings process, the portion of the sales price allocable to the fair value of the installation is deferred and recognised when installation is complete. We determine the fair value of the installation process based on technician labour billing rates, the expected number of hours to install the instrument based on historical experience, and amounts charged by third parties.

We recognise revenue from consumable sales upon transfer of control of the product. Transfer of control occurs depending upon the contractual terms agreed with the customer. Revenue is not recognised at the time of shipment of consumables in situations where risks and rewards of ownership are transferred to the customer at a point other than upon shipment to the customer due to the shipping terms.

Service revenue is recognised over the period services are performed. In cases where customers order and pay for products and request that we store a portion of their order for them at our cost, we record any material up-front payments as deferred revenue in current or long-term liabilities, depending on the length of the customer prepayment, in the balance sheet and recognise revenue upon shipment of the product to the customer.

3.4 Cost of sales

Cost of sales represents the direct and indirect expenses attributable to turnover.

3.5 Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

Depreciation on buildings is based on acquisition cost; depreciation on other fixed assets is based on purchase price or manufacturing cost. Land is not depreciated. Depreciation is provided by the straight-line method over the estimated useful economic life.

3.6 Selling expenses

Selling expenses concern the direct expenses of the sales activities. Selling expenses also include warehouse charges for finished goods and trade goods and the transport costs relating to the sales transactions as well as the costs of personnel involved with sales transactions.

3.7 General and administrative expenses

General and administrative expenses include the expenses of the non-sales departments.

Life Technologies Europe B.V.

3. Principles of determination of result (continued)

3.8 Personnel remuneration

Regular payments

Salaries, wages and social security costs are charged to the profit and loss account when due, and in accordance with employment contracts and obligations.

Pensions

The Company has a defined benefit plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is calculated by estimating the amount of future benefits that employees have earned in the current and past periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date of high-quality (AA-credit rated) corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The calculation is performed by qualified independent actuaries using the projected unit credit method.

3.9 Amortisation of intangible fixed assets

Amortisation costs are not presented as a separate item in the income statement. These costs have been recognised in other components of the income statement, i.e. general and administrative expenses. For a specification, reference is made to the relevant note.

Intangible assets, including goodwill, are amortised over their estimated useful lives as from the moment they are ready for use.

Future amortisation is adjusted if there is a change in estimated future useful life.

3.10 Commission income

Commission income represents the amounts charged/chargeable to the principal for goods delivered in the reporting year.

3.11 Other income

Other income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incidental operations. The other income consists mainly of intercompany service management income.

3.12 Interest

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Interest expenses are allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the liabilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

Life Technologies Europe B.V.

3. Principles of determination of result (continued)

3.13 Taxation

The Company forms part of a fiscal unity with its parent company Life Technologies International B.V. and the parent company of Life Technologies International B.V., Applied Biosystems B.V. The Dutch corporate income tax is accounted for in Applied Biosystems B.V., who pays the taxes on behalf of the fiscal unity. The taxes calculated in the branches are calculated in accordance with the legislation in the country of the branch.

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

The group falls within the scope of the Minimum Tax Act 2024 (Pillar 2), which came into effect on 31 December 2023 in the Netherlands, Denmark, Sweden, Belgium, Italy, Switzerland, Finland, and Ireland. Since the Pillar 2 legislation was not applicable at the reporting date, the group has no related current tax exposure. The group applies the required exception for recognising deferred tax assets and liabilities related to Pillar 2 income taxes.

3.14 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Recoverability of investments

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When conducting reviews for investment impairment triggers, the carrying value of investments is compared to estimated recoverable amounts, represented by the net assets of the investments held. There were no adjustments to the carrying value of investments during the year.

(ii) Inventory provisioning

The Company manufactures and sells scientific equipment and systems. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated sale ability of finished goods and future usage of raw materials. See note 7 for the net carrying amount of the inventory and associated provision.

(iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 8 for the net carrying amount of the debtors and associated impairment provision.

Life Technologies Europe B.V.

3. Principles of determination of result (continued)

3.14 Critical accounting judgements and estimation uncertainty (continued)

(iv) Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 26 for the disclosures relating to the defined benefit pension scheme.

Life Technologies Europe B.V.

Notes to the balance sheet as at 31 December 2023**4. Intangible assets**

Movements in the intangible assets were as follows:

31 December**2022**

	Goodwill	Total
	EUR '000	EUR '000
Balance at 1 January 2022		
Historical costs	7,558	7,558
Cumulative currency translation impact	152	152
Accumulated amortization and impairments	<u>(3,908)</u>	<u>(3,908)</u>
Carrying amount at 1 January 2022	3,802	3,802
Exchange differences	46	46
Amortization	<u>(783)</u>	<u>(783)</u>
Carrying amount at 31 December 2022	<u><u>3,065</u></u>	<u><u>3,065</u></u>
Balance at 31 December 2022:		
Cost	<u>3,065</u>	<u>3,065</u>
Carrying amount at 31 December 2022	<u><u>3,065</u></u>	<u><u>3,065</u></u>

31 December**2023**

	Goodwill	Total
	EUR '000	EUR '000
Balance at 1 January 2023		
Historical costs	7,558	7,558
Cumulative currency translation impact	198	198
Accumulated amortization and impairments	<u>(4,691)</u>	<u>(4,691)</u>
Carrying amount at 1 January 2023	3,065	3,065
Exchange differences	60	60
Amortization	<u>(809)</u>	<u>(809)</u>
Carrying amount at 31 December 2023	<u><u>2,316</u></u>	<u><u>2,316</u></u>
Balance at 31 December 2023:		
Cost	<u>2,316</u>	<u>2,316</u>
Carrying amount at 31 December 2023	<u><u>2,316</u></u>	<u><u>2,316</u></u>

EUR 167,000 of the intangible asset balance relates to the 2016 acquisition of the intangible assets of LSBioscience GmbH (2022: EUR 279,000).

The remaining balance of EUR 2,149,000 (2022: EUR 2,786,000) relates to the 2017 Affymetrix business transfer. The goodwill arising from this transfer is amortised over 10 years.

There were no impairment triggers in the year relating to intangible assets of the Company.

Life Technologies Europe B.V.

5. Property, plant and equipment

Movements in property, plant and equipment were as follows:

31 December

	Buildings and leasehold improvements	Machinery and equipment	Construction in progress	Total
	EUR '000	EUR '000	EUR '000	EUR '000
2022				
Balance at 1 January 2022:				
Cost	2,282	6,265	2,772	11,319
Accumulated depreciation and impairments	(1,757)	(2,440)	-	(4,197)
Additions	-	17	2,563	2,580
Disposals/ retired assets	(15)	-	-	(15)
Transfers at cost	1,069	2,761	(3,830)	-
Exchange rate differences at cost	1	(1)	-	-
Depreciation	(276)	(860)	-	(1,136)
Carrying amount at 31 December 2022	<u>1,304</u>	<u>5,742</u>	<u>1,505</u>	<u>8,551</u>
Balance at 31 December 2022:				
Cost	3,337	9,042	1,505	13,884
Accumulated depreciation and impairments	(2,033)	(3,300)	-	(5,333)
Carrying amount at 31 December 2022	<u>1,304</u>	<u>5,742</u>	<u>1,505</u>	<u>8,551</u>

