
***Eurofins Environment
Denmark Holding A/S***

Smedeskovvej 38, DK-8464 Galten

**Annual Report for 1 January - 31
December 2018**

CVR No 30 56 65 64

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23rd May 2019

Svend Aage Linde
Chairman

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Management's Statement

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

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

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

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

Galten, 23-05-2019

Executive Board

Jesper Gamst

Board of Directors

Svend Aage Linde
Chairman

Jesper Gamst

Yvoine Sophie McCort

Independent Auditor's Report

To the Shareholder of Eurofins Environment Denmark Holding A/S

Opinion

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

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

Basis for the Opinion

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

Emphasis of Matter

We draw attention to note 2 to the Financial Statements describing the uncertainty pertaining to the value of the company's investments in the subsidiary Eurofins Miljø A/S amounting to DKK 113,0 million. The uncertainty relates to the assumptions used in the impairment model and thus creating uncertainty about the need to write-down the investment in subsidiaries. Our conclusion is not modified regarding this matter.

Management's Responsibility for the Financial Statements

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

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

Independent Auditor's Report

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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.

Aarhus, 23-05-2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Trangeled Kristensen
State Authorised Public Accountant
mne23333

Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

Company Information

The Company

Eurofins Environment Denmark Holding A/S
Smedeskovvej 38
DK-8464 Galten

CVR No: 30 56 65 64

Financial period: 1 January - 31 December

Municipality of reg. office: Skanderborg

Bord of Directors

Svend Aage Linde, Chairman
Jesper Gamst
Yvoine McCort

Executive Board

Jesper Gamst

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit/loss		-65.794	-80.855
Income from investments in subsidiaries		17.500.000	2.400.000
Financial income		691	785
Financial expenses	3	<u>-5.837.266</u>	<u>-6.819.835</u>
Profit/loss before tax		11.597.632	-4.499.905
Tax on profit/loss for the year		<u>1.273.401</u>	<u>1.344.506</u>
Net profit/loss for the year		<u>12.871.033</u>	<u>-3.155.400</u>

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year		3.300.000	11.500.000
Retained earnings		<u>9.571.032</u>	<u>-14.655.400</u>
		<u>12.871.033</u>	<u>-3.155.400</u>

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Investments in subsidiaries	2	<u>194.763.467</u>	<u>172.509.467</u>
Fixed asset investments		<u>194.763.467</u>	<u>172.509.467</u>
Fixed assets		<u>194.763.467</u>	<u>172.509.467</u>
Receivables from group enterprises		4.585.527	3.237.393
Deferred tax asset		<u>1.273.401</u>	<u>1.344.506</u>
Receivables		<u>5.858.928</u>	<u>4.581.899</u>
Cash at bank and in hand		<u>0</u>	<u>360.049</u>
Current assets		<u>5.858.928</u>	<u>4.941.948</u>
Assets		<u>200.622.395</u>	<u>177.451.415</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		6.000.000	6.000.000
Retained earnings		51.987.880	23.416.847
Proposed dividend for the year		<u>3.300.000</u>	<u>11.500.000</u>
Equity	4	<u>61.287.880</u>	<u>40.916.847</u>
Payables to group enterprises		<u>138.357.709</u>	<u>134.880.992</u>
Long-term debt		<u>138.357.709</u>	<u>134.880.992</u>
Payables to group enterprises		966.704	1.632.051
Trade payables		0	6.456
Other Liabilities		<u>10.102</u>	<u>15.070</u>
Short-term debt		<u>976.806</u>	<u>1.653.577</u>
Debt		<u>139.334.515</u>	<u>136.534.568</u>
Liabilities and equity		<u>200.622.395</u>	<u>177.451.415</u>
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Notes to the Financial Statements

1 Main activity

The activities of the Company are to manage investments in subsidiaries.

2 Uncertainty regarding valuation of investment in subsidiaries

At December 31, 2018, the value of the investment in the subsidiary Eurofins Miljø A/S is valued at TDKK 113,013. Management has prepared an impairment test based on budget, estimates of profit after the budget period and expected future growth. It is uncertain whether the growth and thus the budgeted and estimated profit will be realised. Therefore, there is uncertainty about the value of the investments in subsidiaries.

Management believes that the company's investments in subsidiaries are valued properly.

	<u>2018</u> DKK	<u>2017</u> DKK
3 Financial expenses		
Interest paid to group enterprises	5.582.318	5.926.438
Other financial expenses	254.948	893.336
Exchange adjustments, expenses	<u>0</u>	<u>61</u>
	<u>5.837.266</u>	<u>6.819.835</u>

4 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Proposed dividend for the year</u> DKK	<u>Total</u> DKK
Equity at 1 January	6.000.000	23.416.847	11.500.000	40.916.847
Increase in other reserves	0	19.000.000	0	19.000.000
Ordinary dividend paid	0	0	-11.500.000	-11.500.000
Net profit/loss for the year	<u>0</u>	<u>9.571.032</u>	<u>3.300.000</u>	<u>12.871.032</u>
Equity at 31 December	<u>6.000.000</u>	<u>51.987.880</u>	<u>3.300.000</u>	<u>61.287.880</u>

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Group's Danish enterprises are jointly and severally liable for the tax on the Group's jointly taxed income etc. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax such as tax on dividend, royalty and interest. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

6 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

Name	Place of registered office
Eurofins Scientific S.E.	23, Val Fleuri, L-1526, Luxembourg

Accounting Policies

Basis of Preparation

The Annual Report of Eurofins Environment Denmark Holding A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in DKK.

Recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Accounting Policies

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

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable

Accounting Policies

amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Financial debts

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