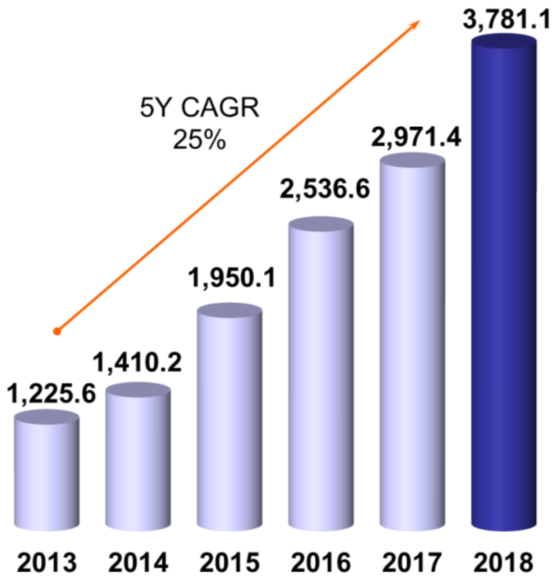
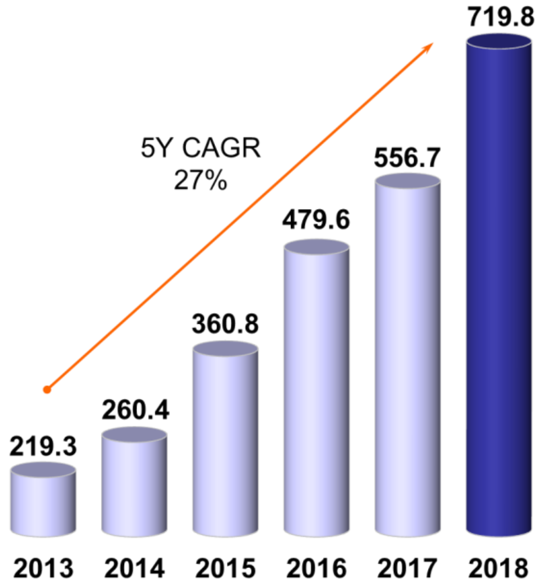
2018 Annual Report

Key Figures – Eurofins Scientific Group

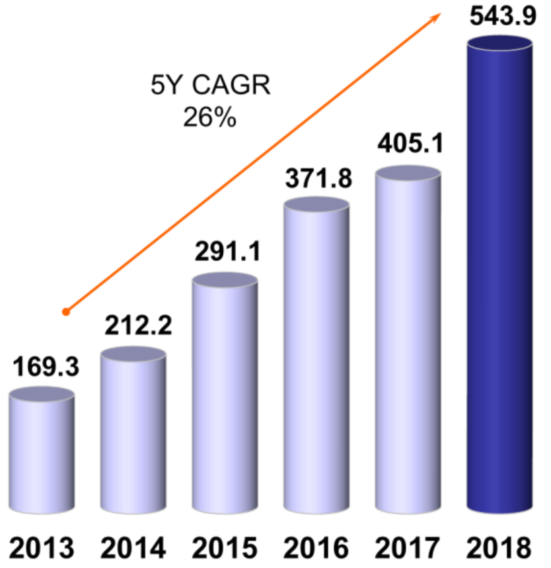
Revenues in EUR million



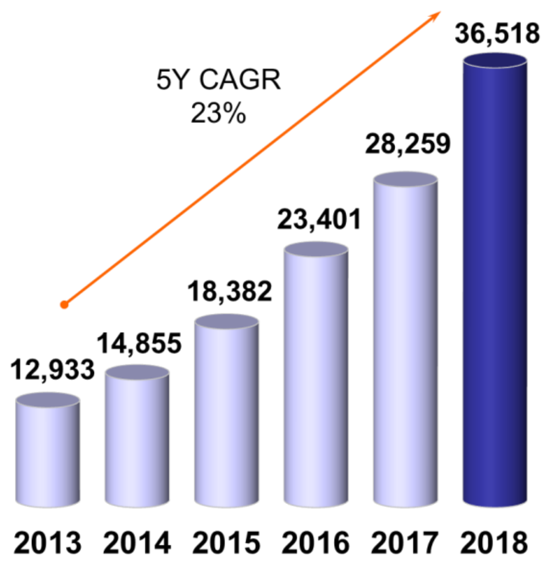
Adjusted EBITDA in EUR million



Operating Cash Flow in EUR million



Average Number of Full Time Employees (FTE)



EUR = Euro
5Y CAGR = Five Year Compound Annual Growth Rate
Average Number of Full Time Employees (FTE) = average weighted number of employees, expressed as full time equivalent (FTE)

Disclaimer

Shareholders' information

Listing
Euronext Paris (IPO on 24.10.1997)

Segments/ Indexes
Paris: MSCI Europe, Euronext 100, SBF 120, STOXX Europe 600, SRD & Compartment A

Industry Group/ Prime Sector
Healthcare/Healthcare Providers

Codes
ISIN: FR0000038259

Tickers
Paris: Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (at 31.12.2018)
EUR 1,775,215.80 (17,752,158 x EUR 0.10)

Simplified Ownership Structure
Free Float 63.9%
Martin Family 36.1%

2018 Share Price development
Eurofins Scientific: -35.8%
SBF 120: -11.7%
Next 150 Index: -22.0%
CAC 40 Index: -11.0%
Euro Stoxx 50 Index: -14.3%
Nasdaq Composite Index: -3.9%
Dow Jones Industrial Average Index: -5.6%

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with a CAGR (Compound Annual Growth Rate) of its share price of 28% between its IPO on October 24th, 1997, at €1.83 and December 31st, 2018 at €326.0.

Analyst coverage

Berenberg	Thomas Burlton
Bryan Garnier	Bruno de La Rochebrochard
Exane BNP Paribas	Allen Wells
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	Suhasini Varanasi
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
Kepler Cheuvreux	Aymeric Poulain
MainFirst	Nicolas Tabor
Morgan Stanley	Edward Stanley
Oddo	Christophe-Raphaël Ganet
Société Générale	Jean-Michel Belanger

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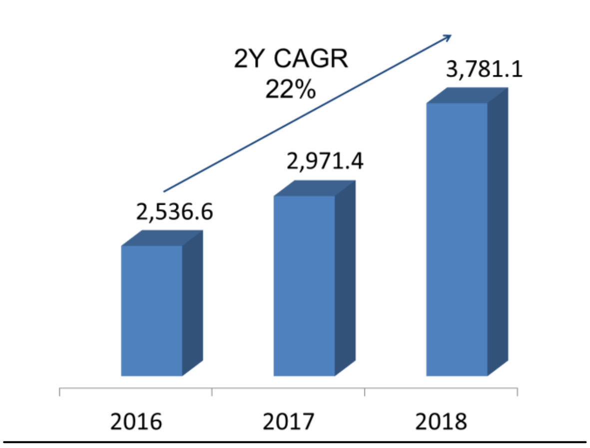
I. MANAGEMENT REPORT as of 31/12/2018

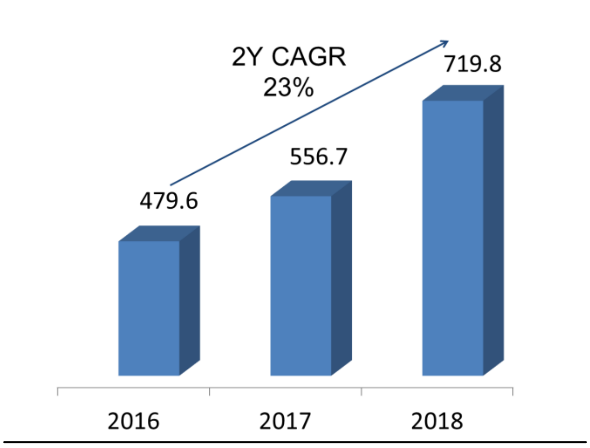
1 Key Performance Indicators (KPIs)

Developments in some of Eurofins' Key Performance Indicators (KPIs), as illustrated by the charts below, are discussed in detail in later sections of this report.

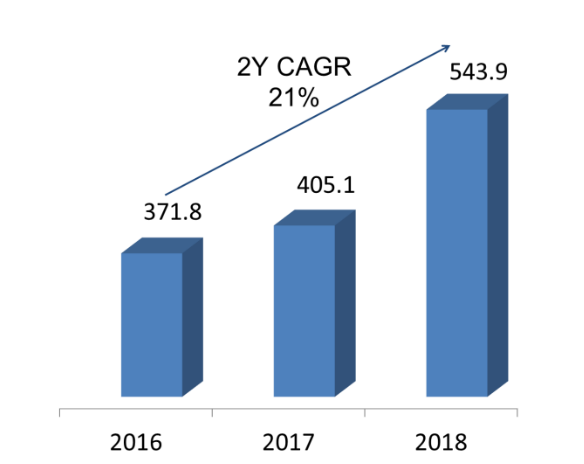
Revenues EUR m



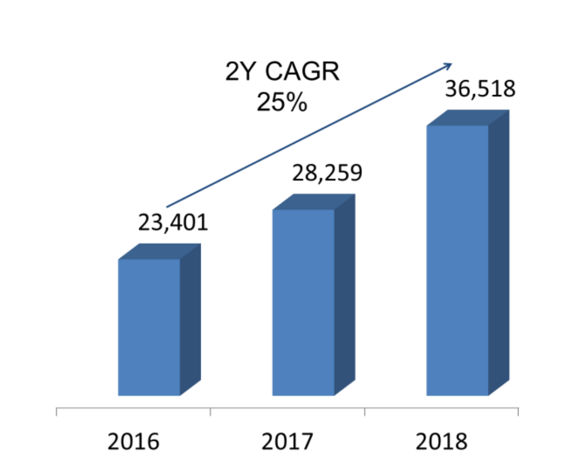
Adjusted EBITDA EUR m



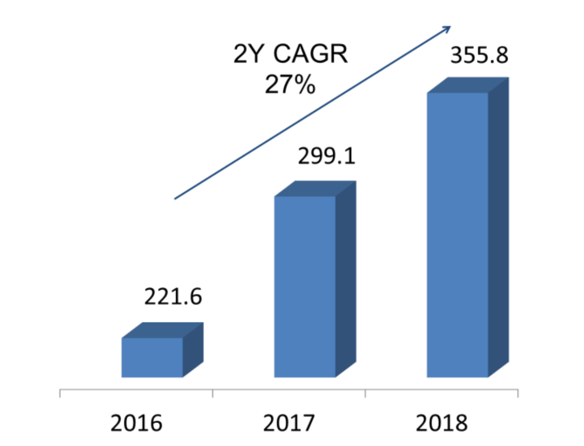
Operating Cash Flow EUR m



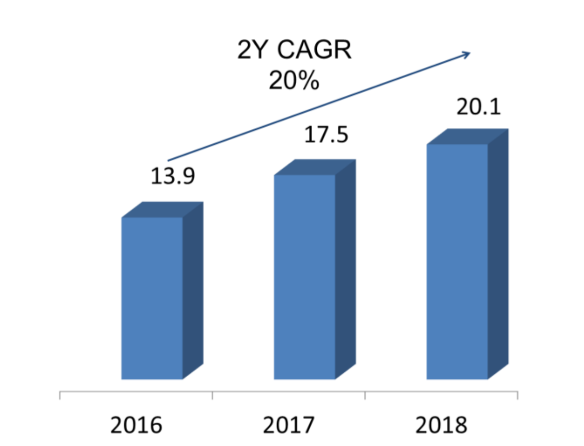
Average Number of Full Time Employees (FTE)



Adj. Net Profit to Equity Holders EUR m



Adj. Earnings Per Share EUR (Basic total)



2 Message from the CEO

I am pleased to report another set of strong results for Eurofins in 2018, the third year of its five years growth acceleration programme. In 2018 Eurofins made very good progress towards its operational objectives for 2020 of building an unmatched state-of-the-art global laboratory infrastructure in its markets.

Some of the highlights of 2018 include:

- Organic growth[10] was 4.5% in FY 2018, over 6% excluding Clinical Diagnostics which was affected by sharp one-off price reductions in Q4 in France and tests coverage and reimbursement cuts, particularly at Boston Heart Diagnostics in the U.S bringing annual revenues to EUR 3,781m in spite of -2.9% negative FX effect vs. 2017 average rates.
- 2018 was another strong year of M&A activity for the Group, with ca. 50 acquisitions closed during the year, representing annual revenues of ca. EUR 720m in FY 2018, for a total investment of about EUR 1.2bn.
- Adjusted[1] EBITDA[3] of EUR 720m in FY 2018, in line with the Group's objectives (EUR 700m), resulting in a margin of 19.0% (+30bp vs. FY 2017 in spite of negative FX effects also on EBITDA). Reported EBITDA of EUR 651m, a +27% increase vs. the previous year, in line with total revenue growth and representing 17.2% margin.
- The mature scope[11] of the Group, now representing 93% of total Group revenues (EUR 3,505m) up from 91% in 2017, posted an adjusted EBITDA margin of 20.5%, stable yoy, despite the margin dilution caused by 2017 and 2018 acquisitions (2017 acquisitions at 19.5%, +160bp yoy, and 2018 acquisitions at 16.5% adjusted EBITDA margin for the part consolidated in 2018 accounts), thanks to productivity gains and better utilisation of the laboratory infrastructure.
- Third start-up laboratory programme completed in FY 2018 with 15 new openings during the year, bringing the total number of start-ups opened since the beginning of the third programme in 2014 to 102 and to 145 since the year 2000. Start-ups launched during the third programme remain dilutive to Group's margin.
- Basic adjusted earnings per share (EPS) increased 15% to EUR 20.11 in FY 2018 in spite of higher tax rate and finance costs for M&A and not yet benefitting from integrating recent acquisitions.
- Strong operating cash flow[8] generation up 34% to EUR 544m in FY2018, with net working capital below 5% of revenues. Free cash flow to the firm[9] slightly decreased from EUR 192m in 2017 to EUR 183m in 2018, impacted by significant investments in laboratories and systems in order to build a leading global testing platform (capex of EUR 361m in 2018), the ramping up of costs in the Group's third start-up programme and the necessary reorganisations linked to the many acquisitions made in 2017 and 2018 (SDIs[2] of EUR 68m at EBITDA level in 2018, 9.5% of adjusted EBITDA).
- Net debt to adjusted pro-forma EBITDA leverage stood at 3.38x as at 31st December 2018, below the Group's self-imposed limit of 3.5x. Over the coming years, as its five years infrastructure development programme should be completed by the end of 2020, Eurofins intends to deleverage as a result of improved cash flow generation from a reduction in capex, profitability improvement and lower M&A activity and revert back to its historical average leverage level.
- Proposal to distribute a dividend of EUR 2.88 per share, a 20% increase vs. 2017 corresponding to 29% of basic reported EPS[7] attributable to equity holders.
- In FY 2018, the Group made significant improvements to its corporate governance and is expanding its annual report and disclosures on audit coverage, Board Committees' work, organic growth calculation and segment information. The Group's Board of Directors also mandated an independent third party audit on the authorization process of related parties transactions by its existing Governance Committee made up of independent directors only who approve these transactions, and created a Nomination & Remuneration Committee, whose work has been supported by an independent third party benchmark report on Board and CEO compensation.

Outlook: following two years of intense M&A activity and heavy investments into its leading global platform (mostly in state-of-the-art laboratories, start-ups and proprietary IT solutions), the Group will now increasingly focus on operational performance optimisation, which it expects should also improve its margins and cash flow generation. On the M&A side, after an exceptional level of ca. EUR 700m in revenues added in each of 2017 and 2018, Eurofins intends to be very selective and focus on deleveraging. As such for now, it intends to keep M&A investments under EUR 300m per annum on average in 2019 and 2020 and may not even reach that level in the absence of compelling assets.

At 2018 average exchange rates, Eurofins management has set the following objectives[14] for the year 2019: EUR 4.5bn revenues, including 5% from organic growth and EUR 100m consolidated from acquisitions, EUR 850m adjusted EBITDA, and EUR 350m Free Cash Flow to the Firm[9]. These objectives reflect the beginning of a stronger focus on margins and cash flow generation and are accompanied by significantly reduced cash outflow resulting from self imposed limits of EUR 300m each for capex spend and M&A spend in 2019 and 2020. Eurofins will be completing its five years infrastructure global development programme in 2019 and 2020 and thus capex in laboratories and IT solutions, which remain relatively high until 2020, should reduce thereafter. The opening of new start-up laboratories should be minimal in 2019 and 2020.

For 2020, Eurofins' objectives are to achieve EUR 5bn of revenues and EUR 1bn Adjusted EBITDA (at 2018 average exchange rates and on a pro-forma basis), translating into an Adjusted EBITDA margin objective of 20% for 2020 as the benefit of its laboratory network modernisation and streamlining and of IT investments should start to kick in. This is based on the assumption of Eurofins achieving its 5% organic growth objective and acquiring laboratories generating ca. EUR 200m revenues per annum in each of 2019 and 2020 (consolidated at mid-year). 2020 revenues and profit objectives will be fine-tuned when presenting 2019 results as current focus is on deleveraging rather than on M&A.

We expect Clinical Diagnostics to fare better in 2019 than in 2018. In Europe, we expect strong developments in the non-invasive pre-natal tests market where Eurofins has the broadest service offering as well as a more benign reimbursement environment in France with market expected to return to modest growth. In the U.S., significant measures to restructure Boston Heart Diagnostics which has now unfortunately become smaller and less significant with respect to the Group's overall size and develop sales toward prevention oriented markets are being taken. Eurofins' clinical diagnostics laboratories also have several promising tests in their pipeline, which may receive reimbursement in 2019 or 2020 in some geographies. Trends remain very positive across the rest of the Group's activities. Eurofins expects continued strong organic growth outside of Clinical Diagnostics.

Beyond 2020, Eurofins will focus on making optimal use of its existing best-in-class network of laboratories - to be completed by then - which should have a positive impact on margins and cash flow generation and potentially on organic growth as new tests receive adoption. With regards to liquidity and leverage, based on achieving the objectives mentioned above, Eurofins is already financed to repay its Hybrid instrument callable in January 2020 (EUR 300m) and does not plan to issue equity in the short term. Beyond 2020, Eurofins should expand mostly via organic growth and modest M&A activities until its leverage ratio[15] is back to its historic secular level.

2018 was a pivotal year for Eurofins as the Group made very significant progress towards the objectives of its five year 2015-2020 plan to build a unique global network of state-of-the-art laboratories, market leadership positions, scale and scientific excellence to offer even better, faster, more cost effective and more differentiated services to its clients and as a result significantly improve its competitive advantage, profitability and cash flow generation to benefit its long-term oriented shareholders for years to come. From a financial perspective, the exceptional M&A activity of the last two years and subsequent integration efforts as well as the heavy investments into building an unmatched state-of-the-art laboratory platform (laboratory buildings, start-ups and IT) with significant scale advantages are still weighing on the margins and cash flow generation. In 2019 and 2020, the focus for the Group will be less on M&A, as most strategic acquisitions have been completed, and much more on finalising those internal investments and making progress towards operational excellence, and thus on beginning to improve profitability, cash flow and return on investment. Based on the noncyclical nature of the markets it serves, the very high recurrence of its revenues, the discretionary nature of the largest part of its investments and the market value of its various independent businesses, Eurofins' leadership is very comfortable with its current balance sheet structure but over the next few years it will nonetheless aim at deleveraging back to the historical level it has consistently operated at until 2017.

Sincerely,

Dr. Gilles G. Martin
CEO

Dated March 1st, 2019

(Please see definitions of the financial terms discussed on page 22).

3 The Business

Eurofins Scientific – A Global Leader in Bioanalytical Testing

Eurofins Scientific through its subsidiaries (hereinafter sometimes “Eurofins” or “the Group”) believes it is a scientific leader in food, environment, and pharmaceutical products testing and in agroscience CRO services. It is also one of the independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the emerging players in specialty clinical diagnostic testing in Europe and the USA.

With about 45,000 staff in a network of companies operating more than 800 laboratories across 47 countries, Eurofins offers a portfolio of over 200,000 analytical methods for evaluating the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as for innovative clinical diagnostic. The Group objective is to provide its customers with high-quality services, accurate results on time and expert advice by its highly qualified staff.

Eurofins is committed to pursuing its dynamic growth strategy by expanding both its technology portfolio and its geographic reach. Through R&D and strategic acquisitions, the Group draws on the latest developments in the field of biotechnology and analytical chemistry to offer its clients unique analytical solutions and a very comprehensive range of testing methods.

As one of the most innovative and quality oriented international companies in its industry, Eurofins is ideally positioned to support its clients’ increasingly stringent quality and safety standards and the expanding demands of regulatory authorities and healthcare practitioners around the world.

Our Vision: To be the World Leader in Testing for Life.

Our Mission: To contribute to global health and safety by providing our customers with high quality laboratory and advisory services whilst creating opportunities for our employees and generating sustainable shareholder value.

Our Values: Achievement of our Mission is based on Eurofins "Core Values", which commit us to Customer Focus, Quality, Competence & Team Spirit and Integrity.

History and Strategy of Eurofins

Eurofins was founded in 1987 with 4 employees to market the SNIF-NMR technology, a patented analytical method used to verify the origin and purity of several types of food and beverages and identify sophisticated fraud not detectable by other methods. Today Eurofins operates a network of more than 800 state-of-the-art laboratories across 47 countries in Europe, North and South America and Asia-Pacific employing about 45,000 staff, and offering a portfolio of over 200,000 reliable analytical methods.

Investments in start-up laboratories in several countries, including in emerging markets, along with strategic acquisitions, have substantially increased the range of Eurofins’ offerings in its customers’ key markets, as well as the number of leadership positions across its end markets around the world. Eurofins has also started seeing the benefits from its intensive investment programmes. The results have been reflected in a significantly enlarged network of state-of-the-art laboratories and Competence Centres, increased efficiency across the Group, and higher market shares in most of its markets.

Eurofins operates in a range of clearly defined markets that are considered to have high growth potential and where competition is generally fragmented.

Eurofins is structured as a decentralised network of independent companies. Each of the Group’s businesses develops plans to enable it to fulfil its mission and objectives. The Group does not operate under one single strategy, but with several that are specific to each market in which its subsidiary companies operate. In general, Eurofins companies and groups thereof constituting regional or global business lines employ all or a combination of the following to build strong positions and defendable barriers-to entry:

- Use advanced technologies, supported by a high level of R&D and bespoke IT solutions;
- Deliver standardised, accredited services of high quality;
- Leverage Eurofins’ growing global network of laboratories and service/product portfolio to generate scale effects (in particular top line synergies from cross-selling services offered by other laboratories in the network) and be a first choice provider; and
- Strive to become, over time, and remain the number one or number two service provider in every niche laboratory testing market in which the Group operates.

Each laboratory strives for operational excellence and aspires to be the best partner for its clients by leveraging the Group's network capabilities, through sharing of know-how and best practice, IT infrastructure and solutions, logistics and financial resources. This has been achieved and successfully replicated across many countries and market segments to date. The Group aims to achieve growth through organic development (selling more to existing customers and attracting new customers) and selective acquisitions which give access to new customers, geographic markets, technologies, and innovation.

Eurofins Focus on Scientific Innovation

Eurofins is structured as a network of intrapreneur-led companies. This decentralised structure promotes closer and more individualised services to clients and fosters business agility and scientific innovation. Since the Company’s inception, its laboratories have invented many new testing methods and applications which have had a significant positive impact on life and health.

Some examples of the innovative testing technologies developed by Eurofins over the past three decades are described in several publications including:

- Examples of Eurofins' scientific innovations[a],
- 30 years of scientific innovation booklet[b], etc.

Eurofins leads its industry in science and innovation. Here are a few examples of Eurofins' innovations in 2018 alone:

In 2018, Eurofins Food Integrity Control Services GmbH in Germany became the first laboratory in the world capable of offering authenticity analysis of honey by liquid chromatography coupled with high resolution mass spectrometry (LC-HRMS) as an ISO 17025 accredited method. With this, Eurofins is offering the most advanced and reliable testing method for honey authenticity on the market.

Eurofins EGL Clinical Genetics laboratory introduced NGSwab for exome testing in September 2018. EGL has worked extensively to explore possibilities to simplify the process, for its patients, of collecting their samples, while not compromising on quality. EGL became the only laboratory currently able to perform any of its highly specialised panels from a saliva sample alone. This option has been recognised as a preference for many of its clients, and so, EGL is beginning to roll out this service in early 2019.

In August 2018, Eurofins Viracor announced the launch of the first commercially available predictive acute Graft versus Host Disease (aGVHD) algorithms to help identify at-risk patients. Acute GVHD is a major complication following allogenetic hematopoietic cell transplantation (allo-HCT). Accurate and early identification of patients at high-risk for severe aGVHD and related complications has the potential to improve patient outcomes. These new algorithms have clinically validated cut-offs to help healthcare providers identify patients at risk, and delivers actionable data that could safeguard transplant patients by improving their outcomes.

Eurofins Norwegian teams developed and launched a new method for the detection of micro-plastics in food and the environment, a critical issue for the food and beverage industry. This test is now being made available across the entire Eurofins network. The Group has already won a worldwide contract with a top ten global food manufacturer as a result of this very test, and the Group sees a strong pipeline for the test across our network.

Other developments:

Eurofins Supplement Analysis Centre in the USA introduced a new supplement analysis testing method for ginger and industrial hemp cannabinoids, all recognised by the Association of Official Agricultural Chemists (AOAC).

Eurofins Biomnis, a European leader in advanced medical pathology, launched state-of-the-art preventive medicine test panels under the brand Juvenalis[c] in collaboration with European experts in medical pathology and anti-ageing. These panels offer practitioners and patients a wide range of wellness tests under the Juvenalis brand. Preventive clinical testing is, for example, used to measure and objectivise the imbalances in the three main factors behind cellular ageing:

- Oxidative stress, which attacks cell metabolism at the deepest level
- Low-grade inflammation, which is responsible for many types of chronic pain
- Dysbiosis, a factor in most digestive disorders

The Juvenalis wellness tests allow clinicians to provide targeted and personalised guidance to patients to combat signs of ageing and maintain good health.

Eurofins became the first laboratory in France to be accredited by the French National Institute for Industrial Environment and Risks (INERIS) for indoor air quality assessment.

Eurofins Analytics France received the highest level of accreditation delivered by COFRAC ("FLEX 3") for its entire range of nutritional labelling analyses.

Industry Overview

The Market for Testing, Inspection and Certification Services (TICS)

Bioanalytical testing (defined by Eurofins as testing all products or substances that we eat, drink, ingest, inhale or come in contact with our bodies) is a relatively new market that started expanding significantly only a few decades ago, particularly for third party service providers. Despite the ongoing consolidation process, the market is still highly fragmented with a large number of smaller and medium sized laboratories offering a limited technological portfolio, regional presence and customer reach[d]. In contrast, the Eurofins Group and a few large international peers offer customers a large range of analytical services, as well as support across multiple countries around the world.

Given the fragmentation and complexity of the bioanalytical testing market, many companies provide services addressing various sub segments of the market. However, Eurofins does not consider any other company to be an exact competitor in all the segments and geographies in which it operates. Equity and credit research analysts often cite Intertek, Bureau Veritas, SGS, ALS Global, and Applus as comparable listed TICS companies for their valuation purposes[e]. In the pharmaceutical area, Covance (LabCorp Group), IQVIA, Icon and Charles River are often cited along with other CROs like PRA Health Sciences and Parexel.

[a] https://www.eurofins.com/30th-anniversary/30-years-of-scientific-innovation/examples-of-our-scientific-innovations/

[b] https://cdnmedia.eurofins.com/corporate-eurofins/media/12144648/eurofins_30y_booklet_of_innovations_final.pdf

[c] https://www.juvenalis.com/en/

[d] KPMG Corporate Finance, Test and Measurement newsletter Q1 2017

[e] More generally, the Group considers the following international companies to have activities in competition with its activities, even if only partially : ALS Global, Albany Molecular Research, Bureau Veritas, Charles River, Dekra, DNV-GL, Evotec, Icon, Idexx, Intertek, IQVIA, LabCorp/Covance, LGC, Merieux Nutrisciences/Silliker, MIRACA, Quest Diagnostics, SGS, Sonic Healthcare, SRL, Syneos Health, Synlab, the TÜV groups, UL, Wu Xi. This list is by nature non exhaustive, and evolutive over time. It is provided for illustration purposes only

Estimates of the size and growth rates of the TICS market vary widely across studies primarily due to the market's high degree of fragmentation and the inclusion or exclusion of in-house (insourced) TICS activities. In many geographies and markets, a large proportion of laboratory testing is performed by government-owned institutions or remains largely an in-house activity for large multinational corporations.