31 December

	Buildings and leasehold improvements	Machinery and equipment	Construction in progress	Total
	EUR '000	EUR '000	EUR '000	EUR '000
2023				
Balance at 1 January 2023:				
Cost	3,337	9,042	1,505	13,884
Accumulated depreciation and impairments	(2,033)	(3,300)	-	(5,333)
Additions	-	-	364	364
Disposals/ retired assets	(41)	(1)	-	(42)
Transfers at cost	89	70	(159)	-
Exchange rate differences at cost	10	(10)	-	-
Depreciation	(311)	(808)	-	(1,119)
Carrying amount at 31 December 2023	<u>1,051</u>	<u>4,993</u>	<u>1,710</u>	<u>7,754</u>
Balance at 31 December 2023:				
Cost	3,395	9,101	1,710	14,206
Accumulated depreciation and impairments	(2,344)	(4,108)	-	(6,452)
Carrying amount at 31 December 2023	<u>1,051</u>	<u>4,993</u>	<u>1,710</u>	<u>7,754</u>

There is no obligation to repair buildings and leasehold improvements after its use.

Life Technologies Europe B.V.

6. Financial assets

Movements in financial assets were as follows:

31 December

2022	Investments	Non-current receivables from group companies	Total
	EUR '000	EUR '000	EUR '000
Balance at 1 January 2022			
Carrying amount at 1 January 2022	532,893	1,500	534,393
Additions	88,257	-	88,257
Carrying amount at 31 December 2022	<u>621,150</u>	<u>1,500</u>	<u>622,650</u>

31 December

2023	Investments	Non-current receivables from group companies	Total
	EUR '000	EUR '000	EUR '000
Balance at 1 January 2023			
Carrying amount at 1 January 2023	621,150	1,500	622,650
Disposals/sales/repayments	(15)	(1,500)	(1,515)
Carrying amount at 31 December 2023	<u>621,135</u>	<u>-</u>	<u>621,135</u>

Significant participations - proportion of issued capital held

	2023	2022
	%	%
Life Technologies AS, Oslo, Norway	100.0	100.0
Life Technologies SAS, Saint Aubin, France	100.0	100.0
Life Technologies SA, Madrid, Spain	100.0	100.0
Life Technologies s.r.o, Bratislava, Slovakia	100.0	100.0
BAC B.V., Naarden, Netherlands	100.0	100.0
BioSciences Ltd, Dublin, Ireland	100.0	100.0
Stokes Bio Limited, Dublin, Ireland	100.0	100.0
Prionics USA Inc, Delaware, USA	100.0	100.0
Prionics Ielystad B.V., Lelystad, Netherlands	100.0	100.0

The financial fixed assets are carried at cost, less provision for any permanent diminution in value.

The disposal of EUR 16,000 relates to the transfer of shares in Prionics France SAS to Life Technologies SAS.

In 2022, receivables from group companies included a principal loan amount due from BAC B.V. of EUR 1,500,000, which was fully paid and closed during 2023, with no renewal.

Life Technologies Europe B.V.

7. Inventories

	31 December 2023	31 December 2022
	<u>EUR '000</u>	<u>EUR '000</u>
Finished products and goods for resale	17,286	20,816
Provision	<u>(6,699)</u>	<u>(5,280)</u>
Total	<u><u>10,587</u></u>	<u><u>15,536</u></u>

During the year, inventory write-downs and losses recognised in the income statement amounted EUR Nil (2022: EUR Nil).

8. Receivables

	31 December 2023	31 December 2022
	<u>EUR '000</u>	<u>EUR '000</u>
Trade receivables	122,572	126,220
Current receivables from group companies	346,595	304,907
Prepayments and accrued income	<u>1,402</u>	<u>2,607</u>
Total	<u><u>470,569</u></u>	<u><u>433,734</u></u>

The fair value of the receivables approximates the carrying amount, given the current character of the receivables and the fact that provisions for bad debt are recognised, where necessary.

Current receivables from group companies includes the group cash pool balance amount EUR 344,843,000 (2022: EUR 301,647,000), which is the cash pool balance with Life Technologies Finance Limited.

