

Eurofins NSC Denmark A/S

Smedeskovvej 38, DK-8464 Galten

Annual Report for 1 January - 31 December 2018

CVR No 62 22 53 19

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

03-05-2019

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 NSC Denmark 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, 03-05-2019

Executive Board


Svend Aage Linde

Board of Directors


Koen Frans Van Loock


Stefania Pcolova


Svend Aage Linde

Independent Auditor's Report on the Financial Statements

To the Shareholder of Eurofins NSC Denmark 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 NSC Denmark 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 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 it 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 on the 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 skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statement, 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 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, 03.05.2019

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 NSC Denmark A/S
Smedeskovvej 38
DK-8464 Galten

CVR No: 62 22 53 19
Financial period: 1 January - 31 December
Municipality of reg. office: Skanderborg

Executive Board

Svend Aage Linde

Board of Directors

Koen Frans Van Loock
Svend Aage Linde
Stefania Pcolova

Auditors

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



Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Gross profit/loss		32.412.566	42.044.017
Staff expenses	2	<u>-18.183.713</u>	<u>-30.210.196</u>
Profit/loss before depreciation, amortisation and impairment		14.228.853	11.833.821
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.331.185	-1.162.829
Other operating expenses		<u>-11.068.859</u>	<u>-9.055.627</u>
Profit/loss before financial income and expenses		1.828.809	1.615.365
Financial income	3	211.724	1.126.223
Financial expenses	4	<u>-1.114.649</u>	<u>-1.031.152</u>
Profit/loss before tax		925.884	1.710.435
Tax on profit/loss for the year		<u>-213.965</u>	<u>-376.964</u>
Net profit/loss for the year		<u>711.919</u>	<u>1.333.472</u>

Distribution of profit

Proposed distribution of profit

Proposed dividends	0	1.300.000
Retained earnings	<u>711.919</u>	<u>33.472</u>
	<u>711.919</u>	<u>1.333.472</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Other fixtures and fittings, tools and equipment		2.816.166	2.850.895
Leasehold improvements		<u>38.961</u>	<u>43.831</u>
Property, plant and equipment		<u>2.855.127</u>	<u>2.894.726</u>
Fixed assets		<u>2.855.127</u>	<u>2.894.726</u>
Trade receivables		201.210	45.616
Receivables from group enterprises		6.538.634	7.189.432
Other receivables		14.479	165.187
Corporation tax		9.247.231	5.246.909
Prepayments		<u>916.899</u>	<u>119.149</u>
Receivables		<u>16.918.453</u>	<u>12.766.293</u>
Cash at bank and in hand		<u>17.969.718</u>	<u>1.421.810</u>
Current assets		<u>34.888.171</u>	<u>14.188.103</u>
Assets		<u>37.743.298</u>	<u>17.082.829</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Share capital		3.000.000	3.000.000
Retained earnings		2.337.608	1.625.689
Proposed dividends		<u>0</u>	<u>1.300.000</u>
Equity	5	<u>5.337.608</u>	<u>5.925.689</u>
Provision for deferred tax		<u>0</u>	<u>45.010</u>
Provisions		<u>0</u>	<u>45.010</u>
Credit institutions		39.250	71.540
Trade payables		2.553.750	1.851.353
Payables to group enterprises		23.904.524	4.173.271
Other payables		<u>5.908.166</u>	<u>5.015.966</u>
Short-term debt		<u>32.405.690</u>	<u>11.112.130</u>
Debt		<u>32.405.690</u>	<u>11.112.130</u>
Liabilities and equity		<u>37.743.298</u>	<u>17.082.829</u>
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Notes to the Financial Statements

1 Main activity

The activities of the Company is to manage the administration of Eurofins' Danish companies.

	<u>2018</u> DKK	<u>2017</u> DKK
2 Staff expenses		
Wages and salaries	16.639.304	28.756.750
Pensions	1.098.050	1.085.685
Other social security expenses	<u>446.359</u>	<u>367.761</u>
	<u>18.183.713</u>	<u>30.210.196</u>
Average number of employees	<u>41</u>	<u>41</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Financial income

Interest received from group enterprises	0	49.501
Other financial income	0	38.663
Exchange adjustments	<u>211.724</u>	<u>1.038.059</u>
	<u>211.724</u>	<u>1.126.223</u>

4 Financial expenses

Interest paid to group enterprises	249.792	345.565
Other financial expenses	<u>864.857</u>	<u>685.587</u>
	<u>1.114.649</u>	<u>1.031.152</u>

Notes to the Financial Statements

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	3.000.000	1.625.689	1.300.000	5.925.689
Dividends	0	0	-1.300.000	-1.300.000
Net profit/loss for the year	<u>0</u>	<u>711.919</u>	<u>0</u>	<u>711.919</u>
Equity at 31 December	<u>3.000.000</u>	<u>2.337.608</u>	<u>0</u>	<u>5.337.608</u>

6 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	<u>2018</u> DKK	<u>2017</u> DKK
Within 1 year	79.939	206.260
Between 1 and 5 years	<u>79.939</u>	<u>183.312</u>
	<u>159.878</u>	<u>389.572</u>

Lease obligations, period of non-terminability :	1.248.000	1.404.000
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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 an increase of the Company's liability.

Notes to the Financial Statements

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

Accounting Policies

Basis of Preparation

The Annual Report of Eurofins NSC Denmark 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 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.

Accounting Policies

Leasing

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 alternative borrowing rate 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.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit

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.

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.

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 intangible assets and property, plant and equipment and profits and losses on sale of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise.

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 Danish group enterprises. The tax effect of the joint taxation with the enterprises 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.

Accounting Policies

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
Leasehold improvements	5-15 years

Depreciation period and residual value are reassessed annually.

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.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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

Accounting Policies

deferred tax liabilities.

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

Current tax receivables and liabilities

Current tax receivables and 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 taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial debts

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