According to Market Study Report LLC[f], The global TICS market is projected to grow at 6% CAGR during the period 2018-2024. The TICS market size is estimated to cross $240bn by 2024. This market size estimate takes into account both the outsourced and insourced TICS market, and includes the inspection and certification services markets. This estimate is provided for indicative purposes only since it does not accurately reflect the size of the addressable market for Eurofins as a more focused provider of laboratory testing services with an impact on health and life which is only a fraction of the TICS market size.

BioAnalytical Testing – A Highly Scalable Activity

Eurofins has developed a global network of more than 800 laboratories across 47 countries. Across its network, Eurofins is able to provide the most comprehensive portfolio of tests to its clients in the markets it serves with over 200,000 validated analytical methods. The network has the scale and potential to create high barriers to entry for competitors and to generate significant economies of scale for the Company and its shareholders.

Hub and Spoke Model – Local Laboratories and Competence Centres

Eurofins' network of laboratories is generally comprised of many small, local laboratories (spokes) and some centralised competence centres (hubs), a structure similar to that of the global logistics networks. Since most laboratories bring specialisation on specific customer groups, products or analytical methods, Eurofins can optimally leverage the highly scalable nature of these testing activities. Complex analytical testing methods are centralized in competence centres where samples from clients served by a large part of the Group's network are pooled in large numbers to ensure that more complex tests can be performed in a reliable and cost-effective manner. Local laboratories are located in close proximity to customers to ensure that they can offer tailored services and often local sampling services. Local clients expect their laboratories to offer technical and sales services by local employees that speak the client's language and understand the relevant government regulations. Some time critical tests like bacteriology also have to be performed within a few hours of taking the samples.

Eurofins fulfils the requirements of a broad range of customer segments:

1. Large Global Customers
   a. Local support at customers' facilities
   b. Globally Harmonized / standardized portfolio of tests and processes
   c. Market leading testing capacity to respond to crisis cases and accompanying demand spikes
   d. Market leading range of analytical methods with high capacity and low turnaround time.
2. Local Customers
   a. Local laboratories with close proximity that understand customers' needs and requirements
   b. Full offer of all testing methods
   c. Highest analytical standards and expertise
3. Customers Outsourcing their Laboratories
   a. Best analytical expertise
   b. Experience and positive track record of outsourcing of industry internal laboratories
   c. Best terms to access state-of-the-art equipment and technology
   d. Provides significant overflow capacities in case of crisis in its network
   e. Eliminates additional investments / capital tie-up
   f. Potentially significant cost savings, material reductions of client's fixed cost bases

Testing for the Biopharmaceutical Market

Eurofins is a first-class biopharmaceutical outsourcing services partner (Contract Research Organization – CRO focused on laboratory services and Contract Development & Manufacturing Organization - CDMO), working with clients from the pharmaceutical, chemical, agrosciences, biotechnology, medical devices and cosmetics industries. The Group covers all stages of the drug development process thanks to an international network of laboratories and testing units with global reach, uniform Quality Assurance (QA) systems and high quality services. Eurofins' Biopharma Services business line offers a broad portfolio of testing services and supports its clients by enhancing their productivity and effectiveness and decreasing their time to market in the development of new drugs, as well as providing scientific and regulatory expertise in new geographies.

The biopharmaceutical testing market offers strong growth potential:

- Rapid technological changes and increasing complexity in testing require ongoing investments in technology and scientific expertise leading to greater outsourcing by large pharma clients.

[f] Market Study Report LLC : https://www.openpr.com/news/1532960/Testing-Inspection-and-Certification-Services-Market-Key-Information-By-Top-Key-Player-SGS-SA-Bureau-Veritas-Intertek-DEKRA-Eurofins-TUV-SUD-DNV-GL-TUV-Rheinland-Applus-SYNLAB-TUV-Nord-LR-ALS-SOCOTEC-Corelab-Kiwa-Group-RINA-Apave.html

- The increasing complexity of clinical trials leads to increasing amounts of diagnostic procedures performed per patient. Regulatory bodies (e.g. FDA) are demanding more study data to improve safety.
- A new wave of biologics requires more testing (2017 was a record year in FDA novel drug approvals[g]).
- Clinical trial processes are becoming increasingly rigorous as clients want to ensure drug efficacy.
- The amount spent per drug trial is rapidly increasing.

These rising complexities and regulatory scrutiny lead to an increasing likelihood of pharmaceutical players outsourcing certain testing activities to Contract Research Organizations (CROs), such as Eurofins.

Eurofins pharmaceutical services span the entire drug development cycle including: Genomics, Discovery Pharmacology, Pre-Clinical/Early Development, Clinical Stage/Central Lab, Development & Manufacturing and Biopharma Product Testing.

Eurofins' addressable testing market for outsourced pharmaceuticals/biotech/agrosciences laboratory testing services is estimated at ca. EUR 5bn (to the best of Eurofins' knowledge, based on data available to the Group).

Some further information on these sub segments is highlighted below:

Genomics Market

Eurofins Genomics is a leading provider of total genomic solutions with many years of experience in the field of genetic synthesis and analysis, crucial for the entire drug development and production process. The main activities of Eurofins Genomics include synthesis of oligonucleotides and genes and services within molecular analyses of Ribonucleic acid (RNA) and Desoxyribonucleic acid (DNA) from a wide range of species and specimens – always with a consultative approach. Eurofins Genomics is offering services specially tailored for the Pharmaceutical industry, development of Companion Diagnostics and support of Translational Medicine. With multiple specialized technological platforms, Eurofins Genomics covers the entire value chain: Target identification, Target validation, Biomarker discovery and validation, Pre-clinical development, Clinical development: phases I, II and III, Post approval and Manufacturing. Eurofins' Next Generation Sequencing laboratories operate under Good Laboratory Practice (GLP) accreditation as well as ISO 17025 accreditation. The Genomics market is growing fast and expanding its global reach. It is estimated to grow at a CAGR of 10.2% to reach US$ 23.8bn in 2022 from US$ 14.7bn in 2017[h]. The Next Generation Sequencing market was valued at US$ 5.7bn in 2017 and is estimated to reach US$ 26.5bn by 2025[i].

Some key factors driving the growth in the Genomics market include:

- Growing demand for research activities in the field of genomics.
- Increasing number of biotech start-up companies.
- Increasing application of genomic sequencing in many areas like diagnostics, personalized medicine, crop optimization, etc.

Eurofins Genomics serves Public & Academic Research Institutes, Hospitals, Biotech Start-ups and Pharmaceutical Research with Genomics Research services. Furthermore, Eurofins Genomics serves the Food Industry, Pharmaceutical Industry, Environmental Industry, Agroscience Industry, Police and Diagnostics with Applied Genomics services. Eurofins Genomics offers a global laboratory footprint with four major hubs in Louisville (US), Munich (Germany), Bangalore (India) and Tokyo (Japan).

Eurofins Genomics considers the following publicly listed companies to be competitors in the Genomics market: IDT/Danaher, Genewiz and Abcam (this list is by nature non-exhaustive and evolutive over time. It is provided for illustration purposes only).

Discovery Pharmacology

Eurofins Pharma Discovery Services has supported Drug Discovery research for over 40 years. It is recognized as the industry leader for providing drug discovery researchers the largest and most diverse portfolio of standard and custom in vitro safety & pharmacology assays and panels for drug screening and profiling.

In addition to its *in vitro* safety pharmacology strengths, Eurofins also offers a broad portfolio of over 4,500 drug discovery assays and kits. These include *in vitro* assays, cell-based phenotypic assays, safety pharmacology & efficacy, Absorption, Distribution, Metabolism, Excretion (ADME) toxicology, chemistry, and custom proteins and assay development capabilities. Eurofins Pharma Discovery Services support a variety of drug discovery targets such as G protein-coupled receptors (GPCRs), Kinases, Ion Channels, Nuclear Hormone Receptors and other proteins & enzymes.

Eurofins broad global service capabilities and its scientific and operational expertise developed through decades of experience in providing drug discovery services result in the delivery of high quality, reproducible study performance with few repeats and high client satisfaction. The comprehensive portfolio of services offered by Eurofins Pharma Discovery Services provides clients the benefit of being able to

[g] https://www.reuters.com/article/us-pharmaceuticals-approvals/new-drug-approvals-hit-21-year-high-in-2017-idUSKBN1ER0P7

[h] https://www.openpr.com/news/1551247/Genomics-Market-Insights-Key-players-in-the-Genomics-market-include-F-Hoffmann-La-Roche-Thermo-Fisher-Scientific-BGI-Illumina-QIAGEN-GE-Healthcare-Bio-Rad-Laboratories-Eurofins-Scientific-Agilent-Technologies-Oxford-Nanopore-Technologi.html

[i] https://www.openpr.com/news/1534098/Next-Generation-Sequencing-Market-Outlook-to-2025-Thermo-Fisher-Scientific-Beijing-Genomics-Institute-F-Hoffmann-La-Roch-PerkinElmer-Oxford-Nanopore-Technologies-Eurofins-Scientific-Agilent-Technologies-and-Macrogen.html

work with a single outsourcing provider for their drug discovery programs.

The Drug Discovery market is growing rapidly. It is estimated to grow at a CAGR of 11.6% between 2016 and 2022[j].

Some key factors driving the growth of the Drug Discovery market include:

- increasing research and development expenditures;
- increasing focus on cost optimization, and a growing outsourcing trend;
- big data and artificial intelligence; and
- global pharmaceutical and biotech companies increasingly seek dynamic, flexible and reliable partners.

Eurofins Pharma Discovery Services is recognized as an industry leader for providing drug discovery researchers the largest and most diverse portfolio of standard and custom in vitro safety & pharmacology assays and panels for drug screening and profiling. It operates nine laboratories across three continents (US, Europe and Asia). Over the last decade, Eurofins has acquired the following Pharma Discovery Services companies: Cerep (France), Pan Labs (US), DDS-Millipore (US & Canada), Villapharma (Spain) and DiscoverX (US).

Eurofins considers the following publicly listed companies to be competitors in the Discovery Pharmacology market: Abcam, Albany Molecular Research, Charles River and Evotec (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

Pre-clinical / Early Development Market

Early and pre-clinical drug development is a complex, regulatory and strategy-driven process. The most important element of the pre-clinical process is to select the best new molecular entities to enter into the clinical trials and to avoid failure in full development. Thus, the priority during the pre-clinical selection process lies in the safety and efficacy testing of a new molecular entity. With decades of professional experience in drug development, Eurofins is well positioned to offer a holistic approach of the compound development in order to maximize the chances of success in the clinical phases.

Eurofins ADME Bioanalyses has developed a screening test to support pharmaceutical and biotech clients in the selection of a lead compound or to add further value to their compounds. This test provides an earlier and more significant indicator of bioavailability than in vitro studies, bearing in mind that 40% of the molecules are stopped in the development phase due to an insufficient level of bioavailability. Eurofins ADME Bioanalyses provides pharmacokinetic indications to clients within one month in a cost effective manner.

Eurofins also offers a large pre-clinical service portfolio including toxicology, pharmacology, metabolism, pharmaceutical analysis and biosafety testing. Eurofins' Pharma services offer the advantage of hosting industry leading expertise in pre-clinical and clinical development within the same organization. This structure allows Eurofins to design the overall strategy for the benefit of its clients' compounds. The coordination of the pre-clinical activity of clients' projects is targeted for a successful clinical development. Eurofins ensures timely, accurate and accessible data, while also offering consultancy support. This integrated approach allows Eurofins to differentiate itself from its competitors.

Eurofins Pharma Early Development operates six laboratories located in France, Germany, Italy and Spain.

Eurofins considers the following publicly listed companies to be competitors in the Pre-Clinical / Early Development market: Catalent, Charles River, Evotec, Icon, IQVIA and LabCorp (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

Clinical Development / Central Laboratory

Eurofins operates four wholly-owned central laboratories accredited by the College of American Pathologists (CAP). With these, Eurofins has a global footprint of standardized central laboratories located in Lancaster (US), Breda (Netherlands), Shanghai (China) and Singapore. All four laboratories are connected to one global Laboratory Information Management System (LIMS) and use the same global standard operating procedures and global reference ranges through the deployment of uniform instruments, reagents, and analytical methods to provide one global data set for submission to health authorities worldwide.

Eurofins' central laboratories provide an array of services to its clients to ensure that any clinical trial sample is collected, transported, managed, analysed, reported and stored to meet the objectives and purposes of its clients' studies. These services include global kit production and logistics support, sample management and storage, clinical and esoteric testing services, investigator services, project management and data management, and scientific consultancy. Eurofins' central laboratories support their clients in the entire drug development process, pre-clinical, proof of concept and confirmation.

With over 20 years of experience and scientific expertise, Eurofins is dedicated to providing the most cost effective and efficient Central Laboratory solutions to pharmaceutical and biotech companies, and Contract Research Organizations (CROs).

Eurofins considers the following publicly listed companies to be competitors in the Clinical Development market: Albany Molecular Research, Charles River, ICON, IQVIA, LabCorp and Syneos Health (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

[j] https://www.marketsandmarkets.com/Market-Reports/drug-discovery-services-market-138732129.html - Note: this study includes markets and sub segments not served by Eurofins.

Contract Development and Manufacturing

Eurofins CDMO (Contract Development and Manufacturing Organization) provides integrated, end to end solutions for pre-clinical and clinical outsourcing services of both Drug Substance/Active Pharmaceutical Ingredient (API) and Drug Product for New Biologic Entities (NBEs) and New Chemical Entities (NCEs).

Eurofins CDMO helps streamline the drug development cycles for pharmaceutical and biopharmaceutical companies to allow them to move rapidly from research stage of NBE/NCE development to clinical stages with integrated and time-efficient services.

From formulation screening and development, analytical development, stability studies and pre-clinical safety assessment studies to sterile and non-sterile manufacturing, Investigational New Drug (IND), Investigational Medicinal Product Dossier (IMPD), New Drug Application (NDA) services, and Common Technical Document for the Registration of Pharmaceuticals for Human Use (CTD) services, as well as clinical trial material including packaging and logistics. Eurofins has extensive capabilities in multi-step syntheses, as well as the development of cytotoxic and highly potent Active Pharmaceutical Ingredients (APIs).

With 13 state-of-the-art facilities in the US, Europe and India and global regulatory expertise, Eurofins CDMO provides high-quality, customized solutions for complex products and unique production processes, specializing in the development of innovative formulation technologies and solutions to enhance bioavailability and control drug release for difficult-to-formulate drug candidates.

To support early phase programs, including IND-enabling projects, Eurofins can execute the following:

- Development of new, scalable API route options
- Route development and process safety assessment
- Current Good Manufacturing Practice (cGMP) compliance
- Starting material and other raw materials sourcing and development
- Polymorph screening & salt selection
- Analytical method screening and preliminary stability profile
- Pre-formulation and pre-clinical supply

Our integrated group of companies provides a seamless transition for API and drug substances from the initial discovery stages of the program to commercialization and on-the-shelf.

Eurofins considers the following publicly listed companies to be competitors in the CDMO market: Albany Molecular Research, Cambrex, Catalent, Lonza and Thermo Fisher (Patheon) (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

BioPharma Product Testing (BPT)

Eurofins BioPharma Product Testing operates the largest network of independent harmonized bio/pharmaceutical GMP product testing laboratories worldwide providing comprehensive laboratory services, from starting materials through finished product testing, for the world's largest pharmaceutical, biopharmaceutical and medical device companies. Its laboratories offer a broad range of methodologies under GMP authorization, ISO 17025 accreditation and ISO 9000 certification. Analyses can be performed according to European and British Pharmacopeia (EP and BP), United States Pharmacopeia (USP) and Japanese Pharmacopeia (JP), as well as specific customer methods.

Eurofins offers three different service delivery models providing clients with flexibility to meet their specific project needs:

- Traditional fee-for-service testing of client samples at Eurofins laboratories;
- FTEs (full time employees) at Eurofins site dedicated employees working exclusively for one client; and
- PSS (Professional Scientific Services) dedicated, full-time, qualified, and trained Eurofins PSS personnel working at client’s site, trained, organized and managed by Eurofins.

The largest clients use multiple of the aforementioned service tiers. For seven consecutive years, Eurofins has proudly been the winner of the CRO Leadership Award by *Life Science Leader* magazine in collaboration with Industry Standard Research (ISR). In 2018, Eurofins has been recognized for meeting or exceeding customer expectations in Capabilities, Compatibility, Quality and Reliability:

- Capabilities - Eurofins supports all functional areas of biopharmaceutical manufacturing with locations across the world.
- Compatibility – Eurofins is easy to work with and provides timely project communications.
- Quality - Eurofins ensures that its data meets customers' data quality expectations and global regulatory compliance requirements.
- Reliability - Eurofins meets project timelines and milestones.

With a global capacity of more than 150,000 square meters and facilities located in Australia, Belgium, Canada, Denmark, France, Germany, India, Ireland, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, Switzerland, UK and the US, Eurofins BPT’s network of GMP laboratories operates under the same strict quality procedures, LIMS and centralized billing system across 34 locations worldwide.

Eurofins considers the following publicly listed companies to be competitors in the BPT market: Charles River, PPD, LabCorp/Covance and WuXi AppTec (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

The Food and Feed Testing Market

Eurofins is the world leading food and feed testing laboratory group, deploying a comprehensive range of state-of-the-art analytical techniques in order to support its clients' increasingly stringent quality and safety standards. Eurofins tests all products that are consumed or used for the production of food, beverages and feed. Each product type often requires different testing methods from country to country. Eurofins' Food and Feed testing offering is the most comprehensive in the market with a portfolio of more than 130,000 different validated analytical methods.

The Food and Feed testing market enjoys robust growth drivers:

- Food scares and crises widely covered in the media;
- Globalisation: raw materials sourced from countries with different quality control (QC) practices;
- Consumer demands for safety and quality increase as they become increasingly concerned about choices impacting health and safety;
- Outsourcing of industry's internal or state-owned laboratories; and
- Ever increasing innovations in fraud.

As a result of the aforementioned drivers / trends:

- The food and feed producing industries as well as retailers are compelled to strengthen their testing programs since brands have become more global, with complex supply chains, and thus more vulnerable to contaminations and ultimately reputation risks.
- New products like Genetically Modified Organisms (GMOs) create the need for new testing methods.
- Governments are tightening regulations on food control. Transparency and traceability of food products are becoming priorities leading to increasing pressure on producers and manufacturers to invest in quality and safety testing.
- Eurofins leverages its technological expertise in other areas (i.e. Genomics) to develop innovative tests.

Most of the largest global food and beverage producers and retailers are clients of Eurofins. Eurofins provides testing services for the entire food and feed industry, from farmers to food producers, manufacturers, suppliers and retailers. Eurofins offers a complete portfolio of analytical methods to ensure feed, beverages and food safety, including testing for authenticity, nutrition, contaminants, molecular biology, microbiological contaminants, food quality certification, hygiene audits and training, and marketing and sensory studies.

Eurofins considers the following publicly listed companies to be competitors in the Food and Feed testing market: Bureau Veritas, Intertek, Merieux / Silliker and SGS (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

Eurofins' addressable testing market for food and feed testing is estimated at ca. EUR 3bn (to the best of Eurofins' knowledge, based on data available to the Group).

The Environment Testing Market

Eurofins believes it is the number one environmental testing service provider in the world. A clean and safe environment is a pre-requisite for health and quality of life. Eurofins contributes to this by providing market-leading laboratory testing, monitoring and consultancy services to a wide range of industrial companies, environmental consultants, contractors, retailers, municipalities and governmental authorities. Our services comprise testing of water, air, soil, waste and other products to assess their quality, absence of contamination by pollutants and impact on health and the environment.

The Environment testing market enjoys robust growth drivers:

- Increasing demand by citizens for a clean environment;
- Expanding regulation in developed markets, as well as regulatory catch up in developing markets;
- Progress in epidemiology and medicine leading to Increasingly long list of compounds identified as toxic; and
- Requirement for more sophisticated analyses and more expensive equipment.

Eurofins considers the following publicly listed companies to be competitors in the Environment testing market: ALS Global, Bureau Veritas, SGS and Idexx (this list is by nature non exhaustive and evolutive over time. It is provided for illustration purposes only).

Eurofins' addressable testing market for environment testing is estimated at ca. EUR 4bn (to the best of Eurofins' knowledge, based on data available to the Group).

The Clinical Diagnostics Market

The clinical diagnostics market comprises assays, instruments, and services that help in the diagnosis and treatment of diseases. Eurofins has entered this sector since 2014 with a special focus on innovative specialized diagnostic services with a growing genetic and genomic component. As further detailed below under paragraph "Global Clinical Diagnostics market growth drivers" the market is expected to grow[k] as effective diagnosis enables a more personalized medicine – i.e., allow healthcare professionals to better diagnose and prescribe more accurate treatment for each patient.

Multiple companies provide either specialized or routine clinical diagnostic testing services, or both,

[k] http://www.transparencymarketresearch.com/clinical-laboratory-services-market.html says they expect 6.4% CAGR 2017-2025

depending on their technologies, or scientific expertise, or the relevant regulations. The competitive landscape is therefore highly localized, and in certain geographies, competition is along the lines of specialization or branches of medical science. Financial analysts typically cite LabCorp, Quest Diagnostics, Sonic Healthcare, among others, as comparable peers to Eurofins' clinical diagnostics activities. Those companies are larger and may have a larger part of their revenues from routine testing.

Growth Drivers

Eurofins management believes that several significant trends and factors are supportive of the continued growth of the market in which it operates. Some of these trends include:

The Broader Bioanalytical Testing Market Growth Drivers

Wealth & Life Expectation

Thanks to sufficient food, modern technology, healthcare, and medical coverage in industrialised countries, most people can live comfortably and grow old healthily. As the average wealth in these countries increases, the demand even for expensive pharmaceuticals enabling people to enjoy better lives is growing. The aversion to risk that may be associated with some food and consumer products and contamination of the environment is also increasing as people become more aware of the issues that surround them.

New Technologies

New technologies open new perspectives for applications in the pharmaceutical, food, and environmental markets. In recent years, the food industry has developed many new products which apply new technologies and processes, such as "functional food", a food given an additional function (often one related to health promotion or disease prevention) by adding new ingredients or more of existing ingredients.

Eurofins benefits from both the needs of its customers to test the application of new technologies and to test and control their products. The Group is capable of developing new methods to help develop and register new pharmaceutical products and to track and analyse, for example, residues of pesticides, pharmaceutical substances, allergens or GMOs in a wide range of food products. Increasingly sensitive analytical equipment and methods also act as a driver for better quality assurance and to detect substances that people were not previously aware of or able to measure.

Consumer Protection

Along with the development of new technologies and a rising standard of living in the industrialised countries, consumers are becoming increasingly aware of product safety and quality and are averse to any health risks linked with food, pharmaceuticals or the environment. The demand for higher quality goods and services, and the associated requirement for testing, are also driven by increasingly strict regulations introduced by governmental authorities, the European Commission, the US Food and Drug Administration or worldwide standardisation bodies in the pharmaceutical, food and environmental markets.

Globalisation

As businesses increasingly look to global markets for their suppliers, they also become more exposed to the additional risks that are created by this global sourcing. The wider the supply chain becomes, the greater and more complex the risk of quality divergence across the chain becomes and hence the need for testing.

In addition to Europe and North America, Eurofins is able to meet clients' needs across the globe including in an increasing number of supply chain locations in South America, Eastern Europe, and Asia. By operating laboratories in many of the countries where suppliers of food ingredients or agriculture commodities exist, Eurofins has a clear understanding of the global conditions and regulations and possibilities to test at source. Furthermore, Eurofins also offers a reliable standard of high quality and extensive expertise in those local markets for global customers with worldwide operations.

One-Stop-Service Provider

Eurofins aims to provide its customers with as wide a range of analytical services as possible. The main way in which this is achieved is through Eurofins market-leading testing portfolio of over 200,000 tests. In addition, most large customers benefit from having dedicated account managers. This account manager can draw on the possibility of a large number of Eurofins laboratories, some being very specialized. Eurofins in turn is able to allow each laboratory in the Group to focus on their own area of expertise and yet retain customers through being able to offer the complete range of tests provided by most laboratories in the Group or in one Business Line.

Brand Protection

In times of enhanced quality and safety consciousness of consumers, global marketing of products and international media coverage, brands are very valuable and highly vulnerable assets that need constant protection. By carrying out a large range of analyses as part of pro-active quality assurance programmes, Eurofins supports its global customers in maintaining the integrity of their brands.

Outsourcing

To run in-house or government/public laboratories, as a rule, is seldom cost effective and therefore outsourcing to a global supplier, such as Eurofins, is becoming increasingly common. An outsourcing deal can represent a win-win situation for both sides. It allows the outsourcing partner to use its capital more efficiently, turn fixed costs into variable costs, and to benefit from Eurofins' expertise in operating laboratories. On the other hand, Eurofins gains a long-term partnership with the customer, allowing both parties to concentrate on their core businesses.

The Clinical Diagnostics Market Growth Drivers

Demographics

Eurofins believes that as world population grows and ages, the need for earlier and more sophisticated diagnosis and treatment of diseases will likely drive up the demand for laboratory diagnostic services.
According to a recent market study, the global clinical laboratory services market is estimated to grow from US$ 221bn in 2017 to USD 342bn by 2024[l].

Medical/Scientific Innovations

Technological innovations relevant to medicine could lead to earlier or more accurate diagnosis and treatment of diseases[m]. Advances in genomics, for example, are expected to lead to advanced diagnostic tests, which in turn could bring the healthcare system closer to personalized medicine, which relies on individualised diagnostic and prognostic testing[n]. Based on such individualised testing physicians may prescribe the most effective healthcare treatments or lifestyle changes for individual patients. Personalized health care should also increase the efficiency of the health care system by improving quality, accessibility and affordability[o].

The increased availability of healthcare data, including those resulting from modern sequencing technologies frequently referred to as “next generation DNA sequencing” and continually improving ability to analyse such data at the patient level is likely to open new possibilities to positively impact diagnosis and treatment of diseases.

Prevention and Wellness

The increasing burden of healthcare costs on government and healthcare agencies has advanced the case for better control of medical and laboratory diagnostic costs but also for greater focus on early diagnosis and prevention. In some cases, healthcare providers and payers (governments or insurance agencies) increasingly recognize the value of diagnostics as a means to improve health and reduce the cost of healthcare through early detection, prevention, and more effective treatment.

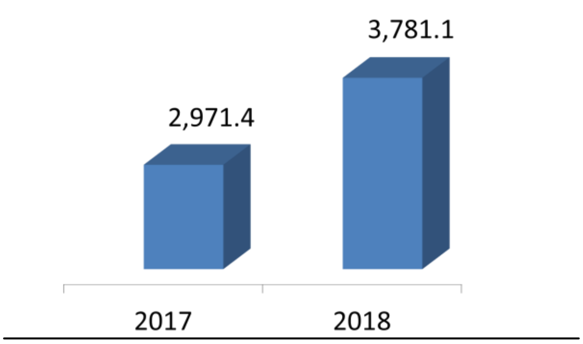
Eurofins’ addressable testing market for the genomics / esoteric testing sector of clinical diagnostics testing is estimated at ca. EUR 5-10bn (to the best of Eurofins’ knowledge, based on data available to the Group).

Throughtout all sectors served by Eurofins there is no guarantee that the growth trends discussed above will remain or materialize, or that the industry, or indeed Eurofins' businesses and operations may not be negatively influenced or impacted by a variety of factors and possible events. Please refer to the Risk Factors Section on Commercial risks, Technological risks, Industrial risks and other factors that could have a negative impact on the laboratory testing industry and Eurofins' growth and financial results.

[l] https://www.gminsights.com/pressrelease/clinical-laboratory-services-market
[m] http://www.marketsandmarkets.com/Market-Reports/ivd-in-vitro-diagnostics-market-703.html
[n] https://www.mordorintelligence.com/industry-reports/in-vitro-diagnostics-market
[o] http://www.personalizedmedicinecoalition.org/Userfiles/PMC-Corporate/file/The-Personalized-Medicine-Report1.pdf

4 Financial and operating review

Revenues



Revenues grew 28.4% to EUR 1,083.3m in the fourth quarter, bringing revenues for the full year 2018 to EUR 3,781.1m, representing a year-on-year increase of 27.3% (EUR 3,876m at 2017 exchange rates). Organic growth was 4.5% in FY 2018, exceptionally impacted by Clinical Diagnostics, in particular in the fourth quarter (Clinical Diagnostics organic growth was -1.8% in FY 2018 and -3.7% in Q4 2018, negatively impacted by price reductions including a one-off 7.2% reimbursement cut from the French healthcare authorities in the fourth quarter as well as test coverage and reimbursement cuts particularly affecting Boston Heart Diagnostics in the U.S.). Excluding Clinical Diagnostics, organic growth was strong at over 6%, driven by significant market share gains in most geographies, increased customer penetration, as well as continued growth of the markets where Eurofins operates.