8.1 Trade debtors

	31 December 2023	31 December 2022
	<u>EUR '000</u>	<u>EUR '000</u>
Trade debtors	123,066	127,048
Less: provision for bad debt	<u>(494)</u>	<u>(828)</u>
Total	<u><u>122,572</u></u>	<u><u>126,220</u></u>

9. Cash at bank and in hand

Cash at banks is available on demand.

Life Technologies Europe B.V.

10. Shareholder's equity**10.1 Shareholder's equity**

2022	Share capital	Share premium	Other reserves	Currency translation reserve	Retained earnings	Total Equity
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 1 January 2022	<u>32</u>	<u>420,188</u>	<u>(3,911)</u>	<u>(3,901)</u>	<u>440,756</u>	<u>853,164</u>
As at 1 January 2022	32	420,188	(3,911)	(3,901)	440,756	853,164
Share issue	-	88,240	-	-	-	88,240
Movement in relation to pensions	-	-	(2,568)	-	-	(2,568)
Translation differences	-	-	-	(588)	-	(588)
Result after taxes for the year 2022	-	-	-	-	34,345	34,345
Balance at 31 December 2022	<u>32</u>	<u>508,428</u>	<u>(6,479)</u>	<u>(4,489)</u>	<u>475,101</u>	<u>972,593</u>
Equity movements categories total	<u>32</u>	<u>508,428</u>	<u>(6,479)</u>	<u>(4,489)</u>	<u>475,101</u>	<u>972,593</u>
2023	Share capital	Share premium	Other reserves	Currency translation reserve	Retained earnings	Total Equity
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 1 January 2023	<u>32</u>	<u>508,428</u>	<u>(6,479)</u>	<u>(4,489)</u>	<u>475,101</u>	<u>972,593</u>
As at 1 January 2023	32	508,428	(6,479)	(4,489)	475,101	972,593
Movement in relation to pensions	-	-	(119)	-	-	(119)
Dividend paid	-	-	-	-	(180,938)	(180,938)
Translation differences	-	-	-	2,260	-	2,260
Result after taxes for the year 2023	-	-	-	-	203,713	203,713
Balance at 31 December 2023	<u>32</u>	<u>508,428</u>	<u>(6,598)</u>	<u>(2,229)</u>	<u>497,876</u>	<u>997,509</u>
Equity movements categories total	<u>32</u>	<u>508,428</u>	<u>(6,598)</u>	<u>(2,229)</u>	<u>497,876</u>	<u>997,509</u>

During the year, a dividend amounting EUR 180,938,000 was distributed from retained earnings to the parent Company Applied Biosystems B.V.

Life Technologies Europe B.V.

10. Shareholder's equity (continued)

10.2 Share capital paid called up

The number of shares which have been issued and fully paid totals 3,254,448 at EUR 0.01.

Life Technologies International B.V., Bleiswijk, is registered as the sole shareholder at 31 December 2023.

10.3 Proposed appropriation of profit

According to article 18 of the Articles of Association, the General Meeting is authorised to determine the destination of profits and to determine the distributions, to the extent the net assets exceed the reserves which must be maintained under the law or these Articles of Association.

Following the proposed profit appropriation of the Board of Directors and pursuant to article 18 of the Articles of Association it is proposed to add the profit amounting EUR 25,560,000 to the retained earnings.

11. Provisions

	31 December 2023	31 December 2022
	EUR '000	EUR '000
Pension provision	2,442	2,584
Total	<u>2,442</u>	<u>2,584</u>

Pension provision

An amount of EUR 2,442,000 of the provisions can be classified as non-current (longer than one year).

The pension liability relates to the employees of the Netherlands branch and also the Italian branch regarding the Italian Termination Indemnity scheme ('Trattamento di Fine Rapporto'; TFR). The institution of TFR states that severance pay is due to all employees in case of termination of the employment contract. See also note 26.

