

Annual report

Bruker Nordic AB

Org.no. 556577-2364

Financial year January 1, 2022 to December 31, 2022.

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Confirmation

Signing Managing Director hereby confirms that a copy of income statement and balance sheet was adopted at the Annual general meeting at June 16, 2023.

It was decided at the Annual general meeting to adopt the board's proposal of allocation of retained earnings.

Stockholm, June 16, 2023

Mark Holmes

Chairman of the Board

Bruker Nordic AB

Annual report of financial year January 1, 2022 to December 31, 2022

The Board hereby present the Annual report for Bruker Nordic AB.

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Registered office of the Board: Stockholms län, Täby kommun.
The company's functional currency is Swedish kronor (SEK).
All amounts are presented in SEK unless otherwise stated.

Directors' report

General information of business

Bruker Nordic AB is a Swedish limited company, located in Täby Comune and is a wholly owned subsidiary of Bruker Scientific LLC in Delaware, USA. The consolidated financial statement for the Bruker Group are prepared by Bruker Corporation based in Billerica, USA no 04-3110160 which is listed on NASDAQ(BRKR).

The Bruker Group was established by Bruker Physik-AG founded in 1960 by Prof Dr Günther Laukien in Karlsruhe, Germany. Operations in Sweden were established in 1972. Today, Bruker Corporation (BRKR) has 8525 employees around the world and had a turnover of USD 2,531 billion in 2022.

Bruker Nordic AB trades in high-performance scientific instruments and are offering a wide range of applications for molecular characterization in both chemistry and life science as well as solutions for materials and preclinical research.

The company's sales take place in the Nordic, Iceland and Baltic countries and its customers are found in several sectors such as - pharmaceuticals, life-science and manufacturing industry, authorities, hospitals and universities.

Significant events during the financial year

BBIO has kept market leadership and BDAL win market share and continue to grow. BOPT consolidates a solid market dominance in Pharma and show track record in sales. The business operates in local currencies SEK, DKK, NOK and EUR which may affect the booking in USD due to the inflation rate.

Future development, risks and uncertainties

Despite the assumed recession, we expect a positive development regarding sales of Bruker's products in 2023. Bruker is well equipped with products that the market demands, mainly in life science and process monitoring.

Challenges include finding staff with the right skills and dealing with global supply chain problems.

Current agreements are positive mainly with regard to universities, academic, pharma and life science which are demanding our products and services.

Financial position

The company's total net sales increased by +18,1%(+14,3%) in 2022. The increased sales in 2022 are mainly driven by BioSpin and Optics, while Daltonics slightly declined. In terms of sales orders all business areas had had a positive development. Below is a brief description of the year's business development in each business area:

BioSpin:

BioSpin's order backlog in 2022 ended at SEK 133,1 million, an increase of 61.6% from the previous year. Net sales amounted to SEK 153.6 million (+86.3%).

Daltonics:

Net sales decreased slightly in 2022 compared to the previous year and landed at SEK 184,2 million. However, the order backlog increased sharply +124,2% to SEK 124.7 million (SEK 55.6 million).

Optics:

Total net sales in 2022 increased by 52.2% to SEK 41.3 million (SEK 27.1 million). Order backlog increased by 39.2% to SEK 18.9 million.

AXS:

As a subsequent revenue recognition for AXS division is SEK 0.2m

Key ratios (SEK k)	Note	2022	2021	2020	2019
Net sales	3	379 284	321 151	281 081	270 927
Result after financial items	21	22 888	-10 483	-6 902	6 728
Operating margin, %	21	5,9%	-2,7%	-1,8%	2,9%
Return on equity, %	21	47%	-79%	-41%	39%
Balance Sheet in total		275 283	161 378	192 519	169 472
Solidity, %	21	13%	7%	12%	3%
Average number of employees	6, 21	34	30	31	30

Changes in equity (SEK)

	Share capital	Statutory reserve	Accumulated profit/ loss	Net result for the year
Opening balance January 1, 2022				
according to reported balance sheet	400 000	80 000	21 055 209	-9 508 669
Shareholder contribution			0	
Allocation of last years net result			-9 508 669	9 508 669
Exchange rate differences		0	7 224 543	
Net result for the year		0	0	17 298 471
Closing balance December 31, 2022	400 000	80 000	18 771 083	17 298 471

Total number of share are 1 000.