Revenues : Geographical Breakdown

EUR million	2018	% of Group	2017	% of Group
France	766.1	20.3%	677.8	22.8%
Germany	426.3	11.3%	342.5	11.5%
Benelux	251.4	6.6%	214.8	7.2%
Nordic Countries	242.1	6.4%	212.4	7.1%
UK & Ireland	239.7	6.3%	161.6	5.4%
Total Western Europe	1,925.6	50.9%	1,609.1	54.2%
North America	1,256.7	33.2%	902.8	30.4%
Rest of the World	598.8	15.8%	459.5	15.6%
Total	**3,781.1**	100 %	**2,971.4**	100 %

In North America, revenues increased 39.2% to EUR 1,257m in FY 2018, with the region now amounting to ca. 33% of total Group revenues. Organic growth was above Group average in FY 2018, with the BioPharmaceutical, Food, and Environmental testing business lines continuing to be the main drivers of this growth. The region saw exceptional M&A activity during the year, in particular with the acquisitions of Covance Food Solutions and TestAmerica in 2018, which enabled Eurofins to reach new leadership positions in both Food and Environment testing services in the U.S., the largest testing market in the world. EAG, Covance Food Solutions and TestAmerica integration processes are progressing in line with plan, should be finalised in 2019 for EAG and for the later two is expected to be completed by the end of 2020. By line of activities, BioPharma testing services, the largest vertical, representing one third of North American revenues, delivered high single-digit organic growth during the year, thanks to tailwinds in the industry mainly linked to continued high levels of R&D spending by large BioPharma companies and the biotech industry and the increased importance these companies place on outsourcing to reduce fixed costs, speed up drug development cycles and maintain strategic flexibility to meet changing project requirements. The Food and Feed Testing business delivered double-digit organic growth in North America in 2018, supported by strong fundamentals in the U.S. food testing market and as the Group started reaping the benefits of its multi-year programme to build a network of food microbiology testing laboratories throughout the country. In the fourth quarter in particular, the Group won a number of customers at newly opened sites. Eurofins continued to strongly focus on innovation, in order to reinforce its scientific leadership and long-term growth potential. As an example, the chemistry testing units produced new supplement testing assays of ginger and industrial hemp cannabinoids, all recognised by the AOAC. The North American Environment Testing business delivered above group average organic growth in FY 2018. The significant turnaround vs. the previous year was underpinned by the strengthening economy, regulatory drivers - specifically in the air, groundwater and drinking water sectors, the results of ongoing restructuring and consolidation of less effective laboratories as well as an increased operational focus, leading to market share gains. The planning for integrations of TestAmerica, and EnvironeX acquisitions, both closed on the 31st of October 2018, is tracking to plan. Progress to date includes planning and initial execution of site rationalisations and consolidations to optimise Eurofins' laboratory network, workload balancing and insourcing, technical collaboration, back office & support service rationalisation and resource/programme sharing, and rebranding. The rollout of the industry "gold standard" TestAmerica Laboratory Information Management System across the existing network of North American environment testing laboratories has commenced and is scheduled for completion over a two year programme. The Clinical Diagnostics business delivered negative organic growth in North America in FY 2018, impacted by difficulties at Boston Heart Diagnostics where revenues declined by EUR 22m (resulting in ca. -70bp drag to Group organic growth), driven by pressure on reimbursement for many tests and coverage decisions for innovative tests as well as regulatory and insurance policy changes.

In France, Eurofins' second largest market with c.20% of total Group sales, revenues increased 13.0% to EUR 766m. Organic growth was below Group average at ca. 2% in FY 2018, due to negative organic growth in Clinical Diagnostics services (over 40% of France revenues) and despite a strong performance in a number of businesses, notably in Environmental, Food and Agroscience testing services. The French Clinical Diagnostics business was impacted by price compression. The French health insurance authority reduced its reimbursement fees by -3.8% in 2018, including a sharp one-off decrease in the fourth quarter (-7.2%) to remain within the nationally negotiated envelope of clinical tests spend taking into account expected volume growth, which later turned out to be lower than planned. As a result, overall, the total reimbursement by the French state insurance (CPAM) to all private clinical testing laboratories unexpectedly decreased by 1% in 2018 compared to an increase of 1% in 2017 and a planned increase of 1.4% in 2019. Excluding Clinical Diagnostics, organic growth was strong in France at over 7% in FY 2018. The Food testing business performed well in France in 2018, with organic growth slightly above group average, as the business leveraged its nationwide footprint of food microbiology testing laboratories, a testimony of the network effect in the industry given Eurofins is a long-established leader in Food testing in France. The network provides food manufacturing plants with close access to Eurofins testing capabilities, allowing for short turnaround times and unparalleled service in case of microbiology outbreaks. The network was further extended with two new acquisitions in 2018. In 2018, the French Food testing business also enjoyed robust growth in Food Chemistry testing, reaping the benefits of the Nantes campus extension, which became fully operational in 2018 and of the investments made over the last two years to consistently reduce turnaround times. In Environmental testing, Eurofins won new contracts, notably in water testing and polluted soils testing. In particular, Eurofins has been selected as the laboratory of choice for all the construction companies active in the Grand Paris project. In Agroscience, the Group expanded its offering into seed testing services.

Revenue contribution from Germany, which makes up 11% of Group revenues, was EUR 426m in 2018, representing 24.5% increase vs. the previous year. Organic growth was above Group average, with particularly strong developments in Environmental and BioPharma testing services. In Environmental testing, the business delivered high single digit organic growth driven by the successful deployment of its customer facing online platform Eurofins OnLine, the strengthening of its regional footprint and a strong German economy. The BioPharma testing business saw double digit organic growth as the BioPharma market remained well funded while strategic outsourcing continued to increase. In order to respond to the increasing demand for its services, Eurofins has significantly expanded its BioPharma laboratories in Planegg (Munich) adding over 6,000m^2 of state-of-the-art surface area including ample spare capacity to accommodate customers' growing demand in the future. In addition, the site in Planegg has expanded its service offering for biologics by adding protein analytics to its portfolio, making it a uniquely positioned one-stop shop for biologics stability and release testing in the region. The Genomics services business achieved some key milestones during the year. Following the acquisition of GATC, Eurofins Genomics Services is now by far the largest provider of sequencing services in Europe, in both the traditional Sanger sequencing field, as well as in the Next Generation Sequencing field. Additionally, by combining powerful sequencing and oligonucleotides synthesis platforms, the Group has been able to significantly strengthen and speed-up its offering in the synthetic biology field with GeneStrands delivered all over Europe within 48 hours and full synthetic genes within 4 days.

The Group's laboratories in the Benelux achieved revenues of EUR 251m, representing 7% of total Group revenues, and an increase of 17.0% compared to 2017. During the year, Eurofins Forensics won a 4-year contract with the Ministry of Justice and Security in the Netherlands to perform blood samples analyses for alcohol and drugs testing in traffic cases. In Q4 2018, Eurofins BioPharma Product Testing in the Netherlands signed an agreement with two major innovative pharmaceutical companies for method transfer and subsequent EU release testing of a significant number of products.

Eurofins' laboratories in the Nordic Region grew 14.0% to EUR 242m of revenues in 2018, making up 6% of total sales. During the year, the Norwegian team developed and launched a new method for the detection of micro-plastics in food and the environment, a critical issue for the food & beverage industry. This test is now being made available across the entire Eurofins network. The Group has already won a worldwide contract with a top ten global food manufacturer and sees a strong pipeline for this new test.

Revenues from the UK & Ireland grew 48.3% to EUR 240m and represent 6% of Group revenues. Organic growth was negative, particularly affected by poor performance in the Pharma and Agroscience testing services verticals as the Group continues to consolidate its operations in the region and uncertainties over Brexit led clients to move European market access work elsewhere.

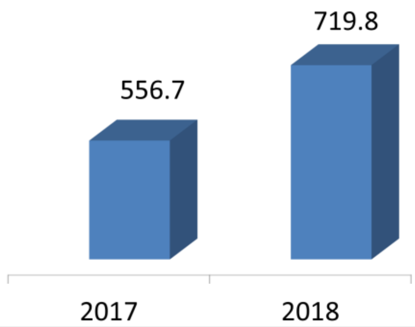
Eurofins continues to expand its operations and footprint in emerging markets and Asia Pacific, which contributed revenues of EUR 352m, an increase of 29.4% versus 2017 with double digit organic growth. During the year, Eurofins expanded its market presence into three new countries as the Group continued to gradually expand its footprint in Emerging Markets.

Overall, except for Clinical Diagnostics in France and Boston Heart Diagnostics in the U.S. and its UK business affected by Brexit and reorganisations, the Group delivered strong revenue growth across almost all geographic areas and businesses, supported by its investments to build the best laboratory network infrastructure in its markets through acquisitions, laboratory expansion, start-up laboratories and IT investments.

The strong results achieved in 2018 reflect Eurofins' historic investments towards securing leadership and strengthening its competitive advantage in each of its areas of competence.

Profitability

Adjusted EBITDA EUR m



Group adjusted EBITDA increased 29.3% to EUR 720m, now representing 19.0% of revenues, a 30bp year-on-year improvement, in spite of negative FX effects on the consolidation of its U.S. results.

Start-up losses and restructuring costs as disclosed in the separately disclosed items (SDIs) amounted to EUR 68m, +EUR 25m vs. 2017 largely driven by the high volume of companies acquired in 2017 and 2018. This included EUR 31m losses on start-ups and acquisitions in significant restructuring (+EUR 7m vs. last year, mostly due to Boston Heart Diagnostics difficulties, as the rest of the scope reduced its losses by 8% vs. last year in spite of 15 new start-ups coming on line in 2018), EUR 30m of one-off expenses, mostly linked to restructuring and site reorganisation / consolidation costs across various geographies and business lines (including Dundee in Scotland, California in the U.S., Eeronkatu in Finland, and Shardlow in the UK) corresponding to 3% of the revenues acquired in 2016 and 2017 and EUR 8m of network expansion costs related to acquisitions (0.7% of EUR 1.2bn acquisitions spend).

As a result, reported EBITDA amounted to EUR 651m, a +27% increase vs. the previous year, in line with total revenue growth.

Reported EBITDA : Breakdown

EUR million	**2018**	% of revenues	**2017**	% of revenues
Western Europe	327.8	17.0%	307.1	19.1%
North America	274.3	21.8%	161.0	17.8%
Rest of the World	92.5	15.5%	83.1	18.1%
Other*	-43.1	-1.1%	-37.9	-1.3%
Total	**651.4**	**17.2%**	**513.2**	**17.3%**

* Other corresponds to Group Service Centres costs.

The reported EBITDA margin in Western Europe decreased by 210bps vs last year, mostly impacted by one-off price reductions in Clinical Diagnostic services in France, one-time costs linked to the preparation for the deployment of our NG LIMS platform in our Food and Environment testing laboratories, and the dilutive impact of LGC in Forensics.

The reported EBITDA margin in North America increased by 400bps vs last year, mostly due to the accretive impact of EAG and Covance Food Solutions, as well as from strong improvement of our operations in Environmental testing activities.

The reported EBITDA margin in the rest of the world decreased by 260bps vs last year, mostly due to the one-time gain recorded in 2017 on the sale of an unused building in Taiwan.

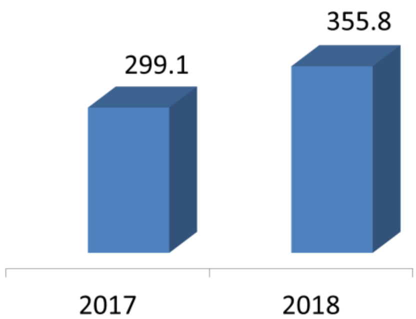
The mature business (93% of total Group revenues vs. 91% in 2017) generated stable adjusted EBITDA margin at 20.5% of revenues despite the overall dilutive impact from the acquisitions made in the last two years. The Group saw a continued improvement in the profitability of the mature business created or acquired before 2017, which posted an adjusted EBITDA margin of 21.2% (+50bp vs. 2017), whilst acquisitions made during the year 2018 were dilutive to Group margin, generating 16.5% adjusted EBITDA margin in 2018. Acquisitions made in 2017 remained slightly dilutive, despite a strong +160bp improvement in their adjusted EBITDA margin from 17.9% in 2017 to 19.5% in 2018.

Depreciation and amortisation remained stable at 5.9% of revenues, whilst acquisition-related expenses (75% non cash) significantly increased to 1.9% of revenues (+80bp vs. last year) due to the high volume of acquisitions made in 2017 and 2018. As a result, Eurofins generated EUR 344m of reported EBIT, +16% vs. previous year, representing 9.1% of revenues.

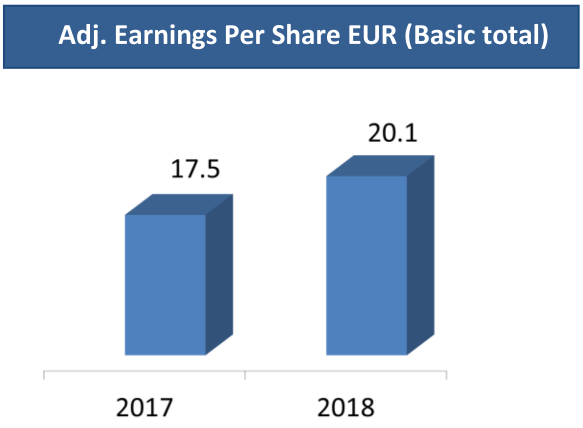
Net financial result improved by 20bp yoy to -1.4% of revenues or EUR 55m thanks mostly to a sharp decrease of the average interest paid (2.2% of average debt vs 2.7% in 2017).

The income tax expense for the full year 2018 is EUR 66m, representing 23% of the profit before tax. This represents a significant increase vs. last year mostly due to the unfavourable comparable created by the tax reforms in the U.S. and France in 2017. Income tax paid (in cash flow statement) stood at EUR 68m in 2018, representing 23% of the profit before tax and a year-on-year decrease of 15%, thanks to last year's reduction in corporate tax rates in the U.S. and France which should continue to benefit Eurofins in the future.

Adjusted Net Profit EUR m



Adjusted net profit attributable to equity holders increased by 19% to EUR 356m in the full year 2018. Reported net profit increased by 2% to EUR 224m in the full year 2018. The basic reported earnings per share (EPS) was stable at EUR 12.65 and the basic reported EPS attributable to equity holders slightly decreased to EUR 9.91. The basic adjusted earnings per share (EPS) increased 15% to EUR 20.11 in spite of finance costs for M&A, higher tax and not yet benefitting from integrating recent acquisitions.



Cash Flow and Financing

Operating cash flow in the year 2018 grew by 34% to EUR 544m. Net working capital remained below 5% of revenues (4.8% vs 4.4% in 2017), despite some dilution from companies acquired in 2017 and 2018.

Capex spend increased significantly to EUR 361m or 9.6% of 2018 revenues as the Group continued with a high level of investments in its laboratory footprint as part of its 2015-2020 global infrastructure development plan. Buildings and laboratory equipment represented three quarters of the total capex spend of the Group in FY 2018. Capex spent on laboratory equipment amounted to ca. EUR 150m, up +EUR 50m vs. last year, with large investments particularly at Lancaster in the U.S., Nantes in France, Hamburg and Konstanz in Germany, Shanghai in China and Mississauga in Canada. Expenditures on buildings and leasehold improvements totalled ca. EUR 125m, up EUR 50m vs. 2017, with particularly large investments in Eurofins' large campuses at Lancaster in the U.S., Mississauga in Canada, Hamburg and Konstanz in Germany, Melbourne in Australia, Nantes in France, Dungarvan in Ireland, and Vienna in Austria. The Group also continued its investment efforts into IT infrastructure and bespoke IT solutions with ca. EUR 60m in capex in FY 2018, and has made strong progress on the deployment of its next generation electronic laboratory information management systems and online customer facing platform Eurofins OnLine.

As a result of those exceptionally high investments and last group of start-ups in Eurofins' 2015 – 2020 five years expansion plan, free cash flow to the firm (before interest paid) slightly decreased from EUR 192m in 2017 to EUR 183m in 2018, and free cash flow to equity (after interest paid) also decreased from EUR 147m in 2017 to EUR 129m in 2018.

During 2018, the Group continued to reduce its average cost of funding whilst extending the maturity of its debt instruments at low fixed interest rates, limiting the potential negative impact of a rising interest rate environment and giving the Group visibility on its financing structure and costs. In July 2018, the group issued a Schuldschein loan raising EUR 550m, with a blended interest rate of 1.38% and 5 years average maturity. In November 2018, the Group redeemed its 3.125% EUR 300m Eurobond issued in November 2013, resulting in an average cost on senior debt below 2% thereafter.

At the end of December 2018, net debt amounted to EUR 2,651m (+EUR 1,255m vs. last year) mainly driven by another strong year in terms of M&A activity in 2018 and heavy investments in expanding our laboratories footprint. The Group's leverage ratio stood at 3.38x net debt/pro-forma adjusted EBITDA, within our 3.5x self-imposed limit.

The Group closed the year with a strong liquidity position, with EUR 506m of cash on its balance sheet, and significant undrawn credit facilities. This confirms that Eurofins is well funded to pursue its growth objectives.

Acquisitions

In 2018, Eurofins completed ca. 50 acquisitions to strengthen its leadership in existing markets, to further develop the Group's footprint in new geographies, and to enter new market segments within the Group's areas of competency. A number of these acquisitions also provided Eurofins access to new large customer accounts, which may demand further analytical testing services from the Group's portfolio. Some of Eurofins' acquisitions during the year are discussed below (additional information is available in Note 3.19 "Business combinations" to Consolidated Financial Statements in the 2018 Annual Report).

In June 2018, Eurofins acquired VTT Expert Services Ltd. ("VTT ES") and Labtium Ltd. ("Labtium"), two wholly owned subsidiaries of VTT Technical Research Centre of Finland Ltd. ("VTT"). These subsidiaries cover all of VTT's testing, inspection and certification (TIC) operations. VTT ES offers its clients versatile expert services including calibration services, certification services, structural safety testing, building material testing, electronics testing, fire safety testing and product failure and safety testing. Labtium offers advanced analytical services including environment testing, geochemistry, fuel and combustion chemistry, pulp mill chemistry, mineral processing services and material and products testing. The two companies operate 16 facilities in Finland. In 2017, they generated annual revenues in excess of EUR 27m.

In June 2018, Eurofins acquired PHAST Gesellschaft für Pharmazeutische Qualitätsstandards mbH, one of Europe's leading service providers in the field of pharmaceutical products quality. PHAST, with more than 10 years of Good Manufacturing Practice (GMP) and Food and Drug Administration (FDA) compliance, significantly reinforced Eurofins' global scientific leadership in the growing biopharmaceutical product testing market. Headquartered in Homburg, Germany, and with additional sites in Constance, Germany, as well as in Switzerland, PHAST generated revenues of around EUR 24m in 2017 with 300 staff.

In August 2018, Eurofins acquired Laboratorios Ecosur S.A., one of the leaders of the Food testing market in Spain. As a result, Eurofins became the leader in this market and significantly strengthened its service offering in South East Spain, a key agricultural area in Europe for fruits and vegetables. In 2009, Ecosur expanded into Turkey opening a new laboratory in the Izmir Region. The company employs more than 150 staff and generated revenues above EUR 8m in 2017.

In August 2018, Eurofins acquired Covance Food Solutions from LabCorp (LH: NYSE), a leading global life sciences company. Covance Food Solutions offers an extensive portfolio of laboratory testing and consulting services focused on ensuring product integrity, food safety, quality and adherence to internal and external standards for food, beverage and dietary supplement products. Covance Food Solutions was one of the pioneers in food testing in the U.S. and has, over the years, built strong client relationships with most of the top North American food and beverage multinational corporations. This acquisition provided Eurofins with a leadership position in the U.S. food testing sector, the largest food testing market in the world. This acquisition represented a unique opportunity for the Group to make significant progress towards its 2020 objectives to build an unprecedented global, one of a kind testing platform with world class infrastructure, science and IT solutions. Covance Food Solutions operates an integrated network of 12 facilities across the globe (9 in the United-States, 2 in the United Kingdom and 1 in Singapore). It employs approximately 850 staff and generated revenues of approximately USD 150m in 2017. The acquisition price is USD 670m on a cash free debt free basis and is fully tax deductible.

In August 2018, Eurofins acquired Nanolab Technologies Inc. in Silicon Valley, a provider of advanced materials and analytical solutions such as microscopy and advanced imaging to a USD 3bn high technology market comprised of equipment suppliers, original design manufacturers (ODMs) and original equipment manufacturers (OEMs). Nanolab Technologies and its materials scientists, engineers and analysts complement the world-class capabilities acquired last year through EAG Laboratories. The company employs over 100 highly skilled staff and generated revenues in excess of USD 35m in 2017.

In August 2018, Eurofins acquired Clinical Research Laboratories, one of the leaders in the Cosmetic Testing market in North America. As a result of this acquisition, Eurofins now has a global cosmetic and personal care testing footprint and is becoming the leading company serving the cosmetics and personal care industries worldwide. Eurofins can now offer its clients the most comprehensive cosmetics testing portfolio from its global network of 40 state-of-the-art personal care products and cosmetics testing laboratories in Europe, Asia, Australia and now the U.S. Founded in 1992, the company is focused in clinical safety and efficacy testing for the cosmetic, beauty products, personal care and pharmaceutical industries. Headquartered in central New Jersey and with subsidiaries in North Carolina and Texas, the company employs over 100 highly skilled staff and generated revenues of around USD 12m in 2017.

In October 2018, Eurofins acquired TestAmerica Environmental Services LLC from the JTSI Group. TestAmerica is the leading environmental testing laboratory group in the U.S., delivering innovative technical expertise and analytical testing services to its clients for many years. TestAmerica significantly expanded the range of services Eurofins offers to its clients with over 45,000 accredited methods managed over a combined listing of 449 State or Federal accreditation programs/licenses (e.g., U.S. Department of Agriculture (USDA), U.S. Fish & Wildlife). Furthermore, TestAmerica's industry leading proprietary laboratory information management system (LIMS) will be leveraged across Eurofins' North American environment testing laboratory network. TestAmerica generated revenues of over USD 230m in 2018 and employs over 2,000 staff. The acquisition price was USD 175m on a cash free debt free basis.

In October 2018, Eurofins closed the acquisition of EnvironeX Group Inc., a leading provider of testing services to the Environment, AgriFood and Health and Pharmaceuticals sectors in Quebec, Canada. EnvironeX has grown steadily over the last decade, servicing a broad customer base, including industrial clients, municipalities, engineering firms and environmental consultants in sectors such as Agrifood, Agriculture, Health and Pharmaceuticals. EnvironeX operates three laboratories and one service point, employs 275 staff and generated revenues of over CAD 25m in 2017.

With the acquisitions of Covance Food Solutions and TestAmerica, Eurofins was able to rebalance its activity between the U.S. and Europe. Furthermore, Eurofins achieved the leadership position in the U.S. food testing market and in the U.S. environment testing market, the largest food and environment testing markets in the world.

Total acquisition spend in 2018 was about EUR 1.2bn for combined total annualised revenues of ca. EUR 720m.

Acquisitions completed in 2018, taken as a whole, were dilutive to the Group's EBITDA margin with an average EBITDA margin of ca. 14.8% in FY 2018. However, they represent long term strategic investments linked to Eurofins' 2020 objectives to build an unprecedented global, one of a kind laboratory testing platform with world class infrastructure, science and IT solutions to provide an unmatched depth and quality of service to its clients.

Infrastructure Programme

As of the end of 2018, Eurofins occupies ca. 1,300 sites throughout the world (laboratories, offices, storage/warehouses, etc.). The total net floor area of these sites amounts to about 1.25 million m^2, of which more than 1.0 million m^2 for our laboratories.

Between 2005 and 2018, Eurofins has added or brought to the most modern standards close to 750,000 m^2 of laboratory space. This is a clear demonstration of Eurofins' commitment to continue to invest significantly in new buildings, extensions and renovations to build the largest and most efficient state-of-the-art laboratory network in its industry. In 2019 and 2020, Eurofins has planned an additional ca. 135,000 m^2 of expansion and modernisation of its laboratory network, of which ca. 60,000 m^2 are planned to be completed in 2019. These investments represent the final part of Eurofins' 2015-2020 exceptional infrastructure and IT solutions investment programme.

In 2018, more than 50 real estate projects were delivered to build, expand, renovate, relocate or acquire new state-of-the-art laboratories and offices, totalling 64,000 m². In addition, 180,000 m² of mostly rented laboratories and offices were acquired through M&A activities, in particular as part of the acquisitions of TestAmerica and Covance Food Solutions.

Among the new and extended sites delivered in 2018, Eurofins opened a new Food Testing laboratory in Suzhou, China, with a surface area of 2,300 m^2. The new laboratory is nearly twice the size of the previous laboratory. The Group also opened a Service Delivery Centre (SDC) for IT Infrastructure and Operations in Costa Rica. Costa Rica represents the third SDC and strategic IT infrastructure location for Eurofins, next to Bangalore (India, open 24/7) and Penang (Malaysia). A new site houses Eurofins Australia's Food testing laboratory start-up, in addition to the relocated Melbourne Environmental testing laboratory. The stage 1 development comprises 8,000 m^2, and houses the Environmental & Food testing laboratories, as well as management & administration support services. The site also has a further 5,000 m^2 spare space to be developed in future years in order to allow for additional growth. The Biopharma division extended its capacity at the Dungarvan (Ireland) campus by 4,400 m². This extension adds bioassay services, allowing full EU release from this location. This one-stop-shop service offering is in high demand from Biopharma clients and represent a good opportunity to secure new business. Biopharma Product Testing also added a new 4,900 m^2 building and is renovating a further 900 m^2 in its existing building in Planegg, near Munich (Germany). This addition was done with a modular design that will not only provide the foundation for the future growth of Biopharma Product Testing's Munich operations, but also set standards regarding flexibility by minimising future investment requirements. Further significant projects delivered in 2018 included the new Food Testing laboratory at our Taipei (Taiwan) campus, the consolidation of our IT Solutions teams in Bangalore (India), the expansion of the Food Testing footprint in Fresno (California), the renovation and extension of the Nazareth (Belgium) Food Testing laboratory, adding a new microbiology laboratory, the extension of the Katowice (Poland) laboratory and a new building in Wesseling to cater for the growth of the Environmental testing business in Germany.

The ca. 60.000 m² planned to be completed in 2019, include the expansion of the Lancaster campus in the U.S., a new laboratory in Vienna to consolidate the local Food and Environmental testing laboratories, the extension of the Hamburg campus in Germany to further consolidate this city's food and pharmaceutical product testing laboratories on one single site, as well as the opening or expansion and renovation of laboratories in Bucharest, Romania, Heerenveen, the Netherlands, Nove Zamky, Slovakia, Quindao and Guangzhou, China, Maxéville, France and Singapore.

Start-ups Programme

Start-ups or green-field laboratories are generally undertaken in new markets, and in particular in emerging markets, where there are often limited viable options for acquisitions or in developed markets when Eurofins transfers technology developed by its R&D and Competence Centres abroad or expands geographically.

In 2018, the Group opened 15 new start-ups, bringing the total number of start-ups created since 2000 to 145 and for the third programme only (2014-2018) to 102.

Of the 145 start-ups, less than half are in Europe, close to 30% in APAC, close to 20% in North America and close to 10% in Latin America. By business line, ca. 40% are in Food & Feed testing, over 20% are in Pharma/Biotech/Agroscience services, over 20% in Environment testing, and less than 5% are in Clinical Diagnostics.

The revenues of these 145 start-ups amounted to EUR 209m in FY 2018, ie. more than 5% of the Group's consolidated revenue and contributed 60bp to the Group's organic growth.

During their ramp-up phase, start-up activities go through various stages of development before reaching optimal efficiency levels. On average, start-up periods last for 2 to 3 years in mature markets and 2 to 5 years in emerging markets in order to reach breakeven before they become profitable. The development process includes the creation or construction of the laboratory, hiring the appropriate staff, obtaining relevant accreditations and clients' approval, deployment of the Group's proprietary IT infrastructure and dedicated IT solutions, developing the sales and marketing channels, and building up volumes and the revenue base.

Consequently, start-ups remained dilutive to Group margin overall, generating 5.5% adjusted EBITDA margin in 2018 but this is mostly due to the losses incurred in recently launched start-ups (Programme 3). The profitability of start-ups of the first two programmes is in line with that of the total Group.

Post-closing events

In January 2019, Eurofins acquired the assets of food and environmental testing laboratories in France at insolvency proceeding.

Additionally since the beginning of 2019, Eurofins has completed the acquisition of six companies: one in France, three in Germany, one in the UK and one in Spain. The total annual revenues of these six acquisitions were in excess of EUR 20m in 2018.

Share Buyback

Eurofins Board of Directors will propose to the shareholders meeting to renew and expand the company's mandate to buy back its own shares. The company may use this possibility if it considers its share price to be too disconnected from the sum of the value of its independent businesses.

