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# ***Eurofins Food Denmark Holding A/S***

Smedeskovvej 38, DK-8464 Galten

## **Annual Report for 1 January - 31 December 2016**

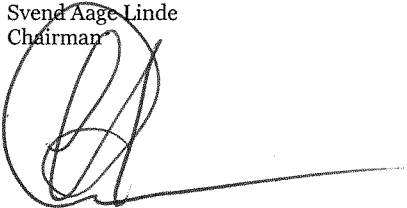
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CVR No 30 56 65 72

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on

23.05.2017

Svend Aage Linde  
Chairman

A large, stylized handwritten signature in black ink, likely belonging to Svend Aage Linde, the Chairman. The signature is written over the printed name and extends horizontally to the right.

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## Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Eurofins Food Denmark Holding A/S for the financial year 1 January - 31 December 2016.

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 2016 of the Company and of the results of the Company operations for 2016.

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


Galten, 23/5-17

### Executive Board



Thomas Gjelsnes

### Board of Directors



Svend Aage Linde  
Chairman



Ole Møller



Thomas Gjelsnes

# Independent Auditor's Report

To the Shareholder of Eurofins Food 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 2016 and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Eurofins Food Denmark Holding A/S for the financial year 1 January - 31 December 2016, 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.

## 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.

## 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

## Independent Auditor's Report

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

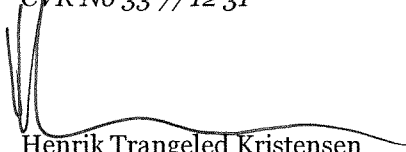
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 23/5-2017

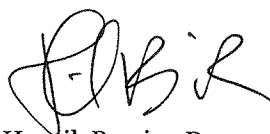
**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Henrik Trangeled Kristensen  
State Authorised Public Accountant



Henrik Berring Rasmussen  
State Authorised Public Accountant

## Company Information

### **The Company**

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

Telephone: +45 70 22 42 66

Facsimile: +45 70 22 42 55

Website: [www.eurofins.dk](http://www.eurofins.dk)

CVR No: 30 56 65 72

Financial period: 1 January - 31 December

Municipality of reg. office: Skanderborg

### **Board of Directors**

Svend Aage Linde, Chairman  
Ole Møller  
Thomas Gjelsnes

### **Executive Board**

Thomas Gjelsnes

### **Auditors**

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

### **Bankers**

Danske Bank  
Åboulevarden 69  
DK-8000 Aarhus C

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
<b>Gross profit/loss</b>		<b>-105.935</b>	<b>-33.930</b>
Income from investments in subsidiaries		10.000.000	4.800.000
Financial income	2	451.921	0
Financial expenses	3	<u>-6.223.843</u>	<u>-6.447.416</u>
<b>Profit/loss before tax</b>		<b>4.122.143</b>	<b>-1.681.346</b>
Tax on profit/loss for the year		<u>1.293.129</u>	<u>1.523.116</u>
<b>Net profit/loss for the year</b>		<b><u>5.415.272</u></b>	<b><u>-158.230</u></b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	31.000.000	0
Retained earnings	<u>5.415.272</u>	<u>-158.230</u>
	<b><u>-25.584.728</u></b>	<b><u>-158.230</u></b>

## Balance Sheet 31 December

### Assets

	Note	2016 DKK	2015 DKK
Investments in subsidiaries		<u>162.954.560</u>	<u>162.954.560</u>
<b>Fixed asset investments</b>		<b><u>162.954.560</u></b>	<b><u>162.954.560</u></b>
Deposits		<u>1.000.000</u>	<u>0</u>
<b>Deposits</b>		<b><u>1.000.000</u></b>	<b><u>0</u></b>
<b>Fixed assets</b>		<b><u>163.954.560</u></b>	<b><u>162.954.560</u></b>
Receivables from group enterprises		758.415	0
Deferred tax asset		<u>1.293.129</u>	<u>1.523.116</u>
<b>Receivables</b>		<b><u>2.051.544</u></b>	<b><u>1.523.116</u></b>
<b>Cash at bank and in hand</b>		<b><u>130.042</u></b>	<b><u>254.477</u></b>
<b>Current assets</b>		<b><u>2.181.586</u></b>	<b><u>1.777.593</u></b>
<b>Assets</b>		<b><u>166.136.146</u></b>	<b><u>164.732.153</u></b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		5.000.000	5.000.000
Retained earnings		8.393.647	33.978.376
Proposed dividends		<u>31.000.000</u>	<u>0</u>
<b>Equity</b>	<b>4</b>	<b><u>44.393.647</u></b>	<b><u>38.978.376</u></b>
Payables to group enterprises		<u>121.635.675</u>	<u>125.720.027</u>
<b>Long-term debt</b>	<b>5</b>	<b><u>121.635.675</u></b>	<b><u>125.720.027</u></b>
Payables to group enterprises		93.284	18.750
Other payables		<u>13.540</u>	<u>15.000</u>
<b>Short-term debt</b>		<b><u>106.824</u></b>	<b><u>33.750</u></b>
<b>Debt</b>		<b><u>121.742.499</u></b>	<b><u>125.753.777</u></b>
<b>Liabilities and equity</b>		<b><u>166.136.146</u></b>	<b><u>164.732.153</u></b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		

# Notes to the Financial Statements

## 1 Main activity

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

## 2 Financial income

	<u>2016</u> DKK	<u>2015</u> DKK
Exchange adjustments	451.921	0
	<u>451.921</u>	<u>0</u>

## 3 Financial expenses

Interest paid to group enterprises	6.222.777	6.445.684
Other financial expenses	930	830
Exchange adjustments, expenses	136	902
	<u>6.223.843</u>	<u>6.447.416</u>

## 4 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Proposed dividends</u> DKK	<u>Total</u> DKK
Equity at 1 January	5.000.000	33.978.376	0	38.978.376
Net profit/loss for the year	<u>0</u>	<u>-25.584.729</u>	<u>31.000.000</u>	<u>5.415.271</u>
Equity at 31 December	<u>5.000.000</u>	<u>8.393.647</u>	<u>31.000.000</u>	<u>44.393.647</u>

# Notes to the Financial Statements

## 5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2016</u> DKK	<u>2015</u> DKK
<b>Payables to group enterprises</b>		
Between 1 and 5 years	<u>121.635.675</u>	<u>125.720.027</u>
Long-term part	121.635.675	125.720.027
Other short-term debt to group enterprises	<u>0</u>	<u>0</u>
	<u><b>121.635.675</b></u>	<u><b>125.720.027</b></u>

## 6 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.

## 7 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 Food Denmark Holding A/S for 2016 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 2016 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 cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

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

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.

### **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.