	Dec 31, 2022	Dec 31, 2021
Non-refundable conditional shareholder contributions	35 000 000	35 000 000

Proposed allocation of Retained Earnings

The Board propose that retained earnings at year end,

Accumulated results	18 771 083
Net result of the year	17 298 471
	36 069 554
allocates, to be carried forward	36 069 554
	36 069 554

Income statement

(SEK)	Note	2022	2021
<i>Operating income etc.</i>			
Net sales	3, 7	379 283 809	321 150 511
Other income		20 141 215	7 667 541
Total Income		399 425 025	328 818 052
<i>Operating expenses</i>			
Cost of goods sold	7	-302 866 431	-266 277 550
Other external costs		-19 384 159	-15 823 787
Personnel costs	6	-44 528 933	-39 002 987
Depreciation and write-down of tangible and intangible fixed assets	11	0	0
		-13 000	-13 329 787
Other operating expenses		-9 020 414	-3 171 846
Total Operating expenses		-375 812 937	-337 605 957
Operating result		23 612 088	-8 787 905
<i>Financial items</i>			
Interest income and similar profit/loss items	8	89 809	16 299
Interest expenses and similar profit/loss items	9	-814 292	-1 711 732
Total financial items		-724 483	-1 695 433
Result after financial items	19	22 887 605	-10 483 338
Result before taxes		22 887 605	-10 483 338
Tax	10	-5 589 134	974 668
Net result for the year		17 298 471	-9 508 669

Balance sheets

(SEK)	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Goodwill	11	0	0
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	11	22 750	35 750
		22 750	35 750
Total fixed assets		22 750	35 750
Financial assets			
Other receivables	12	312 500	312 500
		312 500	312 500
Current assets			
<i>Inventories etc.</i>			
Finished products and goods		6 173 388	4 773 286
		6 173 388	4 773 286
<i>Current receivables</i>			
Accounts receivable trade		126 573 195	67 178 979
Tax receivables		3 209 879	7 200 002
Other receivables		1 385 032	238 102
Prepaid expenses and accrued income	13	26 469 199	5 340 714
		157 637 305	79 957 797
<i>Cash and bank</i>	14	111 137 142	76 298 741
Total current assets		274 947 836	161 029 824
TOTAL ASSETS		275 283 086	161 378 074

Balance sheets

(SEK)

Note Dec 31, 2022 Dec 31, 2021

EQUITY AND LIABILITIES

Equity

15

Restricted equity

Share capital (1 000 shares)

400 000 400 000

Statutory reserve

80 000 80 000

480 000 480 000

Non-restricted equity

Accumulated profit/ loss

18 771 083 21 055 209

Net result for the year

17 298 471 -9 508 669

36 069 554 11 546 540

Total equity

36 549 554 12 026 540

Non-current liabilities

Long-term liabilities to group companies

0 64 000 000

Prepaid service contracts, long-term

16 20 711 591 21 884 997

20 711 591 85 884 997

Current liabilities

Advance payments from customers

29 273 632 12 062 833

Accounts payable trade

5 676 607 3 190 177

Short-term liabilities to group companies

107 627 222 15 436 633

Other liabilities

25 144 189 11 466 521

Current tax liability

0 0

Accrued expenses and deferred income

16, 17 50 300 291 21 310 374

218 021 941 63 466 538

TOTAL EQUITY AND LIABILITIES

275 283 086 161 378 075

Cash flow statement

(SEK)	Note	2022	2021
Operating activities			
Operating result		23 612 088	-8 787 905
Adjustment for items not included on cash flow		1 394 053	11 288 466
		25 006 141	2 500 561
Interest received	8	89 809	16 299
Interest paid	9	-814 292	-1 711 732
Income tax paid	10	-1 599 011	-779 866
Cash flow from operating activities before changes in working capital		22 682 647	25 260
<i>Changes in working capital</i>			
Increase (-)/decrease (+) in inventories		-1 400 102	-17 842
Increase (-)/decrease (+) in current receivables		-81 669 631	12 078 385
Increase (+)/decrease (-) in current liabilities		154 555 403	-33 604 850
Cash flow from operating activities		71 485 670	-21 544 307
<i>Financing activities</i>			
Increase (+) in financial liabilities/ new loans		0	0
Decrease (-) in financial liabilities		-65 173 406	14 013 702
Cash flow from financing activities		-65 173 406	14 013 702
Net cash flow for the year	14	34 838 401	-7 505 342
Cash and cash equivalents at the beginning of the year		76 298 741	83 804 083
Cash and cash equivalents at the end of the year		111 137 142	76 298 741

Notes

Note 1 Supplementary disclosure

Accounting policies etc.