12. Current liabilities

	31 December 2023	31 December 2022
	EUR '000	EUR '000
Debts to suppliers and trade creditors	11,319	6,903
Accounts payable to group companies	57,176	64,805
Tax and social insurance	14,963	17,188
Other liabilities, accruals and deferred income	29,853	28,988
Total	<u>113,311</u>	<u>117,884</u>

All current liabilities fall due within one year. The fair value approximates the book value due to the short-term character. Nothing has been agreed in respect of repayment and securities.

Life Technologies Europe B.V.

13. Financial instruments

Currency risk

Life Technologies Europe BV is exposed to a foreign exchange rate risk regarding the receivables. This risk is partly offset by means of internal controls such as credit limits and monitoring of outstanding debts.

Life Technologies Europe BV also incurs currency risk given the different currencies used within the different branches. However, given the entity only operates within the European Economic Area, this risk is considered to be limited.

Price risk

Life Technologies Europe BV incurs no risk regarding the valuation of securities as the company maintains only cash at bank and in hand, included under current assets.

Interest rate risk

Life Technologies Europe BV incurs interest rate risk on interest-bearing receivables on related companies (in particular those included under receivables, receivables from group companies) and on interest-bearing current liabilities (in particular those included under current liabilities, accounts payable to group companies).

Where variable-interest loans are concerned, Life Technologies Europe BV incurs risk regarding future cash flows. Life Technologies Europe BV has not entered into market risk on fixed-interest receivables and debt, as a result no market risk incurs from fixed-interest receivables and debts. No financial derivatives for interest rate risk are contracted with regard to the receivables.

Liquidity risk

Cash forecasts are drawn up regularly at group level. The group manages liquidity risk through interim monitoring and by making adjustments where necessary. The cash forecasts allow for limited availability of cash at bank and in hand, including bank guarantees and margin calls relating to derivatives entered into.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

14. Arrangements and commitments not shown in the balance sheet

14.1 Contingent liabilities

The Company has issued bank guarantees amounting to EUR 0 (2022: EUR 0).

14.2 Fiscal unity

As described in note 3.13 Taxation, the Company forms part of a fiscal unity. The Company is jointly and severally liable for the taxes payable by the fiscal unity.

Life Technologies Europe B.V.

14. Arrangements and commitments not shown in the balance sheet (continued)

14.3 Operational leasing

Future minimum lease payments are as follows:

	31 December 2023	31 December 2022
	EUR '000	EUR '000
Within one year	422	245
Between one and five years	8,581	11,058
After five years	145	159
Total	<u>9,148</u>	<u>11,462</u>

During the year under review, an operating lease expense of EUR 3,466,686 (2022: EUR 4,025,687) was recognised in the income statement.

Life Technologies Europe B.V.

Notes to the profit and loss account for the year ended 31 December 2023

15. Net revenue

Net turnover by category is presented as follows:

	2023	2022
	<u>EUR '000</u>	<u>EUR '000</u>
Sales of products	45,778	45,379
Sales of consumables	504,636	576,911
Sales of services	<u>40,254</u>	<u>42,386</u>
Total	<u><u>590,668</u></u>	<u><u>664,676</u></u>

An analysis of net turnover by geographic location is presented below:

	2023	2022
	<u>EUR '000</u>	<u>EUR '000</u>
The Netherlands	112,662	115,374
Other EU countries	330,339	366,889
Other European countries	<u>147,667</u>	<u>182,413</u>
	<u><u>590,668</u></u>	<u><u>664,676</u></u>

16. Cost of Sales

	2023	2022
	<u>EUR '000</u>	<u>EUR '000</u>
Direct Material	468,134	539,949
Overhead	<u>12,614</u>	<u>12,213</u>
	<u><u>480,748</u></u>	<u><u>552,162</u></u>

Life Technologies Europe B.V.