[1] Adjusted - reflect the ongoing performance of the mature and recurring activities excluding "separately disclosed items[2]".

[2] Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects.
[3] EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.
[4] EBITAS – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.
[5] Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, loss/gain on disposal, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.
[6] Net Profit - Net profit for equity holders after non-controlling interests but before payment to Hybrid capital holders.
[7] Basic EPS – earnings per share (basic) total (to equity holders before payment of dividends to Hybrid capital holders).
[8] Operating Cash Flow – Net cash provided by operating activities (after tax).
[9] Free Cash Flow to the Firm - Operating Cash Flow, less Net capex.
[10] Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates (of year Y) but excluding discontinued operations.
For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.
For example, businesses acquired and consolidated during the full year to 31st December 2017 are included in the organic growth calculation for the full year to 31st December 2018 (for that purpose, the full year to 31st December 2017 accounts were restated as if businesses acquired during the year had been part of the group for the full year).
Eurofins has applied the same consistent calculation methodology since its annual accounts for the year 2000; which for 2018 organic growth calculations, translates into comparing the 2018 full year revenues of the businesses consolidated in 2017 (and not disposed of, or discontinued since then), to their 2017 pro-forma full year revenues at 2018 FX rates.
Had the company used the twelve-months rolling technique to calculate its organic growth (i.e. include acquired businesses only after 12 months of ownership, which for 2018 organic growth calculation would have translated into including the revenues from businesses acquired in 2017, only for the same exact months in 2018 than they were consolidated for in 2017), Eurofins organic growth would have been 4.5% as well for the year ended December 31st 2018.
It is to be noted, that in 2018 again, as expected, the organic growth of companies acquired in 2017 was on average lower than that of the Group.
[11] Mature scope: excludes start-ups and acquisitions in significant restructuring. A business will generally be considered mature when: i) The Group's systems, structure and processes have been deployed; ii) It has been audited, accredited and qualified and used by the relevant regulatory bodies and the targeted client base; iii) It no longer requires above-average annual capital expenditures, exceptional restructuring or abnormally large costs with respect to their current revenues for deploying new Group IT systems. The list of entities classified as mature is reviewed at the beginning of each year and is relevant for the whole year. In FY 2018, 93% of total Group revenues were included in the mature scope up from 91% in FY 2017.
[12] FX impact on revenues corresponds to the difference in EUR for the translation of the last year revenues in EUR of the foreign group entities not in the Euro-area, using the 2018 Average FX rates versus 2017 Average FX rates used in consolidation the previous year.
[13] Discontinued activities / disposals: discontinued operations are a component of the Group's core business or product lines that has been disposed of, or liquidated; or a specific business unit or a branch of a business unit that has been shut down or terminated, and is reported separately from continued operations. Disposals correspond to the sale by Eurofins of business assets to a third party. For more information, please refer to Note 3.19 of the Consolidated Financial Statements.
[14] At average 2018 FX rates.
[15] Leverage = net debt to pro-forma adjusted last twelve-months (L12M) EBITDA.

Eurofins provides in the Income Statement certain alternative performance measures (non-IFRS information such as "Adjusted Results[1] and Separately Disclosed Items[2]") that exclude certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends.

In addition, Eurofins shows the following measures: "EBITDA[3], EBITAS[4]" in the Income Statement and "Organic growth[10]" with the objective to be consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector.

Management believes that providing these APMs (Alternative Performance Measures) enhances investors' understanding of the company's core operating results and future prospects, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts and to the performance of comparable companies. This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS. These APMs are described in more detail in the Consolidated Financial Statements 2018 in Notes 1.27 and 1.28.

Dated March 1st, 2019

5 Environment, Social and Governance Reporting

Pursuant to Luxembourg Law, Eurofins makes the following disclosures with regards to its non-financial and diversity performance.

Eurofins' business model is described in detail in section I.3 "The business". In pursuing this business model, Eurofins is committed to the highest ethical standards in conducting its business and to operating in a socially responsible manner. These overarching principles are anchored in our Group Vision, Mission, and Values and laid out in more details in our Code of Ethics available on our website.

5.1 Group's Vision, Mission, and Values

Our Vision - Our long-term aspiration

To be the Global Leader in Testing for Life.

Our Mission - Why we are here - the cause/purpose of our business

To contribute to global health and safety by providing our customers with high quality laboratory and advisory services whilst creating opportunities for our employees and generating sustainable shareholder value.

Our Values - what we stand for / what is important to us

Customer Focus

- Delivering customer satisfaction by listening to and exceeding customer expectations
- Adding value for our customers through our services
- Seeking innovative solutions to help our customers achieve their goals

Quality

- Delivering quality in all our work; providing accurate results on time
- Using the best appropriate technology and methods
- Seeking to improve or change our processes for the better

Competence and Team Spirit

- Employing a team of talented and competent staff
- Investing in training and creating good career opportunities
- Recognising and encouraging outstanding performance

Integrity

- Behaving ethically in all our business and financial activities
- Demonstrating respect towards our customers and our staff
- Operating responsible environmental policies

5.2 Group Code of Ethics

Our "Group Code of Ethics" (www.eurofins.com/investor-relations/corporate-governance/code-of-ethics-and-values/) is derived from the Group's Vision, Mission, and Values, in particular related to Integrity and determines the behaviours and professional conduct expected from employees and leaders of the Group's companies.

These documents represent key Eurofins standards for all the Directors and employees of Eurofins companies and make compliance a core responsibility for everyone within the Eurofins Group. The Group Code of Ethics is regularly reviewed and amended where necessary.

In a Board meeting held on 1st of March 2019, an amended version of the Group Code of Ethics was approved, with a focus on strengthening and confirming the Group commitments against bribery, child labour, trafficking and slavery (sections 5.6 and 5.7 for Anti-Slavery Statement including child labour and Anti-Bribery Policy).

5.3 External Governance Compliance

Eurofins food and environmental laboratories are generally accredited by independent bodies against ISO 17025, the international standard specifying the general requirements for the competence, impartiality and consistent operation of laboratories. This standard specifies processes related to the production of technically valid results. In addition, several sites in the Nordic Region, Spain as well as in South America are voluntarily accredited by ISO 14001, the international standard for an effective environmental management system (EMS). Other sites have started preparatory work for an ISO 14001 accreditation, for example laboratories in Italy and most of our environmental laboratories in France. Some laboratories are also voluntarily accredited against ISO 9001, the international standard for a quality management system, OSHAS 18001, a standard for occupational health and safety and/or ISO 45001, an ISO standard for management systems of occupational health and safety. Eurofins laboratories aim to comply with applicable local health and safety laws and regulations. In an effort to further strengthen health and safety in all the laboratories of the Group, a global health and safety policy is currently being developed, defining Eurofins' global stance towards health and safety and setting high standards that all laboratories will have to work towards in addition to local laws and regulations.

Eurofins Agrosciences in Germany signed the United Nations Global Compact in 2018 underscoring the formal commitment to align its business strategy to the UN Ten Principles.

5.4 Environment

We strive to meet the challenges presented by environmental impact. Wherever possible we will prevent, or otherwise minimise, mitigate and remediate, harmful effects of our operations on the environment. We will promote, encourage and prioritise re-use and re-cycling methods throughout our business.

At Eurofins, we are committed to identifying and encouraging adoption of best practices for environmental protection and sustainability across our sites. In general, the activity of Eurofins as a provider of testing and analysis services necessitates the use of limited amounts of water, raw material and energy (principally electricity).

Several Eurofins laboratories have developed and set up dedicated training programmes to good practice in terms of environmental risk management (e.g. safe use of chemicals and their application, proper waste disposal, autoclaving systems for decontamination, etc.).

Eurofins actively encourages its business leaders to introduce and adopt best practices to ensure that our sites and operations are consistent with our mission of contributing to health and safety, which includes protection of the environment.

The principal risks related to environmental matters and Eurofins' operations are described in detail in section I.6.4 "Risk Factors – Industrial risks", including how Eurofins manages those risks.

As a result of the decentralized structure of the Group, there is no central monitoring or measurements in place to determine the outcome of our policies at this point. Local business unit leaders are encouraged to implement policies and measurement systems locally. Across our businesses, we strongly encourage environmentally conscious choices in an effort to reduce our impact on the environment. Eurofins is striving to implement a set of relevant environment-related KPI's to report and monitor such measures and set meaningful targets for the future. Eurofins is also looking to engage with a specialised consultancy to verify such KPI's.

Several sites have established teams of environmentally conscious employees who work together to reduce consumption, encourage recycling, promote conservation and educate the workforce for the goals of improving the efficiency, reducing costs and minimizing the environmental impact of our operations. Some of the laboratories have their own department or person responsible for safety ("Safety Officer") which carries out regular inspection and internal training on the issues of safety and the protection of the environment. Our flagship laboratory in Lancaster, PA, the largest single-site environmental laboratory facility in the United States, for example, has undertaken the following commitments:

- Reduction of carbon footprint by over 25,000 pounds of CO2 annually.
- Conversion of all lighting to LED by 2021 following Leadership in Energy and Environmental Design (LEED) guidelines
- Conduct a waste and energy audit in order to evaluate the efficiency of waste and energy consumption by 2022.
- Implement a local sustainability policy related to procurement by 2022.

Several other Eurofins sites have also started to replace lighting with LED's, such as sites in the Netherlands and Ireland,

Some laboratories have started to exclusively use electricity from renewable sources, such as sites in Switzerland.

Eurofins' food and environmental testing services directly support the responsible use and minimisation of such things as pesticides, heavy metals, dioxins, persistent organic pollutants and chemical contaminants that are harmful to humans and the planet.

Some of the Group's companies in Brazil and Northern Europe already use renewable energy wherever possible such as that generated by wind, water or sun. Several laboratories also use energy created by recycled heat or from waste-fired energy generators.

In order to promote emeetings and avoid unnecessary travel, Eurofins has introduced Skype for Business in a large number of sites. Eurofins is also promoting paperless laboratories. This initiative includes a largely paperless workflow throughout the laboratory from sample reception, sample preparation to the analytical process and the results submission to the client. In addition, Eurofins uses digital archives for storage of documentation and increasingly uses electronic laboratory notebooks instead of paper.

To set a good example for other entities of the Group, the Eurofins Group Service Center (GSC) in Brussels maintains a car policy that stipulates a general maximum CO2 emission of 115g/km for company cars.

For more information on this topic, please visit http://www.eurofins.com/about-us/corporate-social-responsibility/environment/

5.5 Social Responsibility & Employees

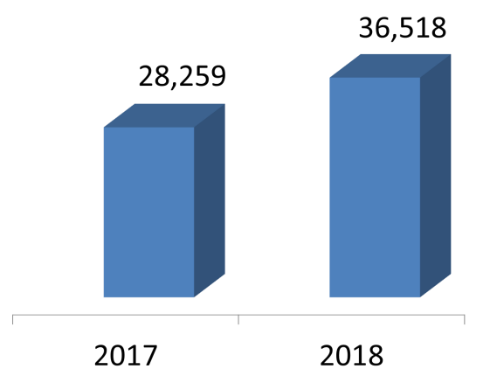
Eurofins' understanding of compliance reaches farther than mere legal compliance, and is understood in a way also comprising social and environmental aspects, as set out in the Ten Principles of the United Nations Global Compact. Eurofins is determined to further orient its compliance efforts towards the requirements defined in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. In its 4th version newly issued in December 2017, its 9th Principle has been dedicated to Corporate Social Responsibility as follows:

"The company shall define its corporate social responsibility with respect, including to it those responsibilities related to social and environmental aspects. It shall set out the measures taken for its implementation of that policy and shall provide for these to be adequately published."

We work to encourage leaders of Eurofins' companies to ensure that the relationships with and between their employees are respectful, honest, safe and professional. Our businesses and all their employees should respect the different cultures, traditions, laws and employment practices of the communities they do business in. We share common goals in this matter and are committed to good corporate values and ethical behaviour. We strive to recognise achievement and to create equal opportunities for all employees at all levels of our businesses. In dealing with our employees we strive to act in compliance with national regulatory requirements and our obligations under the relevant national/international laws.

The principal risks related to social & employee matters and Eurofins' operations are described in detail in section I.6.5 "Risk Factors – Other risks", including how Eurofins manages those risks.

Average Number of Full Time Employees



The Group's total headcount at the end of the year was 43,819, with more than 85% on permanent contracts. The average weighted number of employees, expressed as full time equivalent (FTE), was 36,518, a 29% increase from 2017, primarily due to the increase in the total size of the Group, and in particular the multiple acquisitions during the course of the year. The geographical distribution of Eurofins' FTEs is as follows:

FTE by Region

	2018	2017
France	6,605	5,768
Germany	4,343	3,585
Benelux	2,599	2,256
Nordic Region	1,945	1,633
UK & Ireland	2,632	1,739
Total Western Europe	18,124	14,980
North America	8,978	6,660
Rest of the World	9,416	6,618
Total	**36,518**	**28,259**

The ability to attract and retain talent is key for a fast growing company, such as Eurofins. To account for this important function, Eurofins has appointed a dedicated Group Executive Vice President Human Resources, who is a member of the Group Operating Council. Eurofins has recently introduced a worldwide applicant management platform for both external applicants and employees which should be used by all Eurofins' HR departments worldwide. The organisation and administration of the application and recruitment is conducted through HR colleagues locally in most countries where Eurofins is present.

Eurofins provides an excellent platform for employees to evolve and develop their careers internationally within the Eurofins' network. In leadership roles, these business leaders are able to exchange and share best practice across laboratories. In technical positions, these employees have excellent opportunities in case they intend to relocate for personal reasons. We can often offer them roles in other laboratories of the Eurofins network.

In order to meet Eurofins' high standards of quality, reliability, and speed of analysis, Eurofins has defined Best Practice for its laboratories. Best Practice is the result of input and discussions of hundreds of our method experts from around the World. Best Practice recommendations are collected and shared via an online platform where detailed process instructions, film tutorials, and chat support functions can be found. This self-developed platform enhances knowledge transfer, standardized processes and, thus, supports improved efficiencies in the laboratories.

In 2018, Eurofins founded the Eurofins Academy with the aim to raising the knowledge of Eurofins standards for all employees by delivering high quality training programmes. The Eurofins Academy has an international team of dedicated staff, who set up an eLearning platform for the operational and functional leaders of the Group. In an initial effort, the leaders will be able to train on a few dozens of the main KGD's (Key Group Documents) governing Eurofins' processes. This eLearning platform will contribute to ensuring that central governing standards are enforced and monitored. One of the internal communications tools, in the food, environment and part of the pharmaceutical products testing laboratories, ComLIMS, is continually upgraded, in order to give access to and speed up the dissemination of scientific, technical and commercial information about the Group's portfolio of services. ComLIMS now has around 4,000 trained users with regular access within the Group. Eurofins also operates various other electronic document management systems to disseminate information to its targeted internal audience.

In addition to internal training and education, most laboratories will spend significant amounts on external trainings.

From its new recruitments, the Group welcomes every year new experienced leaders during a week-long training programme called New Leaders Introduction Tour, in order to give them some of the necessary tools and understanding to succeed in the Group. Eurofins also launched its High Potential (HP) and Top Graduate (TG) programme in 2010, designed to attract, train and develop management skills of young talented individuals who may become future top leaders at Eurofins. Since inception, as many as 1,400 young leaders have been through the Group's HP-TG programme, which has produced some 200 leaders involved in managing a total of EUR 1.5bn of revenues for the Group.

Eurofins group companies respect the principles and rights of freedom of association, the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. To this effect, the Group's Code of Ethics specifically commits to supporting the four fundamental principles contained within the International Labour Organisation (ILO) Declaration.

An internal study showed that typically most of the larger Eurofins companies have an employee representation / workers' council.

Eurofins' management is not aware of substantial days of work lost due to workers' strikes in 2018.

There is a growing number of laboratories in Eurofins' network that are monitoring incidents. Eurofins' food testing cluster in the USA (excluding Covance Food Solutions taken over in 2018) for example, monitors Total Recordable Incident Rate (TRIR) and Loss Cost (severity). For 2018, Eurofins US Food Testing has maintained a TRIR of 1.12, which is significantly less than the industry average. Eurofins US Food Testing has reduced Loss Cost by 86% since 2015, totalling less than US$ 30,000 for 2018. Our environmental flagship laboratory in Lancaster, PA managed to reduce TRIR by 30% over the last 20 months with the aim to reach less than 1.0 for 2019.

In the UK, for example, management requests voluntary audit of sites every 3 months in some laboratories to maintain high safety standards. Eurofins employs approximately 150 professionals, who perform audits on behalf of the respective national laboratories accreditation bodies. Eurofins is looking to introduce blind audits of its laboratories in addition to regular statutory audits by accreditation bodies.

5.6 Human Rights

We strive to support human rights consistent with the stipulations contained within the Universal Declaration of Human Rights, and we remain committed to upholding these principles through the conduct of our activities throughout the world.

We will encourage the leaders of Eurofins' companies to endeavour to ensure that these commitments extend to all of their supply chains, and that they work with their suppliers and customers to include them in their contractual requirements.

The Board of Directors of Eurofins Scientific SE confirmed its zero tolerance approach to any form of slavery, human trafficking or child labour in a statement in accordance with section 54 of the UK Modern Slavery Act 2015 (published on www.legislation.gov.uk/ukpga/2015/30/section/54/enacted).

Beyond the Group's business activities, several Eurofins companies also contribute to various social projects and charitable work as part of their continuous commitment to contribute to the improvement of health and social conditions of everyone.

Locally, many of Eurofins' subsidiaries and laboratories engage in social activities and donate to charitable organisations independently, over and above those undertaken at Group level.

Eurofins has been a long-term contributor to Plan International (https://plan-international.org) whose objective is to alleviate child poverty, and ProGreffe (http://www.progreffe.com), an organisation dedicated to research to improve organ transplants. Eurofins is also a supporter of Unicef (http://www.unicef.org/index.php), whose mission is to enhance children's rights, their development and survival. Eurofins also did contribute to the Red Cross (http://www.icrc.org/eng/), an organisation focused on providing humanitarian help for people affected by conflict and armed violence worldwide.

For more information on this topic, please visit https://www.eurofins.com/about-us/corporate-social-responsibility/charitable-donations/.

As part of its 30-year celebration, Eurofins donated EUR 1 million to charities and good causes selected by its teams worldwide. Our employees picked over 40 charities that align to Eurofins' mission of 'contributing to a safer and healthier world for all' as well as some of the 17 UN Sustainable Development Goals:

The supported causes range from organisations focusing on better nutrition (e.g. food banks around the world, organisations that support food fortification in developing countries or work on avoiding food waste) to charities that aim at protecting ecosystems in the sea and on land and that are committed to improving health around the world – via research on cancer or organ transplants or by building access to clean drinking water and sanitation. Finally, initiatives dedicated to social entrepreneurship and the support of local communities that Eurofins employees are active in were also supported. For more information on this topic, please visit https://www.eurofins.com/30th-anniversary/charitable-donations/.

5.7 Anti-Corruption and Anti-Bribery

Eurofins takes a clear stance against bribery and corruption in any form. In the Group Code of Ethics, the section dedicated to corruption and bribery is built on the following commitments:

"*We are resolutely opposed to bribery and corruption in whatever forms it may take. (…)*

It is our policy that sales of the company's products or services, and purchases and services from suppliers, are made solely on the basis of price, quality, performance, value, and for the benefit of our company. Sales or purchases must never be made as the result of giving or receiving inducement in the form of gifts, money, or entertainment, or favours in any other form. (…)"

This commitment in the Group Code of Ethics is further supported by a Eurofins Anti-Bribery Policy (https://www.eurofins.com/investor-relations/corporate-governance/anti-bribery), which expands on the principles laid out in the Eurofins Group Code of Ethics and is providing more specific guidance for leaders and employees. This policy is being implemented locally in all the entities of the Group and is setting the minimum standard, allowing our local leaders to set even stricter standards if they consider this in the interest of their business. An eLearning module for the Anti-Bribery Policy is being developed and will be rolled-out globally, making training on this important topic compulsory for all leaders of Eurofins' companies.

In general, Eurofins, its subsidiaries and affiliates are required to comply with all applicable local, national and international laws and regulations on anti-corruption wherever it does business. The same will apply to every director, officer and employee in the Group, and any third party acting on behalf of Eurofins.

5.8 Diversity

For the Company and the Group, diversity means a workforce reflective of different genders, generations, cultures, professional experiences, nationalities, race, origins and all the other unique differences that make each of its employees' individuals.

To support this, Eurofins is committed to:

- having a Board of Directors composed of both men and women;
- encouraging the leaders of all Group companies to create an understanding and supportive workplace environment in which all individuals feel heard and respected, and where they can realize their personal potential regardless of their sex, age, race, colour, religion, origin and disability.

Currently, the Board of Directors is composed of three men and three women.

The Board of Directors diversity not only relates to gender, but also to the experience and nationality of its members.

As laid out in our Group Code of Ethics, Eurofins is supporting equal opportunities and diversity. In most of our laboratories, women make up the majority of our workforce. Handicapped workers often support technical staff. In many entities, workers must sign a commitment to anti-discrimination as part of their employment contract.

5.9 Whistleblowing

Eurofins also has a whistleblowing point of contact (https://www.eurofins.com/investor-relations/corporate-governance/whistleblowing/) that is readily accessible for all employees via Eurofins' intranet and also on Eurofins corporate website for employees and external stakeholders.

This point of contact is intended to encourage and enable employees and/or external parties to confidentially raise serious concerns without fear of retaliation so that Eurofins can address and correct inappropriate conduct and actions that are not in line with Eurofins values or the Group Code of Ethics. In order to safeguard confidentiality and to operate at the highest level of trust, external attorneys have been commissioned to serve as the initial point of contact for any whistleblowing report.

6 Risk Factors

Eurofins' decisions, plans and objectives for the future are based on its management's current views and expectations of the risks facing the business.

Eurofins' management considers the following list to be as comprehensive as can reasonably be expected and does not consider there to be any other significant risks than those listed, given the current operating environment and without prejudice to any new or highly unusual events taking place. Nevertheless, Eurofins may be significantly affected by risks that its management has not identified or considered not to be material or the measures it undertook to avoid or limit those risks may not prove effective.

Some risks faced by Eurofins, whether they are mentioned in the following list or not, may arise from external factors beyond Eurofins' control.

Where mitigations are mentioned in the following list, there is no guarantee that such mitigation actions will be effective, in whole or in part, to remove or reduce the effect of the risk. Some specific risks are also mentioned in the notes to the periodical financial statements.

1. Commercial Risks

Changes in the Market

Eurofins operates mainly in the food, pharmaceutical, environmental and clinical testing markets as well as individual testing, which are relatively less cyclical and less susceptible to the full impact of economic downturns than many other sectors. This is because of the basic underlying human need to consume food and drink and the consumer and governmental demands, certainly in more affluent and developed countries, that food and drink be safe for consumption. The pharmaceutical testing business is supported by the growth in pharmaceutical products development and use as well as by the search for new and more effective drugs within the framework of new drug development programmes. The environmental testing market is driven by regulations that are enforced in an increasing number of countries around the world.

In 2018, the global economy, especially in Europe, continued to struggle with sluggish growth and persistent uncertainty. The slower growth and consequent funding squeeze may negatively impact some of Eurofins' customers, or governments may be forced to suspend or revoke regulations and reduce testing frequency to ease financial burden, which would directly impact our industry. If this were to be the case then the impact on Eurofins' net worth, financial position and operating results could be severe, including the remote possibility of a cessation of the business.

Regulations and the Regulatory Environment

Eurofins also has businesses where regulatory supervision extends not only to the analytical process, but also to fee structures and/or schedules. This is particularly relevant in the clinical diagnostics market, where third-party payers, such as government/healthcare agencies and insurers have increased their efforts to control the cost, utilization and delivery of health care services. Reductions of reimbursement from these third-party payers, changes in policy regarding coverage of tests or other requirements for payment, such as prior authorization from a physician or the payer or qualified practitioner's signature on test requisitions, may have a material adverse impact on the Company's business.

General Regulatory Risk

Many of the services Eurofins provides and the conduct of such services are subject to or influenced by laws and regulations that highly regulate the Group's business or the businesses of the Group's customers. Future government policies may adversely affect the supply of, demand for, and prices of Group services; restrict Eurofins' ability to do business in its existing and target markets; and adversely affect the Group's revenues and operating results. Eurofins' operating results could be affected by changes in other governmental policies, mandates, and regulations including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labour conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes, enforceability of legal agreements and judgments, and adverse tax, administrative agency or judicial outcomes. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit our ability to transact business in individual markets and could adversely affect our revenues and operating results.

Certain Service Line Regulatory Risk

Certain of the Group's service lines are subject to more stringent legal and regulatory requirements governing such activities, and the Group or its subsidiaries may face substantial fines and penalties, and such service line business activities may be impacted, if we fail to comply. In particular, the Group's medical diagnostic business is subject to or impacted by extensive and frequently changing healthcare laws and regulations, (especially in the United States at both the federal and state levels and in France), as well as in other jurisdictions in which the Group engages in such business. While Eurofins seek to conduct our medical diagnostic business in compliance with all applicable laws regulating such business, many of the laws and regulations applicable to such business, especially in the US and France, are vague or indefinite and have not always been fully or partly interpreted by courts, including many of those relating to:

- billing and reimbursement of clinical testing;
- certification or licensure of clinical laboratories;

- the anti-self-referral and anti-kickback laws and regulations;
- the laws and regulations administered by the Food and Drug Administration ("FDA");
- the corporate practice of medicine;
- operational, personnel and quality requirements intended to ensure that clinical testing services are accurate, reliable and timely;
- physician fee splitting;
- relationships with physicians and hospitals;
- safety and health of laboratory employees;
- protection of patient's data;
- handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials; and
- the control of laboratories by medical "biologists" practitioners in France.

These laws and regulations applicable to Eurofins activity may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require us to make changes in our operations, including our pricing and/or billing practices. We may not be able to maintain, renew or secure required permits, licenses or any other regulatory approvals needed to operate our medical diagnostic or other businesses. If we fail to comply with applicable laws and regulations, or if we fail to maintain, renew or obtain necessary permits, licenses and approvals, we could suffer civil and criminal penalties, fines, financial claims, exclusion from participation in governmental healthcare programmes and the loss of various licenses, certificates and authorizations necessary to operate our medical diagnostic and/or other businesses, as well as incur additional liabilities from third-party claims. If any of the foregoing were to occur, our reputation could be damaged and important business relationships with third parties could be adversely affected.

Some of our businesses may from time to time receive requests for information from governmental authorities (and occasionally subpoenas in US).

For example, several companies in the cardiac biomarker laboratory services business, including the Group's Boston Heart Diagnostics (BHD) subsidiary, are currently cooperating with investigations that the US Department of Health and Human Services, Office of Inspector General (OIG), is conducting in conjunction with the US Department of Justice (DOJ) related, in part, to alleged incentives to physicians in connection with blood testing services. As of end of 2018, there were two ongoing *qui tam* cases filed against BHD, a civil investigation demand issued to BHD and an OIG subpoena issued to BHD. The US government declined to intervene in the *qui* tam suits and has not made any determination in the other matters, but as long as those suits and other matters are not settled, they may continue for a long time and may create a significant liability / cost in excess of the indemnified recoverable values from the acquisition of BHD. Although BHD is fully cooperating with the OIG and DOJ and vigorously defending the *qui tam* suits, neither BHD nor the Group can at this time estimate what, if any, impact these matters and any results from these matters could have on our bioanalytics business in general or our medical diagnostics business in particular. We also are subject in the US from time to time to *qui tam* claims brought by former employees or other "whistleblowers." The governments and insurance companies continue to strengthen their scrutiny and enforcement efforts against perceived healthcare fraud. Legislative provisions relating to healthcare fraud and abuse provide government enforcement personnel substantially increased funding, powers, penalties, and remedies to pursue suspected cases of fraud and abuse. In addition, the US Government has substantial leverage in negotiating settlements since the amount of potential damages far exceeds the rates at which we are reimbursed for our services, and the government has the remedy of excluding a non-compliant provider from participation in the Medicare and Medicaid programmes. Regardless of merit or eventual outcome, these types of investigations and related litigation can result in:

- diversion of management time and attention;
- expenditure of large amounts of cash on legal fees, costs and payment of damages;
- limitations on our ability to continue some of our operations;
- enforcement actions, fines and penalties or the assertion of private litigation claims and damages;
- decreased demand for our services; and/or
- injury to our reputation.

Although Eurofins believes that Group companies are currently in compliance, in all material respects, with applicable laws and regulations with respect to our medical diagnostic services, both in the US and in other countries where Eurofins operate, there can be no assurance that a regulatory agency or court would not reach a different conclusion. Moreover, even when an investigation is resolved favourably, the process may be time-consuming and the legal costs and diversion of management focus may be extensive. Insurance companies covering health care costs may also refuse payments to Eurofins companies, threaten or launch legal actions, in connection to violation of laws or their policies.