General accounting policies

The annual report has been prepared in accordance with Annual Act (1995:1554) and BFNAR 2012:1 Annual report and consolidated financial statements (K3):

Group company - ownership

The company is part of a group where Bruker Daltonics Inc., located in Billerica, Ma, USA, is parent company. Group accounts is prepared by Bruker Corporation, Billerica, Ma, USA, IRS No 04-3110160 which is listed at NASDAQ (BRKR). From January 1st, 2019 has parent company Bruker Daltonics Inc. changed name to Bruker Scientific LLC with address in Delaware, USA.

Revenue recognition

Revenues is recognised at the fair value of what the company has received or will receive. This means that the company recognises the income at nominal value (invoice amount) if the company receives compensation in cash directly upon delivery. Deductions are made for discounts granted.

When goods are sold, income is normally recognised as revenue when the significant benefits and risks associated with ownership of the goods have been transferred from the company to the buyer.

Compensation in the form of interest, royalties or dividends is recognised as revenue when it is probable that the entity will receive the economic benefits associated with the transaction and when the income can be measured reliably.

Interest is recognised as revenue using the effective interest method.

Royalties are accrued in accordance with the economic substance of the agreement.

Dividends are recognised as income when the entity's right to receive payment is secured.

Leases

All leases, whether financial or non-financial, are recognised as rental agreements (operational leases). Lease payments are expensed on a straight-line basis over the lease term. See also note 5.

Post-employment benefits for employees

The company have only defined contribution plans. Defined contribution plans are classified as plans where fixed contributions are paid and there is no obligation to pay anything further in addition to those obligations.

Expenditure on defined contribution plans is recognised as an expense in the period in which the employees render the services underlying in the obligation.

Fixed assets

Both tangible and intangible assets are recognised at cost less accumulated depreciation and any impairment losses.

The depreciable amount consists of the acquisition cost less an estimated residual value if this is significant. It is amortised on a straight-line basis over its expected useful life.

The following amortisation periods are applied:

Intangible fixed assets

Goodwill 5 year

Tangible fixed assets

Equipment, tools, fixtures and fittings 5 year

Translation of items in foreign currencies

Receivables and liabilities in foreign currency have been valued at the closing rate. Exchange rate gains and losses on operating receivables and liabilities are recognised in operating profit, while exchange rate gains and losses on financial receivables and liabilities are recognised as financial items.

Inventories

Inventories are valued at the lower of cost and net realisable value at the balance sheet date. Net realisable value means the estimated selling price of the goods less selling expenses. The chosen valuation method means that any obsolescence in the inventory has been taken into account.

Current tax

Current tax refers to income tax for the current financial year and that part of the previous financial year's income tax that has not yet been recognised. Current tax is calculated using the tax rate applicable on the balance sheet date.

Assets, liabilities and provisions

Assets are recognized at acquisition value or expected value at time of settlement. Non-current assets, liabilities and provisions are recognized at acquisition value. Other liabilities and provisions are recognized at value at the date of settlement. Other assets are recognized at acquisition value, if not commented upon above.

Financial instruments

Financial instruments are recognised according to the rules in K3, Chapter 11, which means that valuation is based on acquisition value.

Assets, liabilities and provisions

Unless otherwise stated above, current receivables are measured at the lower of their cost and the amount at which they are expected to be settled. Non-current receivables and non-current liabilities are measured after initial recognition at amortised cost. Other liabilities and provisions are measured at the amounts at which they are expected to be settled. Other assets are recognised at cost unless otherwise stated above.

Receivables are valued at the lower of cost and the amount at which they are expected to be settled. Other assets, liabilities and provisions are valued at cost unless otherwise stated.

Cash flow statement

The cash flow statement is prepared using the indirect method. The recognised cash flow includes only transactions that have resulted in cash receipts or payments.

In addition to cash, the Company classifies as cash and cash equivalents available balances with banks and other credit institutions and short-term liquid investments that are quoted in a market place and have a maturity of less than three months from the date of acquisition.

Note 2 Estimates and assessments

Bruker Nordic AB makes estimates and judgements about the future. The resulting estimates for accounting purposes will, by definition, rarely these will, by definition, rarely correspond to the actual result. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next year are summarised below.

Goodwill

Goodwill is reported at acquisition value less accumulated amortization and any write-downs. An annual assessment is made of the value in use to determine if any need of impairment exists. The assessment is based upon assumptions about future cash flows. The goodwill was fully depreciated by the end of 2021.