17. Selling Expense

	2023	2022
	EUR '000	EUR '000
Personnel costs	56,833	58,286
Depreciation & Amortization	1,076	868
Transportation	49	22
Bad Debt Provision	(533)	(267)
Travel & Entertainment	3,113	2,978
Professional Fees	820	696
IT	278	352
Occupancy Expense	2,403	2,992
Office & Operating Supplies	106	109
Distribution Expenses	5	7
Insurance	144	45
Other	1,970	1,713
	<u>66,264</u>	<u>67,801</u>

18. General & Administrative Expense

	2023	2022
	EUR '000	EUR '000
Personnel costs	8,734	2,534
Depreciation & Amortization	1,010	1,037
Allocations	(4,021)	(2,922)
Recharges to group companies	2,641	-
Marketing	3,182	3,381
Professional Fees	3,792	3,188
Occupancy Expense	3,122	2,663
Office & Operating Supplies	849	192
Restructuring	7	354
Other	1,279	1,420
	<u>20,595</u>	<u>11,847</u>

19. Other income

Income in relation to recharges to other companies within the Thermo Fisher Scientific group in 2023 totalled an income of EUR Nil (2022: income of EUR 1,093,000).

Life Technologies Europe B.V.

20. Wages, salaries and social security costs

The selling and administration expenses include wages and salaries, and social security costs. These can be broken down as follows:

	2023	2022
	EUR '000	EUR '000
Wages and salaries	52,588	50,962
Pension costs	566	94
Other social security costs	11,886	8,968
	<u>65,040</u>	<u>60,024</u>

The wages, salaries and social-security costs are categorised as follows:

	2023	2022
	EUR '000	EUR '000
Within selling expenses	56,501	57,496
Within general and administrative expenses	8,539	2,528
	<u>65,040</u>	<u>60,024</u>

The pension costs are determined based on the premiums payable in respect of the financial year and the proportionately calculated purchase prices to redeem the past-service liabilities incurred in the financial year and premiums.

20.1 Workforce

During 2023, 616 employees were employed on a full time basis (2022: 623 employees). Of these employees, 386 were employed outside the Netherlands (2022: 378).

All employees are employed within the LSG division.

The number of employees as at December 31, 2023 was 606 (2022: 631).

	2023	2022
Sales	539	552
Support	69	66
Other	8	5
Total	<u>616</u>	<u>623</u>

Life Technologies Europe B.V.

20. Wages, salaries and social security costs (continued)

20.2 Directors and supervisory directors

Total remuneration of executive directors and non executive managing directors for the year:

	31 December 2023	31 December 2022
	EUR '000	EUR '000
Current directors	<u>241</u>	<u>273</u>

The directors are directors of a number of companies in the group and it is not possible to make an accurate apportionment of their emoluments in respect of their services to each of the subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments in the financial statements of Thermo Fisher Scientific B.V.

21. Amortization of intangible assets and depreciation of property, plant and equipment

	2023	2022
	EUR '000	EUR '000
Depreciation of tangible fixed assets	1,119	1,136
Amortisation of intangible fixed assets	<u>809</u>	<u>783</u>
	<u>1,928</u>	<u>1,919</u>

22. Audit fees

The following audit fees were expensed in the income statement in the reporting period:

	2023	2022
	EUR '000	EUR '000
Audit of the financial statements	<u>215</u>	<u>195</u>

These fees relate to the audit of 2023 financial statements, regardless of whether the work was performed during the financial year.

The fees listed above relate only to the procedures applied to the Company and its consolidated group entities by accounting firms and independent external auditor as referred to in Section 1 (1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

Life Technologies Europe B.V.

23. Financial income and expenses

	2023	2022
	EUR '000	EUR '000
Interest income and related income	7,153	264
Interest expenses and related expenses	(30)	-
Foreign currency exchange rate results	(890)	2,920
Other miscellaneous income/ (expense)	98	157
Gain on disposal of fixed assets	41	-
Total	<u>6,372</u>	<u>3,341</u>

24. Share in results of participating interests

During the year a dividend of EUR 180,938,000 was received from Life Technologies AS. The dividend was subsequently distributed to Applied Biosystems B.V.