Changes in applicable laws and regulations with respect to our medical diagnostic business or our other service lines may result in existing practices becoming more restricted or subject existing or proposed services to additional costs, delay, modification, withdrawal or reconsideration. Such changes also could require Eurofins' companies to modify their business objectives.

Regulatory Approval, Accreditation and Professional Licensing Risks

Eurofins is required to obtain and hold permits, licenses and other regulatory approvals from, and to comply with operating and security standards of, numerous governmental bodies. Failure to maintain or renew necessary permits, licenses or approvals, or to comply with required standards, could have an adverse effect on our results of operations and financial condition. Group customers may require evidence of various professional licensing and accreditation as part of their selection of a provider of bioanalytical services and various governmental and regulatory authorities may mandate certain accreditations and professional licensing in connection with the performance of various services, especially with regard to the medical diagnostics market. Although Eurofins believe its operations are in compliance with all material accreditation and professional licensing requirements, there can be no assurance that it will always be able to obtain accreditations and professional licenses necessary or desirable for its business in each jurisdiction in which it operates or seeks to operate. A material delay in obtaining, the failure to obtain, or the withdrawal or revocation of material licenses, approvals, or other authorizations could have a material adverse effect on individual operations within the Group or, more broadly, could have a negative effect on the Group's overall operations.

Deregulation Risk

From time to time efforts are made to limit or prohibit the disclosure of information that might be revealed by various bioanalytical testing we offer or may offer in the future. For example, in the United States various groups oppose mandatory and/or voluntarily labelling of genetically modified (GMO) foods. Likewise various groups and governments have opposed mandatory and/or voluntarily labelling of the country of origin for assorted foods, including pursuant to various international trade agreements. Although Eurofins deems it to be unlikely, a material relaxation of certain regulations or a prohibition on certain types of disclosure could have a negative impact on the demand for, or growth of, certain of our services. Likewise, our toxicology testing businesses, which currently compose a small part of the Group's overall business, could be negatively affected by a ban on or limitations on this type of testing in specific jurisdictions or by other successful actions taken by groups opposed to such testing. Changes in regulations that, for example, streamline procedures or relax approval standards with respect to pharmaceuticals could reduce the need for our pharmaceutical bioanalytics services. If companies regulated by the FDA and other national regulatory authorities where Eurofins operates were subject to such deregulation, we could have fewer business opportunities and our revenues could decrease, possibly materially. Despite the foregoing and similar actions, Eurofins believes the current trend of increasing demand for verification and security is more likely to lead to greater regulation of, and disclosure with respect to, products subject to bioanalytical testing.

Customer and Credit Risk

The clients of Eurofins are very varied in number, in size and in location. They belong to top global companies (e.g. global food & beverages producers, or retailers for our Food & Feed testing activities; 9 out of the top 10 global pharmaceutical companies for our Biopharma testing activities; consulting and sampling companies for our Environmental testing activities) as well as small independent companies in each segment.

Eurofins' performance and value are influenced by many stakeholders, including employees, customers, suppliers and strategic partners. To minimise risk and exposure Eurofins does not rely on a single customer or supplier contract. There are at present no significant dependencies on suppliers or individual customers. Nonetheless, whilst the Eurofins Group is not dependent on any one external entity, certain subsidiaries may have more significant exposure to one client, or a small group of clients, relative to the size of those subsidiaries. The Company endeavours not to be dependent on any single customer. The Group's biggest customer represents less than 2% of the consolidated revenues and the first 10 customers of the Group represent altogether less than 10% of the consolidated revenues.

The majority of our customers' contracts can be terminated upon short notice. Customers terminate or delay their contracts for a variety of reasons. The loss, reduction in scope or delay of a large contract or the loss or delay of multiple contracts could adversely affect our business, although our contracts frequently entitle us to receive the costs of winding down the terminated projects, as well as all fees earned by us up to the time of termination. Some contracts also entitle us to a termination fee but this is not always or often the case. Eurofins believes its customer base is diverse. Furthermore, based on the general credit profile and quality of the Group's customers, Eurofins believes the risk of bad debts or the insolvency of its customers is generally low. Eurofins periodically reviews its customer accounts and considers its provision for doubtful accounts and bad debts to be appropriate. Severe or long-lasting adverse changes in the global economy in general or in particular individual markets could have an adverse effect on our customers and, in turn, increase the Group's credit risk or decrease the demand for its services.

Contractor and Supplier Risks

Successful delivery of Eurofins' services to its customers is dependent on complex technologies utilizing equipment and materials from multiple suppliers. Failure to deliver services may lead to a reduction in Eurofin's expected revenue and could impact the Company's credibility to both existing and potential customers. Therefore stability in the business strategies of the Company's suppliers is also important to the successful functioning of Eurofins.

The Company utilizes certain third party contractors, vendors, and suppliers in the ordinary course of its business. Individual laboratories subcontract on an *ad hoc* basis for specific technical know-how or services, to address production capacity demands or limitations or for other reasons related to specific applications or services. The main suppliers to the business are in the following main categories: laboratory equipment, laboratory consumables (these first two often overlap), information technology (IT), and logistics. In each category, the Group utilizes multiple suppliers and does not believe it is dependent on any major supplier.

The Group believes there are currently additional available subcontractors, vendors, and suppliers for all of our subcontracted service needs, laboratory equipment and consumables supply needs, and contracted IT needs. However, a full range of subcontract services, suppliers, and vendors may not be locally available in all of the Group’s markets and localized disruptions could adversely affect our operations for a limited period of time. The Group seeks to minimize its subcontractor, vendor, and supplier risk through a professional sourcing and contracting process and in-house production capacity for some critical items. During the sourcing process, the Group reviews the risk profile of most major vendors and assesses the criticality and availability of their services and supplies to the Group Business. Despite these initiatives, plans, and procedures, such measures may not be adequate or implemented properly or sufficiently to prevent business disruption in every instance or major price increase by or dependency from certain suppliers, and Eurofins is subject to various risks and potential liability in the case of errors by its subcontractors.

Market Expansion, Establishment of New Companies and Business Segments, Internationalisation

Eurofins bases a large part of its future growth on expected penetration of new regional markets. Even though Eurofins has been able to accumulate extensive experience in doing business internationally in the past and already has contacts in the various target regions for its international growth strategy, the risks in executing the Group’s business strategy in and for new markets could lead to a delay or even a failure in implementation of Eurofins’ international growth strategy, attempts at market development, and entry into new markets. Such failure could have a material adverse effect on Eurofins’ net worth, financial position and operating results.

Expansion and Acquisition Risks

It is the strategic approach of Eurofins to acquire companies, new laboratories, and technologies in order to obtain access to complementary technologies and to expand the Group's market position in Europe, North America, and Asia as well as in other parts of the world. Our business has experienced substantial expansion in the past and such expansion and any future expansion could strain Group resources if not properly managed. Future rapid expansion could strain Group operational, human, and financial resources. In order to manage expansion, Eurofins must:

- continue to improve operating, administrative, and information systems;
- accurately predict future personnel and resource needs to meet customer commitments;
- track the progress of ongoing client projects; and
- attract and retain qualified management, sales, professional, scientific, and technical operating personnel.

If Eurofins does not take these actions and is not able to manage the expanded business, the expanded business may be less successful than anticipated. Eurofins may be required to allocate existing or future resources to the expanded business, that in either case, the Group would have otherwise allocated to another part of our business.

Some of the companies we acquire may not develop as planned, breach agreements with clients or regulatory or accounting rules and even ultimately fail. This could cause major financial losses and the need for substantial write offs for Eurofins.

If Eurofins is unable to successfully execute its acquisition strategies and successfully integrate acquired businesses, our business, results of operations and financial condition could be adversely impacted. Historically, Eurofins’ growth strategy has been based in part on our ability to acquire existing businesses, services or technologies. We do not know whether in the future we will be able to:

- identify suitable businesses or technologies to buy;
- successfully perform business diligence and identify all materials risks associated with the acquisition;
- complete the purchase of any such businesses or technologies on terms acceptable to Eurofins;
- successfully integrate the operations of acquired businesses into the Group;
- obtain financing necessary for an acquisition at all or on commercially acceptable terms; or
- retain key personnel and customers of acquired businesses.

We compete with other potential buyers for the acquisition of existing businesses and technology. This competition may result in fewer opportunities to purchase companies that are for sale. It may also result in higher purchase prices for the businesses that we want to purchase. We may also spend time and money investigating and negotiating with potential acquisition targets but not complete the transaction. Any future or past acquisition could involve other risks, including liability risks and reputational damage to the Group as a result of unprofessional or lower quality business practices of acquired operations, the assumption of additional liabilities and expenses, issuances of potentially dilutive securities or interest-bearing debt, transaction costs, and diversion of management's attention from other business concerns.

From time to time, Eurofins may enter into contingent agreements such as an earn-out agreement with the sellers of acquired companies for which calculations are typically based on the fulfilment of certain conditions by a pre-determined date. From time to time, such agreements lead to disputes, or even litigation. It cannot be excluded that in the future that one or more of these disputes could cause costs above those provisioned in the Group accounts. For more information on such risks, please see the notes to the 2018 consolidated financial statements (note 3.14).

Competition

The bioanalytics industry is highly competitive. We often compete for business not only with other, often independent bioanalytics companies, but also with internal analytics departments within some of our customers or governments. If we do not compete successfully, especially with respect to the competitive advantage of outsourcing analytics requirements to companies such as ours, our business will suffer. The industry is highly fragmented, with numerous smaller specialized companies and a handful of full-service companies with global capabilities similar to ours.

Increased competition might lead to price and other forms of competition that might adversely affect our operating results. As a result of competitive pressures, our industry has experienced consolidation in recent years and we expect such trend toward consolidation to continue. This trend is likely to produce more competition among the larger companies for both customers and acquisition candidates. Bioanalytic testing companies generally compete on:

- regulatory compliance record;
- reputation for on-time quality performance;
- quality systems;
- previous experience;
- medical and scientific expertise in specific testing and diagnostic areas;
- scope of services;
- quality of data and related services;
- financial viability;
- database management;
- statistical and regulatory services;
- ability to recruit scientists and other personnel;
- ability to integrate information technology with systems to optimize research efficiency;
- accreditation and quality of facilities;
- international presence with strategically located facilities; and
- price.

Eurofins is confident in its know-how and expertise accumulated by its scientific teams, in particular in its database of methods and test results. Nevertheless, there is no certainty that it will have the necessary resources in order to successfully deal with changes in the market, a process of consolidation, or the entry of new competitors into its markets.

Some of the current and potential competitors have longer business experience or greater financial resources or marketing capacities at their disposal than Eurofins. Some have a better-known name in their market segment and a larger customer base. Eurofins proceeds from the assumption that the market for the supply of analytical testing methods will become more concentrated.

It also cannot be ruled out that financially powerful market participants, such as food or water companies or other large corporations may enter into competition with Eurofins and create challenges that Eurofins will have to overcome.

Cost Pressures, Price Falls and Profit Margins

As a result of competition and improvement of testing technologies, test prices do and can fall, especially for the most common and standard tests. It is impossible to rule out further significant price reductions in the market for food, pharmaceutical, clinical, environmental analysis or other markets Eurofins is operating in. At the same time, due to factors such as inflation, Eurofins' costs could grow due to increased expenses for personnel, materials and other supplies/resources. Although Eurofins will attempt to maintain or improve profit margins through measures to increase scale and cost efficiency, there can be no certainty that Eurofins' profit margins may not significantly decrease in the future. Sustained erosion of its margins would have adverse effects on Eurofins' net worth, financial position and operating results and even its very existence.

2. Financial Risks

Liquidity Risk

Eurofins has entered into several loan and credit facility agreements to ensure the Group has sufficient financial liquidity to be able to respond swiftly to strategic opportunities.

In addition, Eurofins has successfully launched in September 2017 its NEU-CP (commercial paper) programme on the French market, giving it access to very competitive short-term funding.

Eurofins periodically carries out reviews of the liquidity risk and considers itself able to face its current financial obligations. In regards to the current economic environment it should be noted that Eurofins and its subsidiaries are compliant with the criteria of the most important respective lines of credit and at this time do not anticipate any particular liquidity problems or issues regarding the financial covenants within the near future.

Optimal cash management within the Group is ensured via cash-pooling structures, allowing concentrating cash at holdings' level while maintaining adequate level of liquidity at subisidiary's level to meet local payment obligations.

The Group's ability to generate sufficient cash flows from operations to make scheduled payments on our debt obligations will depend on our future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If Eurofins is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, Eurofins could be forced to reduce or delay the completion or expansion of new laboratories and technologies, sell assets, obtain additional equity capital, or refinance or restructure its debt.

In order to finance parts of the acquisition and expansion costs, the Company and its subsidiaries have entered into several loan and credit facility agreements as described in this report. Such loans and facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans and facilities with a variable interest rate in the Company and in some of its subsidiaries are from time to time hedged by various financial instruments (e.g., swap with a fixed rate or cap with a maximum interest rate covering a certain period). However, as there are certain lines of credit that are still based on a variable rate, it cannot be excluded that the interest rate concerning these loans will rise in the future. This could have an adverse effect on the Company's liquidity, financial position, and operating results.

For more information on financial risk management, please see the notes to the 2018 consolidated financial statements (note 4.2).

Future Capital Requirements Risk

Eurofins' strategic growth, particularly the acquisition of new laboratories and technologies in order to obtain access to complementary technologies and to expand Eurofins' market position in different continents, requires the extensive use of resources. Eurofins believes that it has sufficient internal or available funds for its current needs. It cannot be ruled out, however, that Eurofins may determine that it is necessary or desirable to acquire additional funds through public or private financing, including external and equity capital financing or other agreements. Any additional acquisition of equity capital may have a dilutive effect for shareholders, while external financing may subject Eurofins to restrictions in dividend payouts or other restrictions.

In light of the current economic uncertainty, and the volatility in the capital markets, particularly in Europe, it is also possible that adequate funds may not be available at all, at the proper time, or under acceptable conditions, either through procurement via the capital markets or other means. If additional financing is limited or unavailable, Eurofins could be forced to limit the planned expansion of its business activities. Furthermore, if Eurofins' business activities are incurring deficits at that point in time, and should additional Eurofins funds be unavailable to finance its business activity, it cannot be ruled out that Eurofins will be unable to maintain its operational business activity.

Interest Rate Risk

Eurofins' exposure to the risk of changes in market interest rates relates to variable interest rate indebtedness and hedging activities. To mitigate the Group's exposure to interest rates changes, Eurofins entered in the past into several and in the future might enter into additional hedging contracts in order to limit the potential impact of adverse changes in interest rates. However, there are no guarantees that such contracts would be sufficient to fully protect the Group in the event of large interest rate volatility. Also hedging contracts entered into may have negative consequences on its income statement (paying interests based on higher rates than market in a given period) and balance sheet (derivative accounting on hedging instruments) which could have a material adverse effect on the Group's net worth, financial position and operating results.

Foreign Currency Risk

Eurofins' reported financial performance can be impacted by changes in foreign currencies (both transaction and translation related). To mitigate the Group's exposure to currency fluctuations, Eurofins might enter into several hedging contracts in order to limit the potential impact of adverse changes in foreign currency fluctuations. However, there are no guarantees that such contracts would be sufficient to fully protect the Group in the event of large volatility in one or more foreign currencies. Also hedging contracts entered into may have negative consequences on its income statement and balance sheet (derivative accounting on hedging instruments) which could have a material adverse effect on the Group's net worth, financial position and operating results.

Counterparty Risk

Eurofins exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents held for trading financial assets, loans receivable and derivative instruments), with the maximum exposure being equal to the carrying amount of these instruments.

To mitigate the counterparty risk, Eurofins endeavours to mainly deal with recognised financial institutions with an appropriate credit rating. All counterparties are generally financial institutions which are regulated and controlled by the national financial supervisory authorities in their respective countries.

For more information on market and counterparty risks, please see the notes to the 2018 consolidated financial statements (note 4.5).

Revenues and Results Variability

Revenues and results depend on many factors and may not reach the level expected by the Group or by analysts or even already reached on previous results. Eurofins' revenues vary from one quarter to another because of the seasonality of its activities (with a traditionally low cycle at the beginning of the year) and it is expected that these fluctuations shall carry on. Eurofins' revenues may also vary from one accounting year to another. Fluctuations in Eurofins' revenues can have a strong impact on various factors within the business. These factors include the continued acceptance of the existing services offered by the Group, the acceptance of future services offered by the Group, changes in the prices of services, changes in terms of staff and employees, increasing competition, economic and market conditions, the financial health of or consolidation between Eurofins' customers, legal changes that could have an impact on Eurofins' activities, and other economic factors. Fluctuations in Eurofins' revenues and results may have an additional significant impact on the level and volatility of Eurofins' stock price.

3. Technological Risks

Rapid Technological Change Risks

The Group's future success depends on our ability to keep pace with rapid technological changes that could make our services and products less competitive or obsolete. The bioanalytics industry generally and, more specifically, biologic, genomics, and medical testing are subject to increasingly rapid technological changes. Our competitors or others might develop technologies, services or products that are more effective or commercially attractive than our current or future technologies, services or products, or that render our technologies, services or products less competitive or obsolete. If competitors introduce superior technologies, services or products and we cannot make enhancements to ours to remain competitive, our competitive position and, in turn, our business, revenues, and financial condition, would be materially and adversely affected.

Patents

Our bioanalytics business is dependent, in part, on our ability to obtain patents in various jurisdictions on our current and future technologies and services, to defend our patents and protect our trade secrets and to operate without infringing on the proprietary rights of others. There can be no assurance that our patents will not be challenged by third parties or that, if challenged, those patents will be held valid. In addition, there can be no assurance that any technologies or products developed by us will not be challenged by third parties owning patent rights and, if challenged, will be held not to infringe on those patent rights. The expense involved in any patent litigation can be significant. We also rely on unpatented proprietary technology, and there can be no assurance that others will not independently develop or obtain similar products or technologies.

Eurofins attempts to obtain patent protection as deemed appropriate for its inventions from the appropriate patent offices. The prosecution and/or defence of this protection can involve a great deal of time and entail significant costs. There is no guarantee that all of the applications for patents filed will successfully pass the examination process. As noted above, there is a risk that Eurofins could be subjected to patent litigation with third parties and that an examination process could end with a negative result for Eurofins. The loss of material patents, material successful infringement claims or the costs of litigation, all could have a negative effect on the net worth, financial position and operating results of Eurofins.

In addition, it cannot be ruled out that patent rights will not be identified in the future that can significantly impair Eurofins' business activities. For example, no guarantee can be given that the research conducted by Eurofins and its patent attorneys has actually uncovered all relevant patents/patent applications. Likewise, it is possible for competitors to develop technology processes that Eurofins would like to use, but with respect to which Eurofins cannot obtain a license nor have the rights thereto invalidated. Eurofins is aware and has been aware from time to time of various potential infringements of its patents or copies of its technology but in view of the limited impact of these on Eurofins' markets so far and the cost, duration and uncertainty of legal action, Eurofins has not generally deemed necessary to take legal actions. It cannot be ruled out that these infringements or copies make a larger impact on existing or future markets in which Eurofins operates or may seek to operate with a corresponding negative impact on Eurofins' operations or results of operations.

Infringement of Property Rights

Industrial property rights allow patent infringement litigation to be initiated to obtain injunctive relief and compensatory damages. Claims for commensurate compensation can be asserted in legal action based on published patent applications. Competitors can be prevented from using the patented technology based on an enforceable judgment.

It may also become necessary to take legal action against third parties that infringe upon the (licensed) patents of Eurofins or patents Eurofins will receive in the future, and to defend against patent infringement litigation brought by third parties. Furthermore, if a completely or partially legally valid patent of a third party or a patent subject to an opposition procedure or national invalidity proceedings is the subject of patent infringement litigation brought by a third party against Eurofins, and if the court hearing the case were to decide that Eurofins has infringed upon the patent, the court could prohibit the further use of the analytical method and could award the third party compensatory damages for the past patent infringement. In addition, Eurofins could be a plaintiff in litigation concerning its own patents and not win the case or fail to be successful to the extent necessary. In this case, for example, a third party could bring competing technologies to market, resulting in a negative effect on Eurofins' business activities and its net worth, financial position and operating results. Such patent disputes can extend over long periods of time and tie up significant Eurofins personnel and its financial potential.

Neither Eurofins nor its patent attorneys can guarantee that patent rights of third parties do not exist that could impair the business operations of Eurofins. In addition, there is no certainty that a national court will not interpret the scope of protection offered by the patent of a third party differently than Eurofins and its patent attorneys. This could result in Eurofins or one of its business partners being charged with patent infringement and not succeeding in invalidating the patent alleged to be infringed, although neither Eurofins nor its patent attorneys had viewed the corresponding action in this document as a patent infringement or had viewed the patent not strong enough to withstand legal proceedings.

Licenses and Research Contracts

Eurofins' business involves entering into license, collaboration and other agreements with third parties relating to the development of the technologies and products both as licensor and licensee. There is no guarantee that Eurofins will be able to negotiate commercially acceptable licenses or other agreements necessary for the future exploitation of its technologies and products or that any of its licenses or other agreements will be successful. In addition, there is no guarantee that

Eurofins' collaborative partners will not pursue or develop competing technologies or products, either on their own or in collaboration with others. Eurofins' license agreements are generally for a fixed term and, prior to the expiry of such term, may be terminated in certain circumstances, some of which may be beyond the control of Eurofins. There is no certainty that license agreements that expire or are terminated will be renewed or replaced which could have an adverse effect on Eurofins' business, financial condition, operating results and prospects.

Information Security Risks

Attacks on our IT systems, or failure or delays in these systems or their interconnections, including failures resulting from our systems could disrupt our operations and cause the loss of confidential information, customers and business opportunities or otherwise adversely impact our business.

IT systems are used extensively in virtually all aspects of our business, including clinical testing, test reporting, billing, customer service, logistics, and management of data. Our success depends, in part, on the continued and uninterrupted performance of our IT systems. IT systems may be vulnerable to damage, disruptions and shutdown from a variety of sources, including telecommunications or network failures, human acts, and natural disasters. Unauthorized persons may seek to obtain intellectual property and other confidential information like client or patient data that we house on our IT systems. Moreover, despite the security measures we have implemented, our IT systems may be subject to physical or electronic intrusions, computer viruses, unauthorized tampering and similar disruptive problems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services, customer orders and day-to-day management of our business and could result in the corruption or loss of data and ultimately to the failure of our operations.

While we have disaster recovery plans for parts of our operations, and are continuously extending those plans and updating our methodologies and have taken precautionary measures to prevent or minimize vulnerabilities in our IT systems, including the loss or theft of intellectual property and other confidential information that we house on our systems, they might not adequately protect us. Since 2013, we have continued to update and upgrade our IT systems and strengthen precautionary measures to reduce the risk of, and to detect and respond to, future cyber threats including through regular monitoring of our systems and implementation of various "best practices". Since 2017 we have elevated the resilience of our global infrastructure with the introduction of Intrusion Detection Systems (IDS) and Security Information and Event Management systems (SIEM) covering many of our historic companies and that we continue to roll out. Monitoring and operations of many of our systems is ensured 24x7 from multiple IT service delivery centres around the globe. However, cyber threats and the consequences of human error or system failures are constantly evolving, thereby increasing the difficulty of detecting and successfully defending against them. Breaches of our network or data security could disrupt the security of our internal systems and business applications, impair our ability to provide services to our customers, compromise intellectual property or confidential information or otherwise adversely impact our business. There can be no assurances that our precautionary measures will prevent or successfully defend against cyber threats, human errors or system failures that could have a significant impact on our business. Despite any precautions we take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our computer facilities could result in interruptions in the flow of data to our servers and from our servers to our customers. In addition, any failure by our computer environment to provide our required data communications capacity could result in interruptions in our service. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to an alternative provider of server hosting services. Such a transfer could result in delays in our ability to deliver our products and services to our customers. Additionally, significant delays in the planned delivery of system enhancements, improvements and inadequate performance of the systems once they are completed could damage our reputation and harm our business. Finally, long-term disruptions in the infrastructure caused by events such as natural disasters, sabotage, cyber crime, the outbreak of war, the escalation of hostilities and acts of terrorism, particularly involving cities in which we have offices, could adversely and fatally affect our businesses. Although we carry cybercrime insurance, our coverage might not be adequate to compensate us for all risks and losses that may occur.

Confidential Information

Eurofins has confidentiality agreements with numerous customers not to disclose the results of analyses or other confidential information. If Eurofins were to fail to comply with these agreements or laws concerning patient data privacy, Eurofins could suffer financial penalties.

As a mitigating measure, it is a general rule that new staff members are contractually committed not to reveal any technology or any results of analysis; access to the whole database is limited to a low number of staff. Staff in sensitive positions are often contractually bound by post-contractual non-compete clauses in those countries where these are generally practised and permitted by law.

Nonetheless, it is impossible to categorically rule out detrimental risk to Eurofins from the disclosure of confidential information to outside parties. Unauthorized access to Eurofins' proprietary information or to clients' or patients' data in the Group's computers or online tools could cause significant damage.

Research & Development Projects

In the past Eurofins has participated in various research and development (R&D) projects. Currently, there are several internal and collaborative research and development projects running including projects with the European Union. In the past, the majority of research projects undertaken by Eurofins have led to the successful application of new analytical methods. However, investment in R&D by its very nature presents a risk. The potential products and services to which we devote R&D resources might never be successfully developed or commercialized by the Group for numerous reasons, including:

- inability to develop products or services that address our customers' needs;
- inability to bring the products or services to market in a cost-effective or competitive manner;
- inability to obtain regulatory approvals in a timely manner or at all;
- competitive products or services with superior performance;
- patent conflicts or unenforceable intellectual property rights;
- lack of demand for the particular product or services; and
- other factors that could make the product uneconomical or infeasible.

Incurring material R&D expenses for potential products or services that are not successfully developed and/or commercialised could have a material adverse effect on our business, financial condition, prospects and stock price, especially in light of the fact that returns on investment may only be realized over an extended period of time or not at all.

4. Industrial Risks

Partial or Total Destruction of the Testing Databases

Eurofins maintains databases containing information on almost all of its available tests, in addition to data such as isotopic and other analytical fingerprints on products capable of analysis by Eurofins, and which represent an integral part of its technological advance.

If the databases were to be corrupted, damaged, or destroyed, Eurofins' business could be adversely affected. To limit the risk of a partial or total destruction, the main databases are kept in clusters of high availability datacentres interconnected via high-speed communication lines. To further ensure availability, Eurofins and its subsidiaries systematically apply off-site back-ups of the databases.

Environmental Contamination Risks

Our business uses biological and hazardous materials, which could injure people or violate laws, resulting in liability that could adversely impact our financial condition and business. Our activities involve the controlled use of potentially harmful biological materials, as well as hazardous materials, solvents and other chemicals, and various radioactive compounds. While our risk may be mitigated by the relatively small quantities of such materials used, we cannot completely eliminate the risk of accidental contamination or injury from the use, storage, handling or disposal of these materials including in the case of error, accident, fire or other damage to our facilities or in the case of the failure of specialized companies which often dispose of such materials for us to comply with their contractual and regulatory obligations. While Eurofins maintains insurance for environmental liabilities at levels which the Group believes are appropriate, in the event of contamination or injury, we could be held liable for damages that result, and any liability could exceed our insurance coverage and ability to pay. Any contamination or injury could also damage our image and reputation, which is critical to obtaining new business. In addition, we are subject to one or more levels of laws and regulations in the countries in which we operate governing the use, storage, handling and disposal of these materials and specified waste products as well as the remediation to be taken in the event of an environmental incident or damage to bio-diversity. The cost of compliance with these laws and regulations is significant and if changes are made to impose additional requirements, these costs could increase and have an adverse impact on our financial condition and results of operations.

Professional Liability

As a general matter, providers of (bio)analytical services may be subject to lawsuits alleging negligence, errors and omissions, fraud or other similar legal claims. These lawsuits could involve claims for substantial damages. For example, Eurofins' business contains the potential risk of substantial liability for damages in the event of analytical errors or frauds by its staff where Eurofins and its subsidiaries not only verify the authenticity of the products analysed, but also look to detect dangerous components (pathogens, prions, pesticides, asbestos, mycotoxins, dioxins, toxic substances, etc.). Since these results may be relied upon and used in the marketing activities or regulatory filings of Eurofins' clients, such negligence, errors or omissions in the (reporting of the results of the) analyses could potentially lead to Eurofins' clients being forced to organise a product recall or suffering other financial losses. Potential errors could even have a wider impact on consumers' health or property. In the event that Eurofins would be found responsible for these damages, its liability could be very large. Errors or omissions in the analyses performed by Eurofins' clinical diagnostics division could also potentially impact patients' health.