Inventory

Inventories are valued at the lower of cost and net realisable value at the balance sheet date. The net realisable value means the estimated selling price of the goods less selling expenses. The valuation method chosen means that any obsolescence in inventory of the stock is taken once a quarter and no further impairment has been identified for the company's inventory value as of 31 December 2022.

Accounts receivable trade

Accounts receivable in foreign currency have been valued at the closing rate and the related exchange gains and losses are recognised in operating profit.

A monthly check is made of open overdue receivables and an assessment and valuation is made if there is a need for impairment. In the 2022 financial statements, there is a provision for anticipated bad debt losses of SEK 167 thousand.

Note 3 Net sales

Net sales per business segments:

	2022	2021
Sales of scientific instruments	379 283 809	321 150 511
	379 283 809	321 150 511

Net sales per Geographical segments:

	2022	2021
Sweden	193 979 100	92 518 202
Denmark (incl. Faroe Islands)	94 818 433	137 157 712
Finland	35 968 042	26 421 871
Iceland	1 301 523	8 576 523
Norway	36 694 544	55 061 636
Estonia	471 120	515 146
Lithuania	2 400 149	755 431
Latvia	926 255	143 990
	379 283 810	321 150 511

Net sales per Business divisions:

	2022	2021
BioSpin	153 642 679	82 468 411
Daltonics	184 183 764	211 242 739
Optics	41 277 594	27 105 504
AXN/ Nano	179 772	333 857
	379 283 809	321 150 511

Note 4 Audit fees

	2022	2021
Öhrlings PriceWaterhouseCoopers		
Audit	-285 000	-377 863
Tax services	-150 204	-151 705
	-435 204	-529 568

Note 5 Operational leases

	2022	2021
Expensed operational lease payments charged to the Income statement	-3 551 194	-2 132 248
Future estimated minimum payments related to non cancellation of operational leases.		
Payments within < 1 year	-2 155 349	-1 678 488
Payments within > 1-5 years	-2 602 467	-2 854 368
Payments after 5 years	-	-

Operational leases relates mainly to office rent, cars and office equipment.

Note 6. Number of employees and employee expenses

	2022	2021
<u>Average number of employees per Business divisions:</u>		
BioSpin	0	1
Daltonics	5	5
Optics	1	1
Corporate	2	0
Women	8	7
BioSpin	8	8
Daltonics	15	11
Optics	3	4
AXS/ Nano	0	0
Men	26	23
	34	30

By the end of 2022, the average number of employees was 34 (8 women, 26 men) within Bruker Nordic.

The Board consists of 4 members, whereof 3 men and 1 woman.

<u>Salaries, pensions and other remunerations</u>	2022	2021
Board and Managing Director	0	-395 461
Other employees	-35 793 429	-28 259 205
	-35 793 429	-28 654 666

Bonus and similar remunerations to Board and Managing Director	0	0
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Pension and other social security costs

Pension expenses for the Board and Managing Director	0	-126 960
Pension expenses for other employees	-4 849 489	-3 270 350
Social security costs in accordance with laws and agreements	-7 653 607	-7 742 531
	-12 503 096	-11 139 841

	Dec 31, 2022	Dec 31, 2021
Pension commitments to Board and Managing Director	0	0

Note 7. Purchases and sales with affiliated companies

	2022	2021
Portion of total purchases from affiliated companies	99,2%	98,5%
Portion of total sales to affiliated companies	0,8%	1,5%

Note 8 Interest Income and similar profit/ loss items

	2022	2021
Interest income to affiliated companies	88 191	0
Other interest income	1 618	16 299
	89 809	16 299

Note 9 Interest Expense and similar profit/ loss items

	2022	2021
Interest expense from affiliated companies	-613 171	-1 454 466
Other interest expense	-201 121	-257 266
	-814 292	-1 711 732

Note 10 Tax on result for the year

2022	2021
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Actual tax	-5 589 134	974 668
	-5 589 134	974 668
Result before taxes	22 887 605	-10 483 338
Tax on profit before tax according to current actual tax rate (20,6%):	-4 714 847	2 243 434
Tax effect of		
Adjustment of previous years tax	26 729	1 337 999
Calculated adjustment between Swedish tax (20,6% and Danish tax (22%)	-149 451	-4 793
Non-taxable income, Sweden	0	0
Other non deductible items, Sweden	-338 553	-2 674 533
Other non deductible items, Denmark branch	-413 012	156 428
Actual tax	-5 589 134	1 058 535
Effective tax provision of the year in %.	-24,4%	-9,3%

