bioMérieux Denmark ApS

Lautruphøj 1-3, 2750 Ballerup

Company reg. no. 10 06 24 62

Annual report

1 January - 31 December 2016

Approved at the annual general meeting of shareholders on March the 14th 2017

Chairman:

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Jean-Louis Tissier

Contents

Notes:
∞ To ensure the greatest possible applicability of this document, British English terminology has been used.
∞ Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of bioMérieux Denmark ApS for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Ballerup, February the 28th 2017

Managing Director

Jean-Louis Tissier

Board of directors

Jean-Louis Tissier   Veronique Audrey Comte   Sandrine Régine Flory

Independent auditor's report

To the shareholders of bioMérieux Denmark ApS

Opinion

We have audited the financial statements of bioMérieux Denmark A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act .

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Independent auditor's report

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

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

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Independent auditor's report

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, February the 28th 2017

Ernst & Young
Godkendt Revisionspartnerselskab
Company reg. no. 30 70 02 28

Anders Flymer-Dindler
State Authorised Public Accountant

Company data

The company	bioMérieux Denmark ApS Lautruphøj 1-3 2750 Ballerup	
	Phone	+45 70 10 84 00
	Web site	www.biomerieux.com
	Company reg. no.	10 06 24 62
	Established:	19 January 2001
	Domicile:	Ballerup
	Financial year:	1 January - 31 December
Board of directors	Jean-Louis Tissier Veronique Audrey Comte Sandrine Régine Flory	
Managing Director	Jean-Louis Tissier	
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg	
Bankers	SEB, Bernsdorffsgade 50, 1577 Copenhagen	
Lawyer	Lund Elmer Sandager Advokatpartnerselskab, Kalvebod Brygge 39-41, 1560 Copenhagen	

Management's review

The principal activities of the company

bioMérieux Denmark ApS is an in-vitro diagnostics company within the bioMérieux S.A. Group.

Development in activities and financial matters

The net turnover for the year is DKK thousand 56.776 against DKK thousand 55.325 last year. The results from ordinary activities after tax are DKK thousand 642 against DKK thousand 3.859 last year. The result is as expected.

Profit and loss account 1 January - 31 December

DKK in thousands.

Note		2016	2015
	Net turnover	56.776	55.325
	Other operating income	0	6
	Cost of sales	-38.837	-35.031
	Other external costs	-9.920	-9.871
	Gross results	**8.019**	**10.429**
1	Staff costs	-6.779	-4.871
2	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-329	-279
	Operating profit	**911**	**5.279**
3	Financial income	2	19
4	Financial costs	-86	-338
	Results before tax	**827**	**4.960**
5	Tax on ordinary results	-185	-1.101
	Results for the year	**642**	**3.859**
	Proposed distribution of the results:		
	Dividend for the financial year	596	3.725
	Allocated to results brought forward	46	134
	Distribution in total	**642**	**3.859**

Balance sheet 31 December

DKK in thousands.

Note	Assets	2016	2015
	Fixed assets		
	Acquired intangible assets	827	889
	Intangible fixed assets in total	827	889
	Other fixtures and fittings, tools and equipment	495	1.057
	Tangible fixed assets in total	495	1.057
	Other receivables	35	37
	Financial fixed assets in total	35	37
	Fixed assets in total	**1.357**	**1.983**
	Current assets		
	Finished goods and trade goods	440	421
	Inventories in total	440	421
	Trade debtors	10.181	6.993
	Amounts owed by group enterprises	2.099	6.337
	Receivable corporate tax	226	0
	Other debtors	9	9
	Accrued expenses	178	172
	Debtors in total	12.693	13.511
	Cash funds	2.595	1.413
	Current assets in total	**15.728**	**15.345**
	Assets in total	**17.085**	**17.328**

Balance sheet 31 December

DKK in thousands.

Equity and liabilities

Note		2016	2015
	Equity		
6	Contributed capital	500	500
	Share premium account	704	704
	Retained earnings	3.114	3.068
	Proposed dividend for the financial year	596	3.725
	Equity in total	**4.914**	**7.997**
	Provisions		
	Provisions for deferred tax	160	173
	Provisions in total	**160**	**173**
	Liabilities		
	Trade creditors	232	382
	Debt to group enterprises	7.743	5.525
	Corporate tax	0	365
	Other debts	3.266	1.986
	Deferred income	770	900
	Short-term liabilities in total	12.011	9.158
	Liabilities in total	**12.011**	**9.158**
	Equity and liabilities in total	**17.085**	**17.328**

7 Contingencies

8 Related parties

9 Accounting policies used

Notes

DKK in thousands.

		2016	2015
1.	**Staff costs**		
	Salaries and wages	6.043	4.266
	Pension costs	619	539
	Other costs for social security	61	41
	Other staff costs	56	25
		6.779	**4.871**
	Average number of employees	10	10
2.	**Depreciation, amortisation and writedown relating to tangible and intangible fixed assets**		
	Amortisation of intangible assets	133	131
	Depreciation on fixtures and fittings, tools and equipment	196	148
		329	**279**
3.	**Financial income**		
	Interest receivable, group companies	0	19
	Exchange differences	2	0
		2	**19**
4.	**Financial costs**		
	Financial costs, group enterprises	12	0
	Other financial costs	74	338
		86	**338**
5.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	198	1.139
	Adjustment for the year of deferred tax	-13	31
	Adjustment of tax for previous years	0	-69
		185	**1.101**

Notes

DKK in thousands.

	31/12 2016	31/12 2015
6. Contributed capital		
Contributed capital 1 January 2016	500	500
	500	**500**

The share capital consists of 500.000 shares of DKK 1,00 each.

7. Contingencies

Other financial obligations

Rent and leasing liabilities

The company has entered into rent and leasing contracts with a total payment of DKK 1.395.000.

8. Related parties

Controlling interest

bioMérieux S.A. — Parent company
Chemin de l'Orme, 69280
Marcy l'Etoile
France
www.biomerieux.com

The company is included in the consolidated annual accounts of bioMérieux S.A., Chemin de l'Orme, France.

9. Accounting policies used

The annual report of BioMérieux Denmark ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in yearly reassessment of residual values of property, plant and equipment.

In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

The above change does not impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

9. Accounting policies used - continued

Other operating income/costs

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs etc.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Acquired intangible assets

Intangible assets comprise acquired intangible rights including software licences, distribution rights and development projects.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life.

9. Accounting policies used - continued

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-linebasis over the excpected useful life. The expected useful lives are as follows:

Software	10 years

The amortisation period for software exceeds five years as the software (SAP) is expected to be used by the entity for ten years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Writedown of fixed assets

The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for the acquisition cost with the addition of the delivery costs.

9. Accounting policies used - continued

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued expenses

Accrued expenses recognised under assets comprise incurred costs concerning the next financial year.

Cash funds

Cash funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Received payments concerning income during the following years are recognised under deferred income.