Although Eurofins practices quality assurance programmes and staff training designed to prevent errors in its laboratories, the risk of human error or accident or fraud by an employee can never be totally ruled out.

To the Group's knowledge, such errors and omissions or acts of fraud by employees or leaders have already occurred in the past, for example in the detection of heavy metals and other hazardous contaminants in soil or water samples or in ecotoxicology testing in some of its US laboratories, or may occur from time to time in some of its laboratories despite Quality Assurance and other precautionary measures implemented throughout its organisation. As soon as becoming aware of such facts, Eurofins management is immediately taking action to remedy the situation which may include disciplinary measures up to the dismissal of the responsible employees and even in some very rare cases the shutdown of the entire laboratory facility or department and the transfer of these activities to other locations when necessary.

As a first line of defence however, the service contracts entered into by Eurofins for the analysis of samples and products generally provide that Eurofins' liability for damages is limited to circumstances directly arising from the samples or products that have been examined by Eurofins. Eurofins believes that these clauses when applicable and enforceable by law substantially limit the liability in case of an analytical error. However, any professional liability litigation could also have an adverse impact on our client base and reputation.

The second line of defence in place is part of Eurofins' business and risk management policy, where a global and centralised general and professional liability insurance programme has been set up.

Reputational Risk and Damages to Brand

Reputational risk refers to the potential for damage to the Group's reputation and/or Eurofins' brand, resulting in loss of earnings or adverse impact on market capitalisation as a result of stakeholders taking a negative view of the Group or its actions.`

Reputational risk may arise as a consequence of errors, fraud or omissions by Eurofins' employees in relation to the Company's testing activities, analyses, results or disclosure on any activity or position by a company of the Group or one of its leaders or staff members that contradicts applicable laws or the position of important opinion groups.

Insurances

As part of Eurofins' risk management policy, various global and centralised insurance policies have been rolled out, covering different types of risks, such as damage to Eurofins' assets and associated financial losses, liabilities as well as other insurance policies required for its activities. In 2018, Eurofins continued its policy of centralising insurance programmes, enabling it to improve and increase coverage, while gaining more visibility on the different local insurances and keeping overall insurance costs under control. For confidentiality reasons, insurers and insured limits cannot be disclosed.

In the frame of its global insurance programmes, the Group has taken out for some or most of its companies the following insurance policies among other coverage:

- Property Damage & Business Interruption Insurance, including terrorism coverage;
- General, Products and Professional Liability Insurance;
- Environmental Liability Insurance;
- Employment Practices Liability Insurance;
- Directors and Officers Liability Insurance (D&O);
- Cyber Insurance.

The subject of the D&O policy is to cover the insured Eurofins' Directors and Officers including some key managers (such as the Chief Executive Officer, the main operating and scientific directors, and some other executive managers), as well as the Directors and Officers of companies controlled by the Group, for any pecuniary consequences of loss or damage resulting from any claims brought against them, binding their civil liability whether individual or joint, and attributable to any professional misconduct, whether actual or alleged, committed by them in performing their managerial duties.

This policy is also subject to certain conditions and restrictions of common practice for similar contracts.

In addition, the Group's subsidiaries have subscribed to relevant insurance policies according to local regulations and practices. These policies particularly aim to cover the insured company for the financial consequences of:

- damage affecting its assets and properties;
- business interruption resulting therefrom;
- third party liabilities;
- worker's compensation / employer's liability where applicable;
- motor third party liability;
- as well as any other mandatory local insurance cover.

As noted above, Eurofins believes it has procured sufficient insurance coverage at reasonable terms and conditions and that save for catastrophic damages, its insurance policies and coverage limits provide sufficient protection for Eurofins' present requirements. Insured limits are being reviewed by Eurofins and its insurance brokers on a regular basis (taking into account the insurance market evolution, historical claims within Eurofins' industry practice as well as Eurofins' growth and exposure to potential claims) and where needed, amended. Up to the present time, Eurofins has very rarely been subject to substantial proven liability. However, it cannot be guaranteed that claims for damages will not be asserted against Eurofins in the future, that Eurofins' insurance coverage will prove to be sufficient in all cases or that Eurofins will not sustain losses outside the scope or limits of its insurance coverage.

Although Eurofins believes that the present reserves if any for product and professional liability claims are sufficient to cover currently estimated exposures, it is possible that the Group or individual subsidiaries may incur liabilities in excess of these recorded reserves where they exist.

Claims in excess of recorded reserves if any and/or applicable insurance coverage could have adverse effects on Eurofins' net worth, financial position, operating results (principally costs of services) and cash flows in the period that reserve estimates are adjusted or paid. In addition, successful major claims could also have a negative impact on Eurofins' image and reputation.

5. Other Risks

Risk of Loss of Key Employees

Eurofins has a number of key employees with highly specialised skills or leadership talent and extensive experience in their fields. If one or more of these key employees were to leave, Eurofins may have difficulty replacing them. Eurofins attempts to mitigate the risk of losing key employees by retention programmes, succession planning, and long-term incentive plans.

Eurofins may be unable to retain key employees or attract new highly qualified employees which could have a negative impact on Eurofins' business, financial situation or results of operations.

Tax Risks

Eurofins conducts its business activities in many different countries and is potentially subject to tax liabilities in multiple tax jurisdictions.

Eurofins believes its tax returns, which it prepares in cooperation with its local tax advisers/ accountants, are accurate and complete and that the Group has established adequate tax provisions and reserves. Accordingly, in the event of an external tax audit, Eurofins does not expect any material changes to its tax assessment notices or any additional tax liability. However, Eurofins may be subject to additional tax liability, including late payment interest and/or penalties, in particular if the tax authorities' interpretation of the facts or laws should differ.

These unforeseen tax claims may arise through a large number of reasons including identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction, transfer pricing adjustments, revision of allowable expenses, application of indirect taxes on certain business transactions after the event, and disallowance of the benefits of a tax treaty. In addition, Eurofins may be subject to tax law changes in a taxing jurisdiction leading to retroactive tax claims.

Unforeseen tax claims or tax liabilities could have adverse effects on Eurofins' cash flow and thereby have adverse effects on its net worth, financial position and operating results.

Risks of Litigation

Disputes in relation to Eurofins' business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on Eurofins' business and financial position.

Currently there are a few claims which have been threatened or asserted in pending litigation or arbitration proceedings concerning Eurofins and/or its subsidiaries and affiliates in the ordinary course of business or as a result of acquisitions.

For example, in 2007 Spin Master Ltd., a Canadian corporation, sued in various US jurisdictions several Eurofins Group companies questioning the correctness of tests performed by one company of the Group. The defence of that company in this litigation is handled by its Professional Liability Insurers and lawyers. A court decision has been finalized in 2018 and the litigation is now closed.

Ongoing litigation or potential new litigations that could cause significant financial or reputational damages for Eurofins continue or may arise in the context of the detection of biological contaminants in dairy products in Europe.

As quoted in the paragraph "Certain Service Line Regulatory Risk" of the Report, the Group's Boston Heart Diagnostics (BHD) subsidiary is currently cooperating with investigations that the US Department of Health and Human Services, Office of Inspector General (OIG), is conducting in conjunction with the US Department of Justice (DOJ) related to alleged incentives provided to physicians in connection with blood testing services and vigorously defending two *qui tam* lawsuits. Please refer to said paragraph for more details.

Internal Controls Risks

Eurofins is enhancing its Internal Control platform to deploy necessary measures to manage existing and potential financial and operational risks, including measures aimed at limiting incidents that could lead to claims against Eurofins and its subsidiaries (see Section II 1.1.6 Internal Control and Internal Audit).

If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, the accuracy and timeliness of our financial reporting may be adversely affected. Maintaining effective internal controls over financial reporting is necessary for us to produce reliable financial statements. Moreover, we must maintain effective disclosure controls and procedures in order to provide reasonable assurance that the information required to be reported in our reports is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure. If we are unable to maintain effective internal controls over financial reporting or disclosure controls and procedures or remediate any material weakness, it could result in a material misstatement of our consolidated financial statements that could require a restatement or other disclosures in which event investor confidence in the accuracy and timeliness of our financial reports and other disclosures could be adversely impacted, and the market price of our securities could be negatively impacted.

Fraud/Ethical risks

Eurofins has implemented various systems of quality assurance in the largest part of its laboratories that are designed to ensure consistent procedures and traceability of results. Additionally, both local finance departments, Group finance teams, and Group Internal Audit as well as external auditors, perform regular controls and audit checks. Eurofins also encourages all internal and external parties to report in a confidential and secure manner suspicious situations and facts. One of Eurofins' core values is integrity, which states that it is committed to ethics as one of its highest values. Attempts to incite customers or partners to commit unethical steps are not permitted in the Group. However, it is not possible to rule out the possibility of employee fraud or corruption. These could have a very damaging impact on Eurofins and even put its existence at risk.

Volatility of the Market Price of Shares

The shares of Eurofins have been listed on Euronext Paris since 25 October 1997.

The market price of Eurofins' securities may be volatile. Any securities traded on a securities exchange are subject to risk factors which affect their price. Over time, global securities markets have experienced price fluctuations, which have been unrelated to the operating performance of the affected companies. Some of the factors that could negatively affect the price of Eurofins' securities include:

- general market and economic conditions, including disruptions, downgrades, credit events and perceived problems in the credit markets;
- actual or anticipated variations in the quarterly operating results or distributions;
- changes in the investments or asset composition of Eurofins;
- write-downs or perceived credit or liquidity issues affecting the assets of Eurofins;
- market perception of Eurofins, its business and assets;
- the level of indebtedness of Eurofins and/or adverse market reaction to any indebtedness incurred in the future;
- additions or departures of Eurofins' key personnel;
- changes in market valuations of similar companies;
- litigation or regulatory actions and
- speculation in the press or investment community.

These risk factors are generally unpredictable and may have implications that are unrelated or disproportionate to the operating performance of the listed entity. There can be no assurance that the market price of Eurofins' securities will not experience significant fluctuations in the future, including fluctuations that are unrelated to the performance of Eurofins.

Significant Shareholding

The current shareholders Dr. Gilles G. Martin and family, directly or through their holdings in Analytical Bioventures SCA, together hold a total of 36.1% of the shares of Eurofins and 58.0% of the voting rights as of 31 December 2018. Free float is 63.9% of Eurofins' capital stock and 42.0% of the voting rights.

Due to the significant shareholding of the current shareholders, Dr. Gilles G. Martin and family, and Analytical Bioventures SCA are together in a position to control the outcome of important business decisions that require shareholders consent, regardless of the voting behaviour of other shareholders and may further increase their percentage of voting rights in the Company due to issuance of more beneficiary units. This or some decisions taken could have a material adverse impact on the results and value of the company and the minority shares and reduces the liquidity of the shares.

Future sales or issuances of a substantial number of Eurofins' securities in the public markets, or the perception of such sales or issuances, could depress the trading price of Eurofins' securities. Eurofins cannot predict the effect that future sales or issuances of Eurofins' securities or other equity related securities would have on the market price of Eurofins' securities. Eurofins may need additional funds in the future and Eurofins may issue additional Eurofins securities in lieu of incurring indebtedness which may dilute existing holders of Eurofins securities or Eurofins may issue securities that have rights and privileges that are more favourable than the rights and privileges accorded to holders of Eurofins shares.

Unforeseen High Impact Risk

Eurofins' operations may be subject to unforeseen events which are highly improbable and may have a significant negative impact on its business activities, financial situation and operating performance. Due to the unforeseen nature of such events, it is difficult to mitigate the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a material adverse effect on the Group's net worth, financial position and operating results.

Reliability of Opinions and Predictions

All assumptions, opinions and expectations that do not represent facts based upon the past are expressly the opinions and predictions of Eurofins' management. Opinions and forward-looking statements, are identified by expressions such as "planned", "expected", "believes", "assumes", "holds the view", "to the extent known" and similar formulations. Such statements reflect the management's current opinions regarding possible future events, which are by their nature uncertain and thus subject to risks. All forward-looking statements are subject to various risks and uncertainties. Actual events and results may differ substantially from expectations due to a variety of factors. Eurofins undertakes neither obligation nor commitment to revise or update these opinions or forward-looking statements as a result of new information rendering these statements no longer accurate or timely.

Dated March 1st, 2019

7 Eurofins Scientific SE, the Group Parent Company

Eurofins Scientific SE ("Eurofins" or the "Company") is the parent company at the head of the Eurofins Group. The Company is governed by Luxembourg law and has its registered office located at 23 Val Fleuri, L-1526 Luxembourg - Grand-Duchy of Luxembourg and registered under number RCS Luxembourg B 167775.

An important role of Eurofins as a holding company is to manage its investments and the financing of the activities of its subsidiaries.

In 2018, Eurofins recorded total financial income of EUR 200.6m, compared to EUR 86.5m in the previous year, of which the dividends received from its direct subsidiaries amount to EUR 11.3m in 2018 versus EUR 71.0m in 2017. Operating expenses including staff costs amounted to EUR 2.5m in 2018 compared to EUR 2.4m in 2017. Interest payable and similar expenses increased to EUR 106.2m compared to EUR 90.5m in the previous year. The tax expense in 2018 is an income of EUR 0.8m. Therefore, the Company's net profit for 2018 stood at EUR 94.8m, versus a loss of EUR 3.7m in 2017.

The documents that can be legally required by authorized persons (such as shareholders, directors, etc.) are available at the registered office.

8 Corporate Governance

The corporate governance statements that shall legally be included in the management report and notably those as set forth in the law of 19 May 2006 on takeover bids, as amended (the "Takeover Law") are disclosed in Part II of this management report and shall be deemed to be part of it.

II. CORPORATE GOVERNANCE

This first part of Section II shows a verbatim version of the Corporate Governance Charter of Eurofins as adopted on March 1st, 2019, which reads as follows:.

1 Corporate Governance Charter of Eurofins

Eurofins Scientific S.E. has its registered office located in Luxembourg and its shares are listed in France on the regulated market of Euronext (hereinafter referred to as "Eurofins" or the "Company"). Together with its direct and indirect controlled subsidiaries and affiliates, Eurofins Scientific S.E. is the parent company of the Eurofins Group (the "Group"). Eurofins falls under the supervision of the Commission de Surveillance du Secteur Financier (the "CSSF") in accordance with the law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Transparency Law") and is also supervised by the Autorité des Marchés Financiers ("AMF") for the purpose of the Market Abuse Regulation (EU) No 596/2014 on insider dealing and market manipulation that came into effect on July 3, 2016 (the "Market Abuse Regulation").

Eurofins' corporate governance practices are governed by Luxembourg laws and its articles of association (the "Articles").

Eurofins makes efforts to orient its corporate governance towards the general principles of corporate governance set forth in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (available at https://www.bourse.lu/corporate-governance) (the "Ten Principles").

The primary purpose of the present Corporate Governance Charter is to consolidate the corporate governance rules and procedures applied by Eurofins into a single document. The Corporate Governance Charter shall be updated as often as necessary in order to provide an accurate reflection of Eurofins' corporate governance framework and to reflect new rules which may be adopted from time to time by Eurofins in order to enhance its corporate governance.

1.1 Management Structure

The governance structure of Eurofins is composed of the Board of Directors which is assisted by the Group Operating Council (as defined below) and a series of committees including an audit committee (the “Audit Committee”), a corporate governance committee (the “Corporate Governance Committee”) and a nomination and remuneration committee (the “Nomination and Remuneration Committee”). The role of the Board of Directors is one of stewardship, providing the framework for the operations of the Group Operating Council’s activities.

Once a year, the Board of Directors, as well as its committees, shall conduct a self-evaluation of their composition, organization, operations and diversification in order to identify potential areas for improvement.

1.1.1 The Board of Directors

Under the Eurofins’ Articles, as supplemented by the internal regulations of the Board of Directors, the Board of Directors is composed of, and functions, as follows:

a. Role

The Board of Directors shall be responsible for the management of Eurofins. It is responsible for the performance of all acts of administration necessary or useful to further the corporate purpose of Eurofins, except for matters reserved by Luxembourg law or the Articles to the general meeting of shareholders.

The core mission of the Board of Directors is the following (non-exhaustive list):

- The Board of Directors shall discuss the Group strategy, significant operational initiatives, and material investments or divestments, and monitors the Group performance;
- The Board of Directors shall ensure the quality of the information provided to the shareholders as well as to the financial markets through the Company’s accounts and the financial communication;
- The Board of Directors shall specifically decide on the values and objectives of Eurofins, its strategy and the key policies required for implementation and the level of risk acceptable to Eurofins. It draws up the annual, periodic and consolidated accounts and budget;
- The Board of Directors shall endeavour to ensure that the necessary financial and human resources are available, in order to enable Eurofins to reach its objectives;
- The Board of Directors shall draw up the main categories of risks faced by Eurofins, such as financial risk, strategic risk, operational risk, legal and regulatory risk, reputational risk, and other risks. The Board of Directors shall determine the risks that require particularly close monitoring;
- The Board of Directors shall draw up a code of business ethics; and
- The Board of Directors shall select the Directors for their nomination at the general meeting of shareholders.

b. Composition and Appointment

The Articles provide that the Directors are elected, renewed or removed by the ordinary general meeting of shareholders by a simple majority of votes cast. The term of office of the Directors shall be determined by the general meeting of the shareholders of the Company at the time of their appointment. The Directors may always be re-elected.

Other than as set out in the Articles, no shareholder has any specific right to elect, renew or remove Directors. In case of a vacancy of the office of a Director appointed by the general meeting of shareholders, the remaining Directors so appointed may fill the vacancy on a provisional basis. In such circumstances, the next general meeting of shareholders shall appoint a Director to fill the vacancy.

The Articles do not require Directors to be shareholders of Eurofins.

The Directors are bound by the code of ethics of the Company, the anti-bribery policy, the Modern Slavery, Human Trafficking and Child Labour Statement and the insider dealing policy of the Company.

The Board of Directors shall include at least three independent Directors.

The Directors shall be selected on the basis of their knowledge, experience and qualification to carry out their mandate.

The Board of Directors shall appoint a Chairman, who shall prepare the agenda for board meetings. The Chairman shall ensure that the procedures relating to the Board meetings, including the preparation of meetings, deliberations, and the taking and implementing of decisions, are correctly applied.

The Board of Directors has set up an audit committee, a nomination and remuneration committee and a corporate governance committee. If necessary, the Board of Directors may decide to set up further committees entrusted with matters submitted by the Board of Directors as necessary.

c. Functioning

The Board of Directors meets when convened by the Chairman by any means, including verbally or by telephone in urgent cases. The Board of Directors meets as often as required in the interest of Eurofins and with the frequency that it deems appropriate, but at least every three months. It meets on the notice of its Chairman at the registered office or at any other place indicated in the notice. The Board of Directors shall dedicate an item on the agenda of one of its meetings to discussing its operation, the effective fulfilment of its remit, and compliance with good governance rules at least once every two years.

If the Board of Directors has not met for more than two months, one third of the Directors may request the Chairman to convene a meeting with a specific agenda. In cases of urgency, any Director is entitled to convene a meeting. In order for a meeting of the Board of Directors to be validly held, a majority of the Directors must be present or represented.

In the absence of the Chairman, the Board of Directors will appoint, by majority vote of the Directors present or represented at the meeting, a chairman for the meeting in question. For any meeting of the Board of Directors, a Director may designate another Director to represent him or her and vote in his or her name, provided that the Director so designated may not represent more than one of his or her colleagues at any time.

Meetings of the Board of Directors can be held by means of video conference or other telecommunications technologies permitting the identification of the Directors. Board of Directors' meetings held by such means of communication shall be deemed to be held at the registered office of the Company.

Prior to each meeting, the Directors are entitled to receive all information required for the performance of their duties and may obtain any documents they consider useful.

The performance of the Directors is discussed at Board of Directors' meetings within the context of the performance of each of the business lines that these Directors are responsible for, if applicable.

Decisions of the Board of Directors are made by a majority of the Directors present and represented at a validly constituted meeting. Each Director has one voting right and in case of a division of votes, the Chairman shall have a casting vote.

d. Conflict of Interest and Confidentiality

(i) Conflict of Interest

Each Director shall comply with the Group Code of Ethics as further detailed in section 1.1.7 below and more particularly shall take care to avoid any direct or indirect conflict of interest with Eurofins or any subsidiary directly or indirectly controlled by Eurofins.

Directors shall inform the Board of Directors of a real or potential risk of conflict of interest with Eurofins or its direct or indirect controlled subsidiaries. In the presence of a direct or indirect financial interest conflicting with that of Eurofins in a transaction which has to be considered by the Board of Directors, the concerned directors must advise the Board of Directors thereof and cause a record of his/her statement to be included in the minutes of the meeting. The director shall abstain from deliberating or voting on the issue concerned in accordance with applicable legal provisions. Each Director shall consult the chairman of the Corporate Governance Committee or the Chairman of the Board of Directors in the event of uncertainty as to the nature of an operation or transaction likely to create a conflict of interest for him/her.

Each Director shall undertake to dedicate the time and attention required to his/her duties, and to limit the number of his/her other professional commitments (especially offices held at other companies) to the extent required for him/her to be able to fulfil his/her duties properly.

(ii) Confidentiality

During and after their functions, the Directors are strictly bound by a confidentiality commitment regarding the content of any debates and deliberations of the Board of Directors as well as any information they have been provided by reason of their functions, excluding where such disclosure is required by a legal provision.

As regards information obtained in the course of their duties that have not yet been made public, Directors shall regard themselves as bound by an obligation of professional secrecy that goes beyond the mere duty of discretion as stipulated by the relevant laws.

1.1.2 Executive Management of Eurofins

a. Role

The day-to-day management of Eurofins is entrusted to an executive committee (the "Group Operating Council") composed of the operational and functional international business leaders of the Group as listed on the Eurofins Group corporate website (http://www.eurofins.com/investor-relations/corporate-governance/group-operating-council/), and presided by a chief executive officer (the "Chief Executive Officer").The Group Operating Council provides assistance to the Board of Directors in different specialised areas of expertise.

b. Composition and Appointment

The Chief Executive Officer is appointed by the Board of Directors. For swift decision making process in a relatively young organisation like Eurofins operating in a rapidly moving industry, the Board of Directors has decided not to separate the functions of Chief Executive Officer and Chairman of the Board of Directors.

The Board of Directors sets the duration of his/her term of office, provided that such period shall not exceed the term of office of the Directors. The Chief Executive Officer may be removed at any time by the Board of Directors.

The Board of Directors shall ensure that the members of the Group Operating Council have the skills required to fulfil their responsibilities.

c. Approval of certain significant matters

The Group Operating Council meets with the Board of Directors at least once every quarter.

The functions of the members of the Group Operating Council are framed by their objectives, annual budgetary limits and a monitoring procedure for important decisions which are cascaded throughout the Group.

In the decentralized model used by Eurofins certain important or non-customary decisions are governed by an approval system. For each level of decision, the approver of important decisions is precisely defined and signatures are required.

These important decisions pertain to M&A, sites expansion, non-budgeted investments, key personnel compensation, financing and insurance policies, net working capital management, and certain large transactions with other companies outside the Group, the Group legal organisation as well as certain general commercial terms.

1.1.3 The Audit Committee

The Audit Committee shall be composed and shall function in accordance with its internal regulations which are summarized as follows.

a. Role

The Audit Committee assists the Board of Directors in carrying out its responsibilities in relation to corporate policies, internal control, risk monitoring, and financial and regulatory reporting practices. The Audit Committee has an oversight function and provides a link between the internal and external auditors (“*réviseurs d’entreprises agréés*”), and the Board of Directors. The Audit Committee is assisted as appropriate by the Group Finance and Administration teams.

(i) Financial Reporting

The Audit Committee monitors and discusses with the Board of Directors and the external auditor (“*réviseur d’entreprises agréé*”) the integrity of the preliminary results, the half-year information and the annual financial statements reviewing significant financial and reporting judgments which they contain before reporting to the Board of Directors focusing particularly on the quality and appropriateness of:

- critical accounting policies and practices;
- financial reporting disclosures and changes thereto;
- areas involving significant judgment, estimation or uncertainty in the Group’s financial results;
- the clarity of disclosures;
- significant implemented adjustments resulting from the audit or review;
- compliance with financial reporting standards and relevant financial and governance reporting requirements;
- monitoring of the integrity of other formal announcements relating to Eurofins' financial performance, reviewing significant financial reporting judgments contained in them; and
- monitoring of the compliance with statutory and stock exchange requirements for financial reporting.

ii) Internal controls and risk management systems

The Audit Committee reviews and makes recommendations to the Board of Directors on the nature and extent of the significant risks Eurofins is willing to take in achieving its strategic objectives. It shall assist the Board of Directors to establish a “risk control system”.

The Audit Committee also reviews Eurofins’ internal financial controls and internal control and risk management systems, and reviews and reports to the Board of Directors on the statements to be included in the annual report concerning internal control and risk management.

It monitors and reviews the scope, extent and effectiveness of the activity of the Group in relation to compliance before reporting to the Board of Directors.

The Audit Committee may also consider management’s response to any material external or internal audit recommendations; and review management’s and the internal auditor’s reports on the effectiveness of systems for internal control, financial reporting and risk management.

iii) Risk

The Audit Committee shall advise the Board of Directors on Eurofins’ overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment. This includes overseeing and advising the Board of Directors on the current risk exposures of Eurofins and future risk strategy.

The Audit Committee reviews regularly Eurofins’ capability to identify and manage new risk types, and keeps under review Eurofins’ overall risk assessment processes.

iv) Compliance, whistle blowing and fraud

The Audit Committee shall ensure that Eurofins’ guidelines on whistleblowing are observed and shall review Eurofins’ procedures for detecting fraud.

The Audit Committee shall keep under review the adequacy and effectiveness of Eurofins’ compliance function.

v) Internal Audit

The Group Internal Audit Team (the “GIAT”) mission, authority and responsibility is defined by the Internal Audit Charter (the “IA Charter”).

The Audit Committee reviews and assesses the annual internal audit plan, and ensures that the GIAT has adequate resources to perform the tasks outlined in the annual plan and any additional ad hoc missions, and has appropriate access to information to perform its role effectively. It receives periodic updates on the outcomes and status of internal audit missions.

The Audit Committee shall be informed of the GIAT’s work programme and shall receive periodic summaries of its work. The Audit Committee may make recommendations regarding the GIAT’s work programme. It shall monitor the effectiveness of the internal audit function and make sure that the internal auditor(s) has/have adequate resources to perform the tasks entrusted to it/him/them.

The Audit Committee shall make recommendations regarding the selection, appointment, and dismissal of the Head of the Internal Audit team. In the event that the Head of the Internal Audit team resigns, the Audit Committee shall investigate the reasons for that resignation, and shall make recommendations regarding any measures that are needed.

vi) External Audit

The Audit Committee reviews and makes recommendations to the Board of Directors for it to put to the shareholders for their approval at the general meeting in relation to the appointment, re-appointment and removal of the external auditor ("*réviseur d'entreprises agréé*").

The Audit Committee has oversight with regards to the relationship with the external auditor ("*réviseur d'entreprises agréé*") including discussions about the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit).

The Audit Committee reviews and monitors the external auditor's ("*réviseur d'entreprises agréé*") independence and objectivity including its involvement in rendering non-audit services and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements. This includes reviewing and monitoring the external auditor's ("*réviseur d'entreprises agréé*") quality control procedures and steps taken by the external auditor ("*réviseur d'entreprises agréé*") to respond to changes in regulatory and other requirements.

The Audit Committee is informed by the external auditor ("*réviseur d'entreprises agréé*") on key provisions of the interim and year end audit plans, and receives summary of findings and significant matters related to the audit procedures. The Audit Committee is also informed on existing relationship between the external auditor ("*réviseur d'entreprises agréé*") and the Company and monitors compliance with the rules of the Eurofins Non-Audit Services Policy.

The Audit Committee shall be informed of the external auditor's ("*réviseur d'entreprises agréé*") work programme and shall receive a report from the latter describing all existing relationships between the external auditor ("*réviseur d'entreprises agréé*") on the one hand and Eurofins and its group on the other hand. It may submit recommendations regarding the external auditor's ("*réviseur d'entreprises agréé*") work programme.

b. Composition and Appointment

The Audit Committee is composed of at least three members who are appointed by the Board of Directors for a period of up to three years, and which may be extended for further periods of up to three years. All members of the Audit Committee shall be independent and non-executive Directors, at least one of the members of the Audit Committee shall have recent and relevant accounting experience, and at least one of the members of the Audit Committee shall have auditing experience. The Board of Directors shall appoint the Audit Committee's chairman.

c. Functioning

The Audit Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle, and otherwise as required.

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

The Head of the Internal Audit team or his or her representative shall act as the Secretary of the Audit Committee (the "Audit Committee's Secretary").