25. Income tax expense

The tax payable/receivable on the result in the Company's income statement can be broken down as follows:

	2023	2022
	EUR '000	EUR '000
Result before taxation in the annual accounts	<u>210,372</u>	<u>37,300</u>
Netherlands Taxable Profit Position Reported in Fiscal Unity	(190,814)	(4,814)
Permanent differences	<u>-</u>	<u>-</u>
Total permanent and timing differences	<u>(190,814)</u>	<u>(4,814)</u>
Taxable amount	<u>19,558</u>	<u>32,486</u>
Tax on result for current financial year	<u>6,658</u>	<u>2,955</u>
Total tax payable/receivable	<u>6,658</u>	<u>2,955</u>

The applicable tax rate is 25.8% (2022: 25%) and the effective tax rate 3% (2022: 8%). The effective tax rate decreased significantly in the current year due to the dividend received.

The average legal tax rate in the Netherlands amounts to 25%. The results above are included in the Dutch fiscal unity and calculated in Applied Biosystems B.V. and the income tax payable relates to income taxes paid for the foreign branches.

Life Technologies Europe B.V.

26. Pensions

As from July 1, 2005 the Company applies a new accounting policy for pensions. Obligations are recognised for the defined benefit schemes on the basis of the accounting policies described. The Company uses the option provided in Dutch Accounting Standards Board Guideline 271 to apply ASC 715 - Employers' Accounting for Pensions (former FAS 87).

The Company has two defined benefit schemes in place. One defined benefit scheme for the employees of the Italian branch and one defined benefit scheme for the employees employed from the Netherlands. Given their different characteristics these defined benefit schemes are separately disclosed.

Obligations and funded status – Dutch defined benefit scheme

	2023	2022
	EUR '000	EUR '000
Change in benefit obligations		
Defined benefit obligation at January 1	27,140	42,104
Interest cost	1,001	413
Actual benefit payments	(771)	(720)
Actuarial gains	1,574	(14,657)
	<u>28,944</u>	<u>27,140</u>
Defined benefit obligation at 31 December	<u>28,944</u>	<u>27,140</u>
Change in plan assets		
Fair value of plan assets at January 1	25,284	39,454
Actual employer contributions	-	57
Actual loss on assets	2,632	(13,507)
Actual benefit payments	(771)	(720)
	<u>27,145</u>	<u>25,284</u>
Fair value of plan assets at 31 December	<u>27,145</u>	<u>25,284</u>
Unfunded status	(1,800)	(1,856)
Unrecognised net actuarial gain	(172)	(46)
	<u>(1,972)</u>	<u>(1,902)</u>
Accrued pension cost	<u>(1,972)</u>	<u>(1,902)</u>

The final pay accrual is 1.657% (2022: 1.657%), and the ceiling of the pensionable salary is EUR 119,198 (2022: EUR 114,690).

Components of net periodic benefit cost – Dutch defined benefit scheme

	2023	2022
	EUR '000	EUR '000
Service cost (gross)	-	-
Interest cost	1,001	413
Expected return on plan assets	(932)	(387)
Amortisation amounts		
1. Prior-service cost	-	-
2. Curtailments	-	-
Total amortisation	-	-
Curtailment (gain)/loss recognised	-	-
	<u>69</u>	<u>26</u>
Net periodic benefit cost	<u>69</u>	<u>26</u>

Life Technologies Europe B.V.

26. Pensions (continued)

Allocation of actuarial results – Dutch defined benefit scheme

Cumulative gains and losses in excess of 10% of the greater of the pension benefit obligation or market-related value of plan assets are amortised over the expected average remaining future service of the current active membership.