Note 11 Fixed assets

	Dec 31, 2022	Dec 31, 2021
<u>Tangible assets</u>		
Opening balance acquisitions	897 374	897 374
Additions acquisitions	0	0
Additions via merge acquisitions	0	0
Disposals/ scrapping acquisitions	0	0
Reclassifications acquisitions	0	0
Closing balance accumulated acquisitions	897 374	897 374
Opening balance depreciations	-861 624	-804 887
Disposals/ scrapping depreciations	0	0
Reclassifications depreciations	0	0
Depreciation charged for the year	*) -13 000	-56 737
Closing balance accumulated depreciations	-874 624	-861 624
Closing balance, Tangible assets	22 750	35 750
<u>Intangible assets</u>		
Opening balance acquisitions	69 913 547	69 913 547
Additions acquisitions	0	0
Disposals/ scrapping acquisitions	0	0
Reclassifications acquisitions	0	0
Closing balance accumulated acquisitions	69 913 547	69 913 547
Opening balance depreciations	-69 913 546	-56 640 496
Depreciation charged for the year	0	-13 273 050
Closing balance accumulated depreciations	-69 913 546	-69 913 546
Closing balance, Intangible assets	0	1

*) Depreciation for the year in the Income Statement for Tangible Assets amounts up to SEK -56,737. Last year was corresponding figure SEK -60,713.

Note 12 Financial assets

	Dec 31, 2022	Dec 31, 2021
Opening balance	312 500	312 500
Deposition with Swedish Customs	0	0
Closing balance	312 500	312 500

Note 13 Prepaid Expenses and Accrued Income

	Dec 31, 2021	Dec 31, 2020
Prepaid insurance fees	291 202	388 984
Other prepaid expenses	978 130	641 062
Accrued Income	25 199 867	4 310 668
	26 469 199	5 340 714

Note 14 Cash and bank

	Dec 31, 2022	Dec 31, 2021
Petty cash	0	0
Cash and bank	111 137 142	76 298 741
Short-term deposits	0	0
	111 137 142	76 298 741

The company has a cashpool account (EUR), amounts to +SEK +407,309.83 (SEK +1,111,466.24) which is included in the liabilities to other group companies.

Note 15 Equity

Number of shares amounts to 1 000.

For details and specification of Shareholders' equity, see the Directors' Report page 3.

Proposed allocation of Retained Earnings

The Board propose that retained earnings at year end,

Accumulated results	18 771 083
Net result for the year	17 298 471
	36 069 554
allocates, to be distributed	0
to be carried forward	36 069 554
	36 069 554

Note 16 Prepaid service contracts

	Dec 31, 2022	Dec 31, 2021
Long-term prepaid service contracts (>12 months)	20 711 591	21 884 997
Short-term prepaid service contracts (<= 12 months)	35 892 801	11 175 790
	56 604 392	33 060 787

Note 17 Accrued Expenses and Prepaid Income

	Dec 31, 2022	Dec 31, 2021
Accrued holiday pay	5 657 765	4 351 327
Accrued salaries and bonuses	5 466 374	2 661 733
Accrued tax on pension costs	699 411	677 080
Accrued social security	2 185 894	1 922 149
Other accrued expenses	398 046	522 295
Short-term prepaid service contracts (<= 12 months)	35 892 801	11 175 790
	50 300 291	21 310 374

Note 18 Adjustment for items not included on cash flow

	Dec 31, 2022	Dec 31, 2021
Unrealized exchange gain/loss	1 381 053	-2 041 321
Depreciations and write-downs	13 000	13 329 787
	1 394 053	11 288 466

Note 19 Pledged assets and Contingent liabilities

	Dec 31, 2022	Dec 31, 2021
Pledged assets	None	None
Contingent liabilities	None	None

Note 20 Significant events after year-end

No significant events have occurred since the end of the financial year.

Note 21 Key ratios definitions

Net sales

Operating revenue, invoiced costs, other revenue and revenue corrections.

Operating margin (%)

Operating profit in percentage of Net sales.

Result after financial items

Result after financial income and expenses, but before allocations and tax.

Return on Equity (%)

Net result for the year in percentage of Adjusted Equity.

Solidity(%)

Adjusted Equity in percentage of Balance sheet in Total.

Stockholm, June 16, 2023

.....
Mark Holmes
Chairman

.....
Stefan Ruge
Board member

.....
Marcela Suarez Adolfsson
Board member

.....
Pieter Rietman
Board member

The Auditor's report was submitted on
Öhrlings PriceWaterhouseCoopers

.....
Anna Wergelius
Authorized Public Accountant