Meetings of the Audit Committee shall be called by the Audit Committee's Secretary at the request of any of its members or of the external auditor ("*réviseur d'entreprises agréé*"), or of the Chairman of the Board of the Directors if deemed necessary.

Only members of the Audit Committee have the right to attend Audit Committee meetings. However, the Audit Committee may invite any other person whose collaboration it considers to be beneficial to assist it in its work to attend its meetings.

The external auditor ("*réviseur d'entreprises agréé*") may be invited to attend meetings of the Audit Committee on a regular basis. If deemed appropriate, it shall meet with the internal and external auditor ("*réviseur d'entreprises agréé*") at least once a year without the presence of any executives of the Company.

The Audit Committee's Secretary shall record the minutes of the proceedings and decisions of all meetings, including the names of those in attendance. The draft minutes of meetings shall be promptly circulated to all members of the Audit Committee, and circulated to all members of the Board of Directors once approved.

The Audit Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

The Audit Committee shall assess the efficiency of its work on a regular basis, and shall make recommendations to the Board of Directors regarding the necessary adjustments in its internal regulations. Such efficiency assessment was performed in February 2018.

1.1.4 Corporate Governance Committee

In the meeting of the Board of Directors held on June 21, 2017, the Board of Directors decided to set up a Corporate Governance Committee

a. Role

The Corporate Governance Committee shall assist the Board of Directors in carrying out its responsibilities in relation to good corporate governance.

The Corporate Governance Committee shall assess and evaluate the implementation of key corporate governance principles and instruments set out in the Eurofins Corporate Governance Charter (http://www.eurofins.com/media/12142716/corporate-governance-charter-of-eurofins-29072016-final.pdf) on the one hand as well as Eurofins' Mission, Vision and Values (https://www.eurofins.com/about-us/vision-mission-and-values/) and Eurofins' Group Code of Ethics (http://www.eurofins.com/media/12142715/code-of-ethics-final-29072016.pdf).

It shall review and make recommendations to the Board of Directors on general corporate governance related matters, assess and evaluate policies, structures and processes implemented to safeguard compliance with laws and assess and approve any material transaction where a conflict of interest or a potential conflict of interest may arise between the Company's affiliated entities and their employees or Directors. As a general role, the Corporate Governance Committee shall prevent that conflicts of interest affect decisions taken by the Board of Directors or individual Board of Directors' members.

b. Composition and Appointment

The Corporate Governance Committee is composed of at least two members who are appointed by the Board of Directors for a period of up to three years, and which may be extended for further periods of up to three years. All members of the Corporate Governance Committee shall be independent and non-executive Directors. The Board of Directors shall appoint the Corporate Governance Committee's chairman.

c. Functioning

The Corporate Governance Committee shall meet at least once a quarter, and otherwise as required.

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Corporate Governance Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Corporate Governance Committee.

The Company secretary or his or her representative shall act as the Secretary of the Corporate Governance Committee (the "Corporate Governance Committee's Secretary").

Meetings of the Corporate Governance Committee shall be called by the Committee' Chairperson or at the request of any of its members.

Only members of the Corporate Governance Committee have the right to attend Corporate Governance Committee meetings. However, the Corporate Governance Committee may invite any other person whose collaboration it considers to be beneficial to assist it in its work to attend its meetings.

The Corporate Governance Committee's Secretary shall record the minutes of the proceedings and decisions of all meetings, including the names of those in attendance. The draft minutes of meetings shall be promptly circulated to all members of the Corporate Governance Committee, and circulated to all members of the Board of Directors once approved.

The Corporate Governance Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

The Corporate Governance Committee shall assess the efficiency of its work on a regular basis, and shall make recommendations to the Board regarding the necessary adjustments to its internal regulations.

1.1.5 Nomination and Remuneration Committee

Eurofins' Board of Directors created a Nomination and Remuneration Committee in 2018.

a. Role

The purpose of the Nomination and Remuneration Committee is to assist the Company's Board of Directors in overseeing nomination and remuneration policies and practices of the Company and its affiliated companies in order to:

- ensure that these policies and practices enable a formal, rigorous and transparent nomination of directors;
- fairly and responsibly reward directors as well as the Chief Executive Officer for their overall and individual performance;
- attract, retain, and secure the services and motivate directors and members of the Group Operating Council to deliver performance that builds long-term profitability and value creation; and
- align remuneration of directors (and members of the Group Operating Council) with the Company's and shareholders strategic interests.

The Nomination and Remuneration Committee is in particular in charge of:

- reviewing and making recommendations to the Board of Directors in relation to the Group nomination and remuneration policy and the assessment of its effectiveness and its compliance with applicable standards;
- the individual remuneration levels, so as goals and objectives relevant to the remuneration of directors, of the Chief Executive Officer and other members of the GOC;
- the remuneration structures covered by the Group Remuneration Policy (see 1.3); and
- the approval of any and all short-term and long-term incentive (including equity-based compensation) plans of the Group (the long-term incentive plans referred to as "Long-Term Incentive Plans" or "LTIP") in accordance with the Group Nomination and Remuneration Policy.

b. Composition and Appointment

All members of this committee (including the Chairperson) are independent directors of the Company and free from any business or other relationship that, in the opinion of the Board of Directors, would materially interfere with the exercise of their independent judgment as members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall consist of at least three non-executive members of the Board of Directors.

Directors of the Nomination and Remuneration Committee are appointed for a period, which may not exceed their term of office as Directors of the Company.

The Nomination and Remuneration Committee shall appoint a member of the Committee as its Chairperson.

c. Functioning

The Nomination and Remuneration Committee shall meet at least once a year, or more frequently as circumstances dictate. The Chairperson shall regularly update the Board of Directors about the committee's activities and make appropriate recommendations.

The remuneration of the CEO is determined by the Board of Directors and its Remuneration Committee.

The remuneration policy of non-executive Directors is defined by the Board of Directors assisted by the Nomination and Remuneration Committee. The total amount of the remuneration to be awarded to the non-executive Directors of the Board of Directors is submitted on a yearly basis to the approval of the annual general meeting of shareholders.

The Nomination and Remuneration Committee shall assess the efficiency of its work on a regular basis, and shall make recommendations to the Board regarding the necessary adjustments to its internal regulations.

1.1.6 Internal Control and Internal Audit

a. Role

Internal control in Eurofins balances the objectives of the Group, such as maximising shareholder returns through strong growth in revenues and profits, both organically and by acquisitions, building barriers to entry through investment in state-of-the-art technology, all at the same time as managing the risks inherent in the business and the protection of shareholders' interests.

Internal control aims at achieving the following objectives:

- Reliability of the accounting and financial information;
- Realisation and optimisation of operational decisions;
- Compliance with rules and regulations; and
- Safeguarding the assets of the Group.

Eurofins is the holding company at the head of the Group and has an important role to manage its investments and the financing of the activities of its subsidiaries, to provide support, to facilitate communication and to develop resources that are available Group-wide.

The decentralised organisation of the Group in autonomous clusters and business units enables the subsidiaries to make decisions at the ground level and to maintain some independence. Strategic choices are determined and approved at a central level.

The internal control process falls within this framework of a decentralised organisation in terms of roles and responsibilities, policies and procedures. This aims to assure that the Group takes the necessary measures to manage the existing and potential risks for the Group's financial position and objectives. At an operational level, the internal control procedures are disseminated by the local managers to their teams.

At a functional level, internal control aims at:

- Assuring reliable financial statements that provide a true and fair view of Eurofins' activities, liabilities and assets;
- Promoting better effectiveness by seeking and deploying best practices within the Group and by defining the directors' role and responsibilities as part of the control environment of the Group;
- Encouraging support for the managerial guidelines, the Group's procedures and any other compulsory or statutory obligation; and
- Assuring the protection of the Group's assets by spot checking the accuracy and the reliability of the accounting information during the internal audit reviews: the controls notably focus on the protection of the assets, the separation of the tasks, the respect of the internal procedures in terms of approval of investing and updating the property, plant and equipment database.

b. Functioning

Compliance with the Group's internal policies and procedures is overseen by the internal audit team. Their role is to ensure that the operations are conducted according to high standards by providing an independent, objective assurance and by advising on best practices. The Group's internal control and financial procedures are reviewed and updated on a regular basis, and are readily accessible to the relevant employees via Eurofins' intranet. The internal audit function supports the Group in accomplishing its objectives by evaluating and improving the effectiveness of risk management, controls and governance process.

1.1.7 Financial Information

a. Production of Financial Information

One of the main functions of internal control and the Audit Committee is to ensure that financial statements provide a true and fair view of Eurofins' activities. The financial reporting process is managed according to the Group's internal reporting systems using a dedicated software by the financial controlling team.

<u>Regular reporting</u>

Each subsidiary or business unit submits a pro-forma financial report on a monthly basis (income statement, balance sheet and cash flow), with additional key business metrics highlighted, such as comparable data (budget and prior periods), working capital ratios and free cash generation.

As well as being able to monitor each business units' performance, the controlling and internal control functions check the consistency and reliability of the results, along with the consistent application of the correct accounting principles applied by the different national finance directors in accordance with the Group's accounting policies.

<u>Quarterly statutory consolidation</u>

In addition to the monthly reporting, each subsidiary has to produce:

- a quarterly consolidation manual;

- a quarterly review of budgeted KPIs per business unit;
- a quarterly review of the overhead costs (management, sales and marketing, IT, etc) and of the capital expenditures; and
- from time to time (at least on an annual basis), a report - containing profit and loss, balance sheet, cashflow and change in equity statements - which has been subject to a limited review by the external auditors ("*réviseur d'entreprises agréé*").

The consolidation documents are approved by the finance directors of each country, having vouched for their accuracy and the reliability of the information contained therein. A dedicated software is used in the consolidation of this information and the production of the financial statements.

b. Publication of Financial Information

Eurofins publishes its half-year and annual financial reports with a press release discussing the operating and financial developments in detail, with a full income statement, balance sheet and cash flow statement, as well as the relevant interim notes. In the interest of transparency and to provide sufficient visibility in terms of its progress, Eurofins also publishes revenue developments for the first and third quarter of the year, as well as some information on the trading patterns for the period.

c. Annual Budget Process

Eurofins prepares a formal budget each year, which encourages financial discipline and helps management plan activities and allocate resources accordingly. Each business unit submits the following information, which has to be authorized by the Group Operating Council and the Board of Directors:

- an analysis of the competitive landscape and Key Success Factors.
- an estimated monthly and yearly income statement for the coming year containing:
- revenue and cost projections;
- a detailed plan to monitor the development of personnel costs;
- an itemised budget for capital expenditure;
- operational KPIs;
- a balance sheet and cash flow statement per legal entity with a strong focus on the Days of Sales Outstanding and Net Working Capital in % of Revenues.

A mid-term plan with a three year horizon is drawn up at the same time with a simplified income statement and specific indicators for each business unit.

1.1.8 The Group's Vision, Mission, and Values

Our Vision - Our long-term aspiration

To be the Global Leader in Testing for Life.

Our Mission - Why we are here - the cause/purpose of our business

To contribute to a safer and healthier world by providing our customers with innovative and high quality laboratory and advisory services whilst creating opportunities for our employees and generating sustainable shareholder value.

Our Values - what we stand for / what is important to us

Customer Focus

- Delivering customer satisfaction by listening to and exceeding customer expectations
- Adding value for our customers through our services
- Seeking innovative solutions to help our customers achieve their goals

Quality

- Delivering quality in all our work; providing accurate results on time
- Using the best appropriate technology and methods
- Seeking to improve or change our processes for the better

Competence and Team Spirit

- Employing a team of talented and competent staff
- Investing in training and creating good career opportunities
- Recognising and encouraging outstanding performance

Integrity

- Behaving ethically in all our business and financial activities
- Demonstrating respect towards our customers and our staff
- Operating responsible environmental policies

1.1.9 Group Code of Ethics

Our "Group Code of Ethics" (www.eurofins.com/investor-relations/corporate-governance/code-of-ethics-and-values/) is derived from the Group's Vision, Mission, and Values, in particular related to Integrity and determines the behaviours and professional conduct expected from employees and leaders of the Group's companies.

These documents represent key Eurofins standards for all the Directors and employees of Eurofins companies and make compliance a core responsibility for everyone within the Eurofins Group. The Group Code of Ethics is regularly reviewed and amended where necessary.

In a Board meeting held on 1st of March 2019, an amended version of the Group Code of Ethics was approved, with a focus on strengthening and confirming the Group commitments against bribery, child labour, trafficking and slavery (sections 5.6 and 5.7 of the 2018 Annual Report for Anti-Slavery

Statement including Modern Slavery and Child Labour Statement and Anti-Bribery Policy).

1.1.10 Anti-Corruption and Anti-Bribery

Eurofins takes a clear stance against bribery and corruption in any form. In the Group Code of Ethics, the section dedicated to corruption and bribery is built on the following commitments:

"We are resolutely opposed to bribery and corruption in whatever forms it may take. (…)

It is our policy that sales of the company's products or services, and purchases and services from suppliers, are made solely on the basis of price, quality, performance, value, and for the benefit of our company. Sales or purchases must never be made as the result of giving or receiving inducement in the form of gifts, money, or entertainment, or favours in any other form. (…)"

This commitment in the Group Code of Ethics is further supported by a Eurofins Anti-Bribery Policy (https://www.eurofins.com/investor-relations/corporate-governance/anti-bribery), which expands on the principles laid out in the Eurofins Group Code of Ethics and is providing more specific guidance for leaders and employees. This policy is being implemented locally in all the entities of the Group and is setting the minimum standard, allowing our local leaders to set even stricter standards if they consider this in the interest of their business. An eLearning module for the Anti-Bribery Policy is being developed and will be rolled-out globally, making training on this important topic compulsory for all leaders of Eurofins' companies.

In general, Eurofins, its subsidiaries and affiliates are required to comply with all applicable local, national and international laws and regulations on anti-corruption wherever it does business. The same will apply to every director, officer and employee in the Group, and any third party acting on behalf of Eurofins.

1.1.11 Whistleblowing

Eurofins also has a whistleblowing point of contact (https://www.eurofins.com/investor-relations/corporate-governance/whistleblowing/) that is readily accessible for all employees via Eurofins' intranet and also on Eurofins corporate website for employees and external stakeholders.

This point of contact is intended to encourage and enable employees and/or external parties to confidentially raise serious concerns without fear of retaliation so that Eurofins can address and correct inappropriate conduct and actions that are not in line with Eurofins values or the Group Code of Ethics. In order to safeguard confidentiality and to operate at the highest level of trust, external attorneys have been commissioned to serve as the initial point of contact for any whistleblowing report.

1.1.12 Social Responsibility & Employees

Eurofins' understanding of compliance reaches farther than mere legal compliance, and is understood in a way also comprising social and environmental aspects, as set out in the Ten Principles of the United Nations Global Compact. Eurofins is determined to further orient its compliance efforts towards the requirements defined in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. In its 4th version newly issued in December 2017, its 9th Principle has been dedicated to Corporate Social Responsibility as follows:

"The company shall define its corporate social responsibility with respect, including to it those responsibilities related to social and environmental aspects. It shall set out the measures taken for its implementation of that policy and shall provide for these to be adequately published."

1.1.13 Diversity

For the Company and the Group, diversity means a workforce reflective of different genders, generations, cultures, professional experiences, nationalities, race, origins and all the other unique differences that make each of its employees' individuals.

To support this, Eurofins is committed to:

- having a Board of Directors composed of both men and women;
- encouraging the leaders of all Group companies to create an understanding and supportive workplace environment in which all individuals feel heard and respected, and where they can realize their personal potential regardless of their sex, age, race, colour, religion, origin and disability.

The Board of Directors diversity not only relates to gender with currently three women and three men, but also to the experience and nationality of its members.

As laid out in our Group Code of Ethics, Eurofins is supporting equal opportunities and diversity.

1.1.14 External Control

As required, pursuant to Article 69 of the Luxembourg law of 19 of December 2002 on the register of commerce and companies and the accounting and the annual accounts of undertakings, as amended (the "Trade and Companies Register Law"), the general meeting of the shareholders of Eurofins shall appoint an external auditor ("*réviseur d'entreprises agréé*") for the statutory audit of the annual accounts of Eurofins.

1.2 Shareholders' Meetings

The general meeting of shareholders shall have the widest powers to adopt or ratify any action relating to Eurofins.

Ordinary and extraordinary Shareholders' Meetings deliberate in accordance with the conditions of quorum and majority set forth and the powers expressly granted by law and the Articles.

a. Ordinary Shareholders' Meetings

An ordinary meeting of shareholders (the "Annual General Meeting") shall be held annually at the date and time specified in the convening notice and shall approve the stand-alone and consolidated financial statements. It shall determine the allocation of profits and grant discharge to the Directors for the performance of their duties for the previous financial year.

b. Extraordinary Shareholders' Meetings

Extraordinary general meetings of shareholders shall be called to deliberate on any decision having as a direct or indirect effect to amend the Articles of Eurofins.

c. Notices and Agenda

Shareholders' meetings are convened by the Board of Directors, or by any person empowered to do so as set forth by law.

The Shareholders' meetings are convened and held in accordance with the conditions set forth by law and the Articles. The meetings are convened at the registered office or in any other location indicated in the notice.

d. Access to meetings and voting rights

i. Access to meetings

All shareholders, regardless of the number of shares they own, may attend Shareholders' meetings and deliberations in person or via proxy, by providing proof of their identity. Vote by correspondence is also permitted under the terms and conditions provided for in the Articles. The rights of shareholders to participate and vote at Shareholders' meeting are determined in relation to the number of shares held on the date falling 14 days preceding the Shareholders' meeting at midnight (Luxembourg time) (the "Registration Date"). To be able to participate to the Shareholders' meeting each shareholder shall notify the Company of its intention to take part in the Shareholders' meeting and shall communicate by post or e-mail to the postal or electronic address indicated in the convening notice, not later than the date specified by the Board of Directors.

In case the shares are held by the shareholder through a system of payment and delivery of financial instruments, or in case of the shares are held by a financial intermediary acting as a professional depositary, the shareholder who intends to participate to the Shareholders' meeting is required to request a certificate certifying the number of shares it/he/she holds at the Registration Date from its intermediary and the shareholder must present the certificate to Eurofins within the deadlines indicated in the convening notice.

The holder of shares may be represented at the general meeting by any intermediary subject to the appointment of the intermediary by written notification to Eurofins by electronic means or by post as specified in the notice convening the General Meeting.

The Shareholders' meetings can be held by way of video-conferencing or any other means of telecommunication, like the internet, that must enable the identification of shareholders under the terms and conditions set forth by law then currently in force.

Shareholders attending the meeting by video-conferencing or any other means of telecommunication that enables them to be identified, under the terms and conditions set forth by law, are considered as present to determine the quorum and majority.

ii. Voting rights

Each share entitles its holder to one vote.

In addition to shares representing Eurofins' issued share capital, class A beneficiary units *("parts bénéficiaires de catégorie A"*) and class B beneficiary units (*"parts bénéficiaires de catégorie B"*) conferring no right to dividends but a right to one vote will be allocated under certain conditions to holders of fully paid-up shares as provided for in the Company's Articles of Association[p] (articles 12bis.2 and 12bis.3).

Article 12bis.2:

One Class A beneficiary unit granting one voting right per share shall be allocated to holders of fully paid-up share that demonstrate that this share has been registered directly or indirectly (through a Depositary or sub-depositary) in a register made available by the Company for at least three years in the name of the same holder.

The consideration of the issuance of such Class A beneficiary unit shall be a contribution in kind evidenced by the registration in a registered account for three consecutive years preceding the issuance date.

Furthermore, the extraordinary General Meeting has amended on 20 April 2017 the conditions for granting one Class A beneficiary unit as from 1st July 2017 (included) as follows:

- *the shareholder interested by the issuance of Class A beneficiary units up to the number of his/her/its shares held in a registered account shall apply in writing to the Board of Directors by evidencing such entry for three consecutive years in the name of the same holder. This request shall be made to the Board of Directors of the Company not later than on 30 June 2020; and*
- *the consideration of an issuance of Class A beneficiary unit shall be a contribution in cash of EUR 0.10 (zero euro and ten cents) per Class A beneficiary unit and a contribution in kind evidenced by the entry in a registered account of three consecutive years preceding the issuance date.*

Furthermore, it shall be stated that shareholders who already own Class A beneficiary units on 30 June 2017 may decide to keep them under the same conditions or to apply the new conditions applicable as from 1st July 2017 as detailed above.

In any case, the voting right related to Class A beneficiary units shall cease automatically following the cancellation of the registration in a registered account by the shareholder concerned or the transfer of ownership (other than following

[p] Please note that any quotes from the Articles of Association in English language are non-binding convenience translations only. For legal purposes, only the French version of the Articles of Association shall be binding.

succession, liquidation of community property between spouses or inter vivos gifts to a spouse or relative entitled to inherit or a merger or demerger of a shareholder company) of the share for which a beneficiary unit has been allocated. A beneficiary unit having lost its voting right is automatically cancelled.

Article 12bis.3:

One Class B beneficiary unit may be granted to any holder of a fully paid-up share for which there is evidence of a direct or indirect entry (through a Depositary or sub-depositary) in a registered account notified to the Company for five consecutive years in the name of the same holder.

The shareholder interested by the issuance of Class B beneficiary units up to the number of his/her/its shares entered into a registered account shall apply in writing to the Board of Directors by evidencing such entry for five consecutive years on behalf of the same holder. This request shall be made to the Board of Directors of the Company not later than on 30 June 2021.

The consideration of this issuance shall be a contribution in cash of EUR 0.10 (zero euro and ten cents) per Class B beneficiary unit and a contribution in kind evidenced by the entry in a registered account for five consecutive years preceding the issuance date.

The extraordinary General Meeting of shareholders has delegated, with power of sub-delegation, to the Board of Directors all necessary power to verify the existence of the right to receive Class B beneficiary units, ascertain the full payment in cash and proceed with their issuance in accordance with the conditions laid down in the present articles of association.

The Class B beneficiary units shall have the same rights and obligations as the Class A beneficiary units and, in particular, shall carry one voting right per beneficiary unit without any financial entitlements. Subject to compliance with the respective conditions of issuance, the same shareholder can be granted both one Class A and one Class B beneficiary unit.

The voting right attached to the Class B beneficiary units shall expire automatically following the cancellation of the entry into the registered account by the relevant shareholder or the transfer of ownership (other than as a result of inheritance, liquidation of marital property between spouses or donation inter vivos in favour of a spouse or relative entitled to inherit or as a result of a merger or demerger of a shareholder company) of the share for which such beneficiary unit has been granted. A beneficiary unit which has lost its voting right shall be automatically cancelled.

1.3 Group Remuneration Policy

a. Remuneration policy for the CEO

The remuneration earned by the CEO only consists of a fixed compensation.

Eurofins' CEO is not awarded any short-term or long-term incentive. However, alignment of financial interests of the CEO with that of the other Company's shareholders is de facto achieved through his very large indirect share ownership in the Company. For more details, please refer to section II 2.2.2 of the annual report about the shareholder structure of the Company.

b. Remuneration policy for the Board of Directors

In order to ensure their independence in the exercise of their duties, the compensation of non-executive Directors is only based on annual fixed fees and on additional annual fixed fees for the participation to board committees (Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee). Members of the Board of Directors do not receive any variable short-term incentive. They may occasionally receive a limited number of long-term incentive instruments such as stock options.

For their role as Directors, executive Directors do not receive any attendance fee or compensation. Executive Directors only receive a compensation for their executive position.

c. Remuneration policy for business leaders

It is Eurofins Group policy to offer fair compensation packages to its business leaders and all its employees in line with local market practices in the testing industry.

Typically, the compensation package of Eurofins' business leaders includes

- a fixed component as a base compensation;
- fringe benefits (which in most cases are country-specific, such as complementary health insurance, supplemental pension plan, etc.)
- short-term incentives; and
- long-term incentives.

1.4 Short-Term and Long-Term Incentives

a. Short-term Incentives

The short-term incentive (or bonus) is generally based on a mix of quantitative and qualitative objectives on the relevant scope under the direct responsibility of the business leader concerned, e.g. business unit, business unit cluster, national business line or entire international/continental business line on Group level.

Quantitative objectives would typically include revenue and profit growth objectives, EBIT margin objectives as well as some cash flow objectives (net working capital, capex, free cash flow to the firm) and return on capital employed / economic profit generation (ROCE / EP[q]).

[q] Economic Profit defined as adj. EBITAS minus capital employed multipled by hurdle rate

Qualitative and non-financial objectives are bespoke for each business leader concerned but may include succession planning, hiring high potentials and top graduates, improvement of customer service measured with TAT (turnaround time) performance among other indicators.

b. Long-term Incentives

i. Objectives

Alongside short-term incentives, a selected number of business leaders may be awarded long-term incentive instruments by the Company's Board of Directors by way of stock options, free shares or warrants in order to retain talent and align the interest of Eurofins' business leaders with that of the entire organization and its shareholders.

ii. Principles

The Company's Board of Directors can initiate a new Long-term incentive plan under the shareholder authorisation described under sec. II 2.2.1b of the 2018 Annual Report at its discretion keeping in mind the minor dilutive effect on shareholders of the Company. Stock options are then awarded by the Board of Directors to the business leaders.

The exercise price of the granted options is generally equal to the 20-day volume weighted average share price of the last 20 trading days before the meeting of the Board of Directors deciding to grant the options.

Options / free shares are conditional on the individual completing the vesting period (4 to 5 years). The options/ free shares are exercisable after the vesting period and have a contractual term of ten years.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

c. Leaver's and other conditions for Long-term Incentives

The status of employee and / or executive Director / officer within a Eurofins company or of consultant for a company of the Group under a valid written contract being necessary at the time of exercise / at the expiration of the vesting period, each beneficiary will lose his / her right to exercise non-vested options / receive free shares when his / her employment contract or directorship is terminated for any reason except death.

Only the Board of Directors can decide on exceptions to this condition, in specific and exceptional cases.

A beneficiary who is granted an approved leave of absence or who is entitled to a statutory leave of absence shall be deemed to have kept the status of employee and / or executive officer within the Group during such leave of absence, but vesting will be suspended until such beneficiary's return to active employment with a Eurofins company.

Moreover with regard to free shares, the entitlement to receive the allocated free shares at the end of the vesting period is conditioned for free share plans awarded from July 2016 by the beneficiary's refraining from engaging in certain conduct which could adversely affect the economic interests, image and reputation of the Eurofins Group. Beneficiaries must comply with a number of covenants as a condition to the right to the acquired free shares, including respecting non-disclosure, non-compete, non-solicitation covenants they may have entered into with their Eurofins employer and respect a strict ban on any kind of insider trading.

Breaches of any of the covenants specified in the plan while he or she is an employee, consultant, executive officer or Director within the Group or during the period of 24 months immediately following the termination of such employment, consulting or other service provider relationship can result, among others, in forfeiture of outstanding allocated free shares and the duty to return to Eurofins any acquired free shares and in farther-reaching claw-backs.

1.5 Share Dealings

Eurofins has enacted a strict policy prohibiting insider dealing (the Eurofins Insider Dealing Policy) applicable to any employees, Directors and Officers, which aims at ensuring Eurofins' compliance with the applicable rules of the Market Abuse Regulation; employees who may frequently come across inside information shall have to take an online training on this policy.

Under this policy, Directors, Officers and employees who are in possession of inside information must, for as long as this information has not been made public, refrain from directly or indirectly entering into (or recommending others to enter into) any transaction involving the financial instruments of Eurofins and from disclosing such information to third parties: In addition, Directors and permanent insiders may not trade Eurofins securities during the following black-out periods:

(i) the continual period starting 30 calendar days before the publication of the annual or half-yearly financial information and ending the day after the publication of the relevant information;

(ii) the continual period starting 15 calendar days before the publication of the quarterly financial information and ending the day after the publication of the relevant information;

(iii) the continual period starting on the date on which the relevant person becomes aware of inside information and ending the day after Eurofins publicly releases this information.

The policy defines Inside information as "any information of a precise nature that has not been made public, relating directly or indirectly to the Eurofins Group or one or more of its Companies, the Company, or one or more Company Securities, and which, if it were made public, would be likely to have a significant effect on the price of any of the Company Securities."

Pursuant to Article 19 of the Market Abuse Regulation and the provisions of the Luxembourg law dated 23 December 2016 on market abuse, the persons discharging managerial responsibilities (and persons closely associated with them) must declare within three working days to the CSSF and to Eurofins the existence of any and all transactions conducted on their account, such as the acquisition, transfer, subscription or trading, of Eurofins' financial instruments. Such obligation is also outlined in more detail in the Eurofins Insider Dealing Policy.

Approved by the Board of Directors, on 1st March, 2019.