Assumptions – Dutch defined benefit scheme

	31 December 2023	31 December 2022
	%	%
1. Discount rate	3.33	3.73
2. Salary increase	0	0
3. Expected return on plan assets	3.28	3.74
4. Mortality table	Prognosetafel AG2023	Prognosetafel AG2022

The expected rate of return was determined by modelling the expected long-term rates of return for broad categories of investments held by the plan against a number of various potential economic scenarios.

Merit increase – Dutch defined benefit scheme

The merit increase can amount up to 3% up to age 30, 2% up to age 40 and 1% up to age 50.

Plan assets – Dutch defined benefit scheme

The Company's pension plan weighted-average assets allocations at December 31 by asset category are as follows:

	2023	2022
	%	%
Equity securities	-	-
Real estate	-	-
Cash and cash equivalents	-	-
Other – insurance contracts	100	100
Total	<u>100</u>	<u>100</u>

Assets are valued at surrender value taking into account the guarantee of the insurance contract.

The Company's investment strategy for its defined benefit pension plans is to maximise long-term rate of return on plan assets within an acceptable level of risk in order to minimise the cost of providing pension benefits. The investment policy establishes a target allocation range for each asset class and the fund is managed within those ranges.

Contributions – Dutch defined benefit scheme

As at 31 December 2023, the Company expects to contribute EUR 131,033 to its pension plan during the next financial year (2022: EUR 63,128).

Life Technologies Europe B.V.

26. Pensions (continued)**Obligations and funded status – Italian defined benefit scheme**

	2023	2022
	EUR '000	EUR '000
Change in benefit obligations		
Defined benefit obligation at January 1	787	850
Interest cost	25	4
Actual benefit payments	(89)	(6)
Actuarial (gain) / loss	1	(61)
Defined benefit obligation at 31 December	<u>724</u>	<u>787</u>
Unfunded status	<u>724</u>	<u>787</u>
Prepaid pension cost	<u>724</u>	<u>787</u>

The accrued pension costs are recognised under provisions (reference is made to note 11).

Components of net periodic benefit cost – Italian defined benefit scheme

	2023	2022
	EUR '000	EUR '000
Interest cost	25	4
Amortisation amounts		
1. Prior-service cost	-	-
2. Curtailments	-	-
Total amortisation	-	-
Curtailment (gain)/loss recognised	-	-
Net periodic benefit cost	<u>25</u>	<u>4</u>

Assumptions – Italian defined benefit scheme

	31 December 2023	31 December 2022
	%	%
1. Discount rate	3.25	3.50
2. Salary increase	2.25	2.50
3. Expected return on plan assets	3.19	3.38

The accrued pension costs are recognised under provisions (reference is made to note 11).

27. Related parties

All group companies mentioned in note 1.2 Group structure are considered to be related parties. Amounts receivable from group companies, accounts payable to group companies, commission income and to a large extent interest income and expense are the result of related party transactions. Related party transactions also include the purchase of goods from group companies which are purchased on an arm's length basis.

Life Technologies Europe B.V.

May 30, 2024

DocuSigned by:
Louis Bond
.....B5336C567A0E484.....

J.N Bond
Director

DocuSigned by:
Piet van der Zande
.....844A9E4F466648D.....

P.T.A. van der Zande
Director

Life Technologies Europe B.V.

Other information

Articles of Association provisions governing profit appropriation

According to article 18 of the Articles of Association any profit realised in the financial year is at the disposal of the General Meeting. The General Meeting can declare dividends out of the free reserves to the extent legally allowed.

Branches

The entity has the following branches:

Branch name	Country
Life Technologies Europe B.V.	Denmark
Life Technologies Europe B.V.	Sweden
Life Technologies Europe B.V.	Belgium
Life Technologies Europe B.V.	Italy
Life Technologies Europe B.V.	Switzerland
Life Technologies Europe B.V.	Finland
Life Technologies Europe B.V.	Ireland
Life Technologies Europe B.V.	Portugal
Life Technologies Europe B.V.	Netherlands

Independent auditor's report

The independent auditor's report has been attached on the following page.