

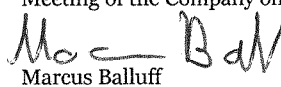
# ***Eurofins Agroscience Services ApS***

Smedeskovvej 38, DK-8464 Galten

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

CVR No 34 90 17 40

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

  
Marcus Balluff  
Chairman

22/5-17

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Eurofins Agrosience Services ApS 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, 22nd May 2017

**Direktion**

  
Marcus Balluff

# **Independent Auditor's Report**

To the Shareholder of Eurofins Agrosience Services ApS

## **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 Agrosience Services ApS 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 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.

# Independent Auditor's Report

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.

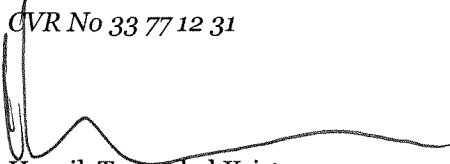
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 22/5-2017

**PricewaterhouseCoopers**

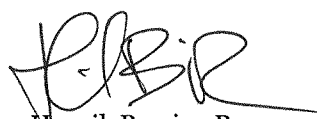
Statsautoriseret Revisionspartnerselskab

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 Agrosience Services ApS  
Smedskovvej 38  
DK-8464 Galten

Telephone: 70 22 42 66  
Facsimile: 70 22 42 55  
Website: [www.eurofins.dk](http://www.eurofins.dk)

CVR No: 34 90 17 40  
Financial period: 1 January - 31 December  
Municipality of reg. office: Skanderborg

### **Executive Board**

Marcus Balluf

### **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>1.518.313</b>	<b>1.332.225</b>
Staff expenses	2	-1.278.118	-1.421.456
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-192.621</u>	<u>-191.777</u>
<b>Profit/loss before financial income and expenses</b>		<b>47.574</b>	<b>-281.008</b>
Financial income		2.948	1.360
Financial expenses	3	<u>-12.521</u>	<u>-4.367</u>
<b>Profit/loss before tax</b>		<b>38.001</b>	<b>-284.015</b>
Tax on profit/loss for the year		<u>-7.730</u>	<u>69.194</u>
<b>Net profit/loss for the year</b>		<u><b>30.271</b></u>	<u><b>-214.821</b></u>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>30.271</u>	<u>-214.821</u>
		<u><b>30.271</b></u>	<u><b>-214.821</b></u>

## Balance Sheet 31 December

### Assets

	Note	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>586.494</u>
<b>Property, plant and equipment</b>		<u>0</u>	<u>586.494</u>
<b>Fixed assets</b>		<u>0</u>	<u>586.494</u>
Trade receivables		378.089	531.590
Contract work in progress	4	0	188.469
Receivables from group enterprises		708.652	214.408
Deferred tax asset		0	31.581
Prepayments		<u>0</u>	<u>15.528</u>
<b>Receivables</b>		<u>1.086.741</u>	<u>981.576</u>
<b>Cash at bank and in hand</b>		<u>121.824</u>	<u>161.998</u>
<b>Current assets</b>		<u>1.208.565</u>	<u>1.143.574</u>
<b>Assets</b>		<u>1.208.565</u>	<u>1.730.068</u>



## Balance Sheet 31 December

### Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		125.000	125.000
Retained earnings		<u>260.798</u>	<u>230.527</u>
<b>Equity</b>	<b>5</b>	<b><u>385.798</u></b>	<b><u>355.527</u></b>
Credit institutions		2.804	3.047
Trade payables		99.604	105.713
Prepayments received recognised in debt	4	0	500.379
Payables to group enterprises		394.274	250.972
Corporation tax		27.790	0
Other payables		<u>298.295</u>	<u>514.430</u>
<b>Short-term debt</b>		<b><u>822.767</u></b>	<b><u>1.374.541</u></b>
<b>Debt</b>		<b><u>822.767</u></b>	<b><u>1.374.541</u></b>
<b>Liabilities and equity</b>		<b><u>1.208.565</u></b>	<b><u>1.730.068</u></b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	6		
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# Notes to the Financial Statements

## 1 Main activity

The Company's activity is consultancy, laboratory and test services  
Within the farming industry and other businesses associated  
Herewith in Management's opinion.

	<u>2016</u> DKK	<u>2015</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	1.187.573	1.319.941
Pensions	73.498	95.234
Other social security expenses	<u>17.047</u>	<u>6.281</u>
	<b><u>1.278.118</u></b>	<b><u>1.421.456</u></b>
<b>3 Financial expenses</b>		
Interest paid to group enterprises	2.635	1.361
Other financial expenses	2.685	673
Exchange adjustments, expenses	<u>7.201</u>	<u>2.333</u>
	<b><u>12.521</u></b>	<b><u>4.367</u></b>
<b>4 Contract work in progress</b>		
Selling price of production for the period	0	1.095.921
Payments received on account	<u>0</u>	<u>-1.407.831</u>
	<b><u>0</u></b>	<b><u>-311.910</u></b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	188.469
Prepayments received recognised in debt	<u>0</u>	<u>-500.379</u>
	<b><u>0</u></b>	<b><u>-311.910</u></b>

## Notes to the Financial Statements

### 5 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	125.000	230.527	355.527
Net profit/loss for the year	<u>0</u>	<u>30.271</u>	<u>30.271</u>
<b>Equity at 31 December</b>	<b><u>125.000</u></b>	<b><u>260.798</u></b>	<b><u>385.798</u></b>

### 6 Contingent assets, liabilities and other financial obligations

#### Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	<u>2016</u> DKK	<u>2015</u> DKK
Within 1 year	0	82.232
Between 1 and 5 years	<u>0</u>	<u>179.598</u>
	<u>0</u>	<u>262.489</u>

Lease obligations, period of non-terminability 12 months	0	0
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#### 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 increase of the Company's liability.

### 7 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

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of Eurofins Agrosience Services ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

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.

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.

### **Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

## **Notes, Accounting Policies**

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### **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.

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.

### **Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

## **Notes, Accounting Policies**

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments as well as extra payments 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**

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years
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Depreciation period and residual value are reassessed annually.

## **Notes, Accounting Policies**

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

### **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of consumables equals landed cost.

### **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.

### **Contract work in progress**

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **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.