

Eurofins Food Denmark Holding A/S

Smedeskovvej 38, DK-8464 Galten

Annual Report for 1 January - 31 December 2019

CVR No 30 56 65 72

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3rd June 2020



Svend Aage Linde
Chairman

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management Commentary	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Notes to the Financial Statements	9
Accounting Policies	11

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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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


Galten, 3rd June 2020

Executive Board



Svend Aage Linde

Board of Directors



Yvonne Sophie McCort
Chairman



Stefania Pcolova



Svend Aage Linde

Independent Auditor's Report

To the Shareholder of Eurofins Food Denmark Holding A/S

Opinion

We have audited the financial statements of Eurofins Food Denmark Holding A/S for the financial year 01.01.2019 - 31.12.2019 which comprise the 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 judgement and maintain professional scepticism 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

Independent Auditor's Report

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent Auditor's Report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 03-06-2020

Deloitte

Statsautoriseret Revisionspartnerselskaber

CVR-nr.: 33963556



Jacob Tækker Nørgaard

State Authorised Public Accountant

Identification number (MNE) mne40049

Company Information

The Company

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

CVR No: 30 56 65 72
Financial period: 1 January - 31 December
Municipality of reg. office: Skanderborg

Board of Directors

Yvoine Sophie McCort Chairman
Stefania Pcolova
Svend Aage Linde

Executive Board

Svend Aage Linde

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Værkmestergade 2, 18
DK-8000 Århus C

Bankers

Danske Bank
Åboulevarden 69
DK-8000 Aarhus C

Management Commentary

Main activity

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

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 34.024.809, which is considered satisfactory.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

The Company has not been impacted by COVID 19 crisis and no negative effects on Company's ability to continue its operations have been observed.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit/loss		-81.121	-82.198
Income from investments in subsidiaries		38.450.000	28.500.000
Financial income	2	5.941	5.496
Financial expenses	3	<u>-5.598.143</u>	<u>-5.835.649</u>
Profit/loss before tax		32.776.678	22.587.649
Tax on profit/loss for the year		<u>1.248.131</u>	<u>1.300.717</u>
Net profit/loss for the year		<u>34.024.809</u>	<u>23.888.368</u>

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	28.400.000	35.800.000
Retained earnings	<u>5.624.809</u>	<u>-11.911.632</u>
	<u>34.024.809</u>	<u>23.888.368</u>

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Investments in subsidiaries		<u>163.954.560</u>	<u>163.954.560</u>
Fixed asset investments		<u>163.954.560</u>	<u>163.954.560</u>
Fixed assets		<u>163.954.560</u>	<u>163.954.560</u>
Receivables from group enterprises	4	11.576.783	3.941.615
Receivables from group enterprises regarding tax		<u>1.248.131</u>	<u>1.300.717</u>
Receivables		<u>12.824.914</u>	<u>5.242.332</u>
Cash at bank and in hand		<u>0</u>	<u>0</u>
Current assets		<u>12.824.914</u>	<u>5.242.332</u>
Assets		<u>176.779.474</u>	<u>169.196.892</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		5.000.000	5.000.000
Retained earnings		11.096.092	5.471.283
Proposed dividends		<u>28.400.000</u>	<u>35.800.000</u>
Equity	5	<u>44.496.092</u>	<u>46.271.283</u>
Payables to group enterprises		<u>122.065.232</u>	<u>122.065.234</u>
Long-term debt	6	<u>122.065.232</u>	<u>122.065.234</u>
Payables to group enterprises		10.203.750	843.376
Other payables		<u>14.400</u>	<u>17.000</u>
Short-term debt		<u>10.218.150</u>	<u>860.376</u>
Debt		<u>132.283.382</u>	<u>122.925.610</u>
Liabilities and equity		<u>176.779.474</u>	<u>169.196.892</u>
Contingent assets, liabilities and other financial obligations	7		
Consolidated Financial Statements	8		

Notes to the Financial Statements

1 COVID 19

The Company has not been impacted by COVID 19 crisis and no negative effects on Company's ability to continue its operations have been observed.

2 Financial income

	<u>2019</u> DKK	<u>2018</u> DKK
Interest from group enterprises	0	79
Exchange adjustments	<u>5.941</u>	<u>5.417</u>
	<u>5.941</u>	<u>5.496</u>

3 Financial expenses

Interest paid to group enterprises	5.594.527	5.582.454
Other financial expenses	2.319	3.363
Exchange adjustments, expenses	<u>1.297</u>	<u>249.832</u>
	<u>5.598.143</u>	<u>5.835.649</u>

4 Receivables from group enterprises

The company is part of cash pool with Eurofins NSC Denmark A/S. Receivable from this cash pool is included in receivables from group enterprises and amounts to 1,8 MDKK (2018: 3,9 MDKK).

5 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	5.471.283	35.800.000	46.271.283
Dividends	0	0	-35.800.000	-35.800.000
Net profit/loss for the year	<u>0</u>	<u>5.624.809</u>	<u>28.400.000</u>	<u>34.024.809</u>
Equity at 31 December	<u>5.000.000</u>	<u>11.096.092</u>	<u>28.400.000</u>	<u>44.496.092</u>

Notes to the Financial Statements

6 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>2019</u> DKK	<u>2018</u> DKK
Payables to group enterprises		
Between 1 and 5 years	<u>122.065.231</u>	<u>122.065.234</u>
Long-term part	122.065.231	122.065.234
Other short-term debt to group enterprises	<u>10.203.750</u>	<u>843.376</u>
	<u>132.268.982</u>	<u>122.908.610</u>

7 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.

8 Consolidated Financial Statements

With reference to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared for the Company and its subsidiaries.

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 2019 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 2019 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.