2 Corporate Governance Statements for the Period Ended on December 31st, 2018

2.1 Management

2.1.1 Board of Directors

a. Composition

The Board of Directors is currently composed of six members, three of whom are Non-executive, Independent Directors. Each year, the Board of Directors reviews the suitability of each of its independent members according to the Ten Principles.

The members of the Board of Directors are:

- Dr. Gilles Martin: Chairman of the Board and Chief Executive Officer of the Eurofins Scientific Group, graduated from Ecole Centrale in Paris. He subsequently obtained a Master of Science from Syracuse University (New York) and a PhD in Statistics and Applied Mathematics. Founding the original Eurofins Scientific Nantes food authenticity laboratory in 1987, Dr. Martin has expanded this company into a global bioanalytical group of more than 800 laboratories employing about 45,000 people in 47 countries. He is a member of the Board of Directors of Bruker Corp. (NASDAQ: BRKR), serving as an independent director. Dr. Martin is also a past President of the French Association of private analytical laboratories APROLAB, and of the North American Technical Committee for Juice and Juice Products (TCJJP) and of public bodies supporting innovation and entrepreneurship.
- Yves-Loïc Martin: Executive Director, graduated from Ecole Polytechnique, in Paris, France, and holds a Master's Degree in Applied Mathematics from University Paris VI and a PhD in Chemometrics from Institut National Paris Grignon. Dr. Yves-Loic Martin joined Eurofins as Quality Assurance Manager in 1992, and assumed the role of Chief Technology Officer in 1998 until 2015, where he was instrumental in setting up the Group's IT infrastructure and solutions. Beyond his strategic role on Group innovation, he is now responsible for the documentation of some Eurofins important processes and policies, and continues to drive overall improvement of cooperation between IT and operational entities.
- Valérie Hanote: Executive Director, is responsible for the Group's internal Commercial Laboratory Information Management System (ComLIMS). Mrs Hanote graduated from the Paris Institute of technology for life, food and environmental sciences (AgroParisTech), and has been active for Eurofins since 1991. Mrs Valérie Hanote was Dr. Gilles Martin's spouse.
- Stuart Anderson: Mr. Anderson was appointed an Independent Non-Executive member of the Board of Directors of Eurofins in 2010 and Chair of the Corporate Governance committee in 2017. Mr. Anderson is a seasoned professional with many years of experience in consumer goods, the food industry and private equity, having previously served as CEO at Wilkinson Sword, Del Monte Fresh Fruit, and at Geest Europe. Having led assignments and negotiations in Europe, US, Japan, India and Central America, Mr. Anderson brings a wealth of experience in identifying fraudulent practices, leading investigations and negotiating settlements. He was responsible, for example, for leading several internal investigation proceedings related to fraudulent undertakings in an international, stock-listed company; he was an arbitrator for internal settlement proceedings. Mr. Anderson also led negotiations in the context of acquisitions in Europe and Asia.

  Mr. Anderson obtained a degree in Law from the University of Cambridge in the UK, and originally qualified as a solicitor with Freshfields.
- Fereshteh Pouchantchi: Ms. Pouchantchi was appointed as an Independent Non-Executive member of the Board of Directors at the Annual General Meeting held in April 2014 and as Chair of the Audit Committee in October 2015. Ms. Pouchantchi is a finance professional with extensive experience in audit, finance processes, financial administration and compliance. She worked at the Société Européenne de Banque (Luxembourg) for more than 20 years, where she was a senior member of the internal audit and compliance department. Prior to this, she had more than 10 years' experience in internal and external audit. She was a chartered accountant and director at Fiduconseil s.à r.l., from 2012 to November 2018. Since 2004, she has been an associate professor in finance at the University of Luxembourg. She is currently a lawyer and member of the Luxembourg Bar. Mrs. Pouchantchi holds a doctorate degree in economics from the Université de Paris II and a master in European private Law from University of Luxembourg.
- Patrizia Luchetta: Mrs. Luchetta was appointed an Independent Non-Executive member of the Board of Directors of Eurofins in 2017 and Chair of the Nomination and remuneration committee in 2018. Patrizia Luchetta is a Luxembourg native and has worked several years for the Luxembourg Ministry of Economy and Trade, as Head of the Life Sciences and Technologies Directorate. In this capacity, she has been instrumental in developing a national strategy in the field of biomedical sciences as well as in refining the country's strategic focus regarding environmental technologies. As part of her position, Patrizia has managed teams both in the ministry and abroad in Luxembourg's trade and investment offices. For the past 5 years she has also been involved in mentoring middle-level managers who want to improve their career or are considering career changes, with a focus on women. Her prior working experience includes positions in the food industry, environmental services, and financial services in Luxembourg, Germany and the US. She currently sits on the board of BioTechCube Luxembourg (BTC) S.A. and of the Luxembourg Institute for Health (LIH). Patrizia holds a Bsc (Hon) in Human Geography and an MA in Social Sciences from the Open University (UK), as well as a Master in Biotech Management from IE Business School (Madrid).

No legal or disciplinary actions against any of the Directors of the Board (or against companies that the person was a director of at the relevant time), and that would be relevant to the role that the Directors have undertaken for the Group, has been taken in the last five years. In the last five years, none of the Directors of the Board has been an officer of a company that entered into a form of external administration because of insolvency during their time as an officer in that company or within a 12-month period afterwards. None of the Independent Non-Executive Board Members have been in an operational role at Eurofins before their respective assignment to Independent Non-Executive Board Member.

Board of Directors in 2018				
Name	**Mandate**	**Committee membership**	**Appointment or Renewal date**	**expiry in year Y (*)**
Gilles Martin	Chairman of the Board and Chief Executive Officer	N/A	19/04/2016	2020
Yves-Loïc Martin	Board Member	N/A	19/04/2016	2020
Valérie Hanote	Board Member	N/A	19/04/2016	2020
Stuart Anderson	Independent Non-Executive Board Member	Audit committee and Corporate Governance committee (chair) and Nomination and Remuneration Committee	19/04/2016	2020
Fereshteh Pouchantchi	Independent Non-Executive Board Member	Audit committee (chair) and Corporate Governance committee and Nomination and Remuneration Committee	26/04/2018	2022
Patrizia Luchetta	Independent Non-Executive Board Member	Audit committee and Corporate Governance committee and Nomination and Remuneration Committee (chair)	26/04/2018	2022

* His/Her term of office will expire at the end of the Annual Shareholders' Meeting called in year Y (see date in the table) to approve the financial statements for fiscal year ending December 31, Y-1

b. Board of Directors' Meetings for the Period Ended on 31 December 2018

The Board of Directors held eleven meetings in 2018 and the average attendance rate of the Directors at the Board of Directors' meetings was more than 86%.

In the course of the meetings held in 2018, discussions concerned among other topics the approval of the consolidated accounts and the parent company's financial statements, net profit allocation, dividends, capital increase in relation to stock option and warrants exercises, reserved capital increases subscribed by way of contribution in cash or in kind within the authorised share capital, drafting the management report and resolutions to be submitted to the Annual General Meeting, convening of the Annual General Meeting, issuing a new Schuldschein loan, entering into new credit facilities, the grant of some corporate guarantees and the preparation of all relevant documents. The discussions also included the appointment and remuneration of the Directors and executives, as well as allocation of stock options, and Directors' fees.

During the year 2018, the Board of Directors held discussions on the corporate governance of the Group and the Group Operating Council. Following those discussions, it was decided to set up a new Nomination and Remuneration committee whose role and internal rules are outlined in section II 1.1.5 below.

Additionally, the Board of Directors held discussions on a number of topics such as:

- In April 2018: decision to issue a new warrant program;
- In June 2018: fixing of the dividend payment date; approval of various borrowings;
- In July 2018: authorisation of the issue of a new Schuldschein loan;
- In October 2018: authorisation for a reserved capital increase by way of a contribution in cash or in kind by former owners of recently acquired companies in the US and in France who wanted to reinvest part of the proceeds from the sale of their company into Eurofins shares and representing less than 0.04% of the Company's share capital;
- In December 2018: setting up a new Nomination and Remuneration committee.

Most importantly, decisions and debates were held on the strategic direction of Eurofins. Following such discussions, the Group's mid-term objectives were reaffirmed.

All of these decisions were made unanimously by the members of the Board of Directors present or represented.

c. Remuneration

The remuneration of the Board of Directors is determined on a yearly basis by the annual general meeting of shareholders.

As from 2017, the compensation of non-executive directors is based on an annual fixed fee (EUR 20k) and on an extra annual fee per committee membership (EUR 10k as a member and EUR 15k as chairperson).

For the year 2018, the remuneration of the members of the Board of Directors is as follows. This remuneration has been paid by the Company and some of its direct and indirect subsidiaries:

Board of Directors' Remuneration for the year 2018

All amounts in EUR	Fixed compen-sation	Variable compen-sation	Benefits in kind	Supplemental pension plan	Board member-ship fee*	Committee membership fee*	Committee chairmanship fee*	Total compen-sation paid in 2018 (EUR)
Gilles Martin	1 154 000	0	11 400	12 000	0	0	0	1 177 400
Yves-Loïc Martin	342 000	0	0	12 000	0	0	0	354 000
Valérie Hanote	261 000	0	10 692	22 000	0	0	0	293 692
Stuart Anderson	0	0	0	0	20 000	10 000	15 000	45 000
Fereshteh Pouchantchi	0	0	0	0	20 000	10 000	15 000	45 000
Patrizia Luchetta	0	0	0	0	20 000	20 000	0	40 000

* the Nomination and Remuneration Committee was created during the last quarter of 2018, with most of its activity taking place in 2019. It did not organize any meeting in 2018. Therefore, neither membership fee nor chairmanship fee was paid in 2018.

NB: in addition to the gross remuneration and benefits granted to Dr. Gilles Martin by the Company and its direct and indirect subsidiaries as listed in the above table, it should be noted that other indirect costs and expenses were borne by the Group as part of his duties as Chief Executive Officer of the Group and Chairman of the Board of Directors including but not limited to:

- travel expenses reasonably incurred for his business activities;
- support from a pool of personal assistants in charge of managing Dr. Martin's schedule, appointments, conference calls, business trips (flights, hotels, car rentals etc.), including from time to time support on private matters and journeys, commensurate with standard practice for CEOs of other international companies of a similar size so as to free up their time for company matters;
- support for preparation of personal annual tax returns.

2.1.2 Chief Executive Officer and Group Operating Council

During the Board of Directors' meeting held in April 2016, Mr. Gilles Martin was again appointed as Chairman and Chief Executive Officer of Eurofins Scientific SE until the Annual General Meeting of shareholders to be held in 2020 to approve the Company's financial statements of the fiscal year ending on 31/12/2019.

2.1.3 Audit Committee

a. Composition

The Audit Committee consists of the following members:

- Fereshteh Pouchantchi (Audit Committee Chair)
- Stuart Anderson
- Patrizia Luchetta

b. Audit Committee's Meetings for the Period Ended on 31 December 2018

The Audit Committee held four meetings in 2018 and the attendance rate of the Directors at the Audit Committee's meeting was 100%.

During 2018, the Audit Committee reviewed the full year 2017 and half-year 2018 financial statements, including the effects of the application of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers standards. Moreover, the Audit Committee discussed the implementation of new IFRS developments that could impact Eurofins' accounts, including application of IFRS16 Leases. The Audit Committee also reviewed the following as part of its duties:

- analysis of the risk management annual survey results and its implications in terms of control environment improvements and minimum control requirements for most risk sensitive areas, in particular discussion of measures related to cyber security ensuring business continuity; update on recent internal audit missions carried out across the Group;

- review of implementation of an internal controls monitoring system to further improve reporting and controlling;
- update on deployment of IT systems throughout the Group, such as the central purchasing system;
- update on the Finance blue print progress (business process documentation) and deployment of the Microsoft Dynamics AX 2012 solution.

c. Audit scrutiny and coverage

The Luxembourg société coopérative PricewaterhouseCoopers registered with the Luxembourg Trade and Companies Register under number B 65477 was appointed as external auditor of the Company for the statutory and consolidated financial statements audit of the annual accounts of Eurofins for the year ending as at 31st December 2018, drawn up in accordance with the Luxembourgish Generally Accepted Accounting Principles ("Luxembourg GAAP") and International Financial Reporting Standards (IFRS) respectively.

Eurofins Board of Directors endorsed the appointment of PwC for the audit of the consolidated and parent company financial statements for the year ended December 31, 2018, which was approved at the General Assembly held on April 26th, 2018.

PwC conducted its audit in accordance with the EU regulation No 537/2014, the Law of 23 July 2016 on the audit profession and with International Standards on Auditing as adopted for Luxembourg by the CSSF. PwC issued their unqualified audit reports on March 4th, 2019, as presented on pages 132-138 (consolidated financial statements) and on pages 154-158 (parent company financial statements) of the 2018 Annual Report.

For the years ended December 31, 2017 and 2018, PwC's and other auditors coverage was as follows:

	2018 accounts		2017 accounts	
	PwC coverage for Consoli-dated Financial State-ments[1]	Tier 1 & Tier 2 auditors coverage for statutory audits[2]	PwC coverage for Consoli-dated Financial State-ments[1]	Tier 1 & Tier 2 auditors coverage for statutory audits[2]
External Sales	**59%**	**87%**	**57%**	**87%**
EBITDA	**68%**	**93%**	**68%**	**94%**
Total assets	**80%**	**93%**	**76%**	**91%**

(1) Including review by PwC of component auditors works

(2) Tier 1 (PwC, Deloitte, EY, KPMG)
Tier 2 (RSM, Grant Thornton, BDO Mazars, Moore Stephens, Crowe, Baker Tilly)

In fact, going beyond its legal obligations, in order to ensure reliability and strong control of financial statements in a fast-growth phase, the Group has commissioned statutory audits in a very large majority of its subsidiaries, even when not required by local regulations, performed mostly by Tier 1 and Tier 2 auditing firms.

PwC as Group auditors have further expanded their coverage in FY 2018 accounts compared to FY 2017 as reflected in the above table, and will be auditing all Luxembourg companies and holdings for financial year 2018 as sole auditor.

For more information on financial risk management, please refer to the notes to the 2018 consolidated financial statements (notes 4.2 and 4.11).

2.1.4 Corporate Governance Committee

a. Composition

The Corporate Governance Committee, which was set up during the meeting of the Board of Directors held on June 21, 2017, consists of the following members:

- Stuart Anderson (Corporate Governance Committee Chair)
- Fereshteh Pouchantchi
- Patrizia Luchetta

b. Corporate Governance Committee's Meetings for the Period Ended on 31 December 2018

The Corporate Governance Committee held three meetings in 2018 and the attendance rate of the Directors at the Audit Committee's meetings was 100%.

During the meetings, the Corporate Governance Committee discussed corporate governance related topics relevant for the Eurofins Group. The Corporate Governance Committee particularly focussed on the following topics:

- review of the rental terms and conditions agreed between a company controlled by Analytical Bioventures SCA and Eurofins on new sites in North America and Europe based on independent third party assessments;
- endorsement and approval of new rental contracts as proposed by respective business leaders;
- review of existing related-party rental contracts and leases certification reports from independent third party assessors;
- discussion of potential impact of IFRS 16 Leases on rental terms and conditions.

2.1.5 Nomination and Remuneration Committee

a. Composition

The Nomination and Remuneration Committee, which was set up during the meeting of the Board of Directors held on December 20, 2018, consists of the following members:

- Patrizia Luchetta (Committee Chair)
- Stuart Anderson
- Fereshteh Pouchantchi

b. Nomination and Remuneration Committee's Meetings for the Period Ended on 31 December 2018

The committee held no meetings in 2018. However, a benchmark analysis was commissioned from Willis Towers Watson on the remuneration of non-executive directors and of the Chief Executive Officer against remuneration practices in other comparable companies, consisting of companies active in the TIC, healthcare and diagnostics sectors: ALS, Applus Services, Biomérieux, Bureau Veritas, Charles River, Evotec, Intertek Group, IQVIA, LabCorp, Quest Diagnostics, SGS, and Sonic Healthcare. The market analysis was based on publicly disclosed data, as extracted from the most recent annual reports. The elements of remuneration benchmarked include (i) annual base compensation, allowances, short-term and long-term incentive compensation and benefits for the CEO and (ii) annual fixed fees and attendance fees for non-executive directors.

i. Benchmark Analysis on CEO Remuneration

The benchmark analysis from Willis Towers Watson with regards to the remuneration of the CEO compared compensation levels of all consitutents of the SBF120 to the ones of Eurofins:

"Scope: Willis Towers Watson has been requested by Eurofins to provide additional market information on the competitiveness of its Chief Executive Officer's compensation package against the SBF120 comparator market.

Reference Position: the Chief Executive Officer has been compared against the Chief Executive Officers of the peer companies.

The following remuneration components were covered:

- *Base salary*
- *Annual target bonus (including deferred part)*
- *Total target cash compensation (i.e. base salary plus annual target bonus)*
- *Fair value of long-term incentives granted*
- *Total Direct Compensation, i.e. total target cash compensation plus fair value of long-term incentives granted*
- *The perquisites and the retirement and related risk benefits (i.e. death, disability and medical) are excluded from the present study*

	Eurofins	Reference Market: SBF120			
		25th Percentile	Median	75th Percentile	Comparatio against Market Median
Base Salary	€ 1,154,000	€ 725,000	**€ 900,000**	€ 1,100,000	128%
Target Bonus (as % of Base Salary)	0%	60%	**90%**	110%	
Target Total Cash Compensation	€ 1,154,000	€ 1,265,000	**€ 1,710,000**	€ 2,090,000	67%
Long-Term Incentive (as % of Base Salary)	0%	60%	**110%**	145%	
Total Direct Compensation	€ 1,154,000	€ 1,805,000	**€ 2,700,000**	€ 3,395,000	43%

As Eurofins's Chief Executive Officer is a member of the majority shareholder family, his compensation package is unusual compared to his peers. The direct comparison should be made for reference purposes; decisions regarding his package should take into account the broader framework of philosophy and objectives of his remuneration.

Pay-mix:

- *Eurofins's CEO only receives a fixed compensation, whereas variable remuneration, in the form of annual bonus and long-term incentives, constitutes the majority of total direct compensation for similar positions in the peer companies;*
- *The alignment of the incumbent's long-term interests with those of the shareholders, a key determinant in Executive Directors' remuneration, is typically achieved through short and long-term incentives. It is de facto achieved through the share-ownership of the current CEO at Eurofins.*

Compensation levels:

- *Base Salary positions above the 75th percentile of the market, as this is the sole element of direct compensation;*
- *Total Cash Compensation and Total Direct Compensation are below the 25th percentile, as no form of variable*

compensation is offered to Eurofins's CEO."

ii. Benchmark Analysis on Non-executive Directors

The benchmark analysis of Willis Towers Watson with regards to the remuneration of the non-executive directors compared compensation levels of all consitutents of the SBF120 to the ones of Eurofins:

"Scope: Willis Towers Watson has been requested by Eurofins to provide additional market information on the compensation for Non-Executive Directors (NEDs) against the SBF120 comparator market.

Reference positions:

Board Member

- *The Chairman of the Board at Eurofins is an Executive Director, it has therefore been excluded from the present analysis.*

Chairman of a Committee and Committee Member

- *A distinction has been made between the Audit Committee and Nomination and Remuneration Committee.*

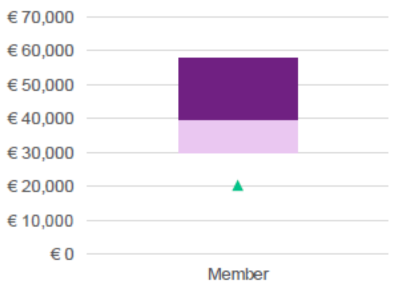
Reported annual fees:

- *Policy values have been reported*
- *Total annual fees = annual retainer + [number of meetings x attendance fee per meeting] + annualized value of equity compensation*
- *The market analysis was based on publicly disclosed data (as extracted from the most recent (i.e. 2017) annual reports)*
- *Market rates are reported at the 25th, 50th (median) and 75th percentile levels of the chosen reference markets; they were rounded to*
- *the nearest 500 EUR*
- *n.a. = not available / not disclosed*
- *blank = not applicable*

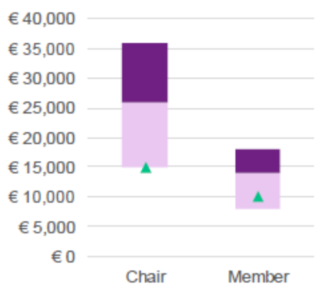
Total compensation levels:

- *Board Member: Eurofins positions below the 25th percentile of the market for Total Fees.*
- *Audit Committee: Eurofins positions at the 25th percentile of the market for the Chair of the Audit Committee and below median for Members of the Audit Committee.*
- *For Nomination and Remuneration Committee: Eurofins positions below market median for Chair and above median for Members.*
- *Overall, Eurofins positions below the market median for the Total Compensation Levels of the majority of its Non-Executive Directors' positions, except for the Members of the Nomination and Remuneration Committee who position above the median.*

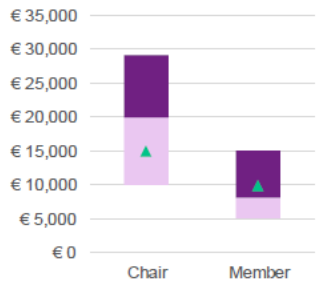
	Chair				Member					
	Total Annual Fees				Total Annual Fees				# of Meetings	
	Eurofins	25th	Median	75th	Eurofins	25th	Median	75th	Eurofins	Median
Board	-	n.a.			€ 20,000	€ 30,000	€ 40,000	€ 58,000	15	8
Audit Committee	€ 15,000	€ 15,000	€ 26,000	€ 36,000	€ 10,000	€ 8,000	€ 14,000	€ 18,000	3	5
Nomination and Remuneration	€ 15,000	€ 10,000	€ 20,000	€ 29,000	€ 10,000	€ 5,000	€ 8,000	€ 15,000	2	5



Board



Audit Committee



Nomination and Remuneration Committee

Number of Meetings:

- *Board: above median market practice.*
- *Board Committees (Audit and Nomination and Remuneration): below median market practice.*

Compensation Structure:

- *Eurofins provides a retainer fee only for all of its Non-Executive Directors, which is in line with market practice;*
- *Variable / Equity-Based Pay: Eurofins does not provide any form of variable remuneration, which is in line with market practice;*
- *Equity-Based Pay: Eurofins grants equity-based remuneration to its Non-Executive Directors, which is not in line with prevalent market practice, except for the US companies of the peer group."*

2.2 Shares and shareholders

2.2.1 Share capital

As of 31 December 2017, the Company's share capital amounts to one million seven hundred and sixty-four thousand three hundred and ninety-one Euros and fourty cents (EUR 1,764,391.40) divided into seventeen million six hundred and fourty-three thousand nine hundred and fourteen (17,643,914) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

As of 31 December 2018, the Company's share capital amounts to one million seven hundred and seventy-five thousand two hundred and fifteen Euros and eighty cents (EUR 1,775,215.80) divided into seventeen million seven hundred and fifty-two thousand one hundred and fifty-eight (17,752,158) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

There are no charges attached to shares neither minimal shareholding requirements for Directors of the Company.

a. Potential Increases in Share Capital

(i) Stock Options

Since its IPO in 1997, Eurofins' Board of Directors initiated 43 stock option plans ("SOP"), of which 15 are effective after 31st December 2018. SOP's have benefitted more than 3,700 current or former staff until today.

There was no new stock option or free share plan awarded in 2018. However new BSA warrants were issued in 2018 as outlined in section II 2.2.1a(ii).

89,204 options were exercised during the year 2018.

The details of the current stock option plans outstanding per 31st December 2018 are as follows:

Stock option plans	26th SOP	27th SOP	28th SOP	29th SOP	30th SOP	31st SOP	32nd SOP	33rd SOP
Date of Board of Directors' meeting	17/07/2008	18/12/2008	05/01/2009	10/11/2009	31/08/2010	05/10/2010	23/02/2011	10/10/2011
Number of options initially awarded	168,950	34,010	116,700	153,400	164,400	12,450	89,750	158,350
incl. options granted to current members of the Board of Directors	0	0	0	0	0	500	0	500
First stock option exercise date	17/07/2012	18/12/2012	05/01/2013	10/11/2013	31/08/2014	05/10/2014	23/02/2015	10/10/2015
Final stock option exercise date	16/07/2018	17/12/2018	04/01/2019	09/11/2019	30/08/2020	04/10/2020	22/02/2021	09/10/2021
Subscription price in EUR	51.87	31.62	32.60	31.88	36.62	37.06	50.13	57.83
Number of options exercised as of 31/12/2018	103,520	11,170	82,000	91,265	99,721	8,200	62,635	79,154
Number of options lost and/or reawarded under new conditions	65,430	22,840	34,700	45,300	40,805	2,500	9,200	39,565
Number of valid options *	0	0	0	16,835	23,874	1,750	17,915	39,631

Stock option plans	34th SOP	35th SOP	36th SOP	37th SOP	38th SOP	39th SOP	40th SOP	41th SOP
Date of Board of Directors' meeting	02/03/2012	19/12/2012	01/10/2013	23/10/2014	07/04/2015	22/10/2015	21/01/2016	01/08/2016
Number of options initially awarded	46,250	191,475	139,065	120,950	60,000	35,250	93,920	122,740
incl. options granted to current members of the Board of Directors	0	300	200	400	0	0	360	300
First stock option exercise date	02/03/2016	19/12/2016	01/10/2017	23/10/2018	07/04/2019	22/10/2019	21/01/2020	01/08/2020
Final stock option exercise date	01/03/2022	18/12/2022	30/09/2023	22/10/2024	06/04/2025	21/10/2025	20/01/2026	31/07/2026
Subscription price in EUR	65.60	120.10	182.29	188.28	251.88	282.76	286.30	336.90
Number of options exercised as of 31/12/2018	25,300	83,763	33,617	9,970	0	0	0	0
Number of options lost and/or reawarded under new conditions	18,550	46,350	43,065	27,345	46,450	17,650	25,790	25,410
Number of valid options *	2,400	61,362	62,383	83,635	13,550	17,600	68,130	97,330

Stock option plans	42nd SOP	43rd SOP
Date of Board of Directors' meeting	04/04/2017	13/12/2017
Number of options initially awarded	41,390	169,695
incl. options granted to current members of the Board of Directors	0	300
First stock option exercise date	04/04/2021	13/12/2021
Final stock option exercise date	03/04/2027	12/12/2027
Subscription price in EUR	404.93	508.71
Number of options exercised as of 31/12/2018	0	0
Number of options lost and/or reawarded under new conditions	14,100	21,505
Number of valid options *	27,290	148,190

**considers only valid and exerciseable options, but not options initially awarded or already exercised.*

(ii) BSA Leaders' Warrants

The Chief Executive Officer acting in the name and on behalf of the Board of Directors in compliance with article 8Bis of Eurofins' Articles (see 3 below), decided on 1st July 2014, to issue 117,820 non listed BSA (French acronym for "*Bons de souscription d'actions*") called "2014 BSA Leaders Warrants" with preferential subscription rights reserved to a certain number of executive leaders of the Eurofins group selected by Eurofins in consideration of their key management duties and responsibilities and the contribution they may bring to the enhancement of the value of the shares of Eurofins and who may wish to invest in a long-term equity-linked instrument. Each 2014 BSA Leaders Warrant gives the holder the right to subscribe to one (1) new share of Eurofins at a price of EUR 281.58 per share representing the issuance of up to 117,820 new shares of Eurofins. The exercise period is from 1st July 2018 to 30 June 2022.

The Chief Executive Officer acting in the name and on behalf of the Board of Directors in compliance with article 8Bis of Eurofins' Articles (see 3 below), decided on 24 May 2018, to issue 126,460 non listed BSA (French acronym for "*Bons de souscription d'actions*") called "2018 BSA Leaders Warrants" at a purchase price of EUR 34.36 per warrant with preferential subscription rights reserved to a certain number of executive leaders of the Eurofins group selected by Eurofins in consideration of their key management duties and responsibilities and the contribution they may bring to the enhancement of the value of the shares of Eurofins and who may wish to invest in a long-term equity-linked instrument. Each 2018 BSA Leaders Warrant gives the holder the right to subscribe to one (1) new share of Eurofins at a price of EUR 529.65 per share representing the issuance of up to 126,460 new shares of Eurofins. The exercise period is from 1st June 2022 to 31st May 2026. The company also has the right to force the exercise of the warrants should its share price reach EUR 953.37 (180% of the exercise price) during this period.

Further details on these warrants can be found in note 4.7 to the consolidated financial statements.

(iii) Free Shares

As part of the Company's long-term incentive programme for the Group key personnel and management, and in addition to stock option plans, BSA warrants as described under (i) and (ii) above, the Company's Board of Directors has decided on 29th July 2016 to use the possibility to grant free shares to some employees and directors of Group affiliates and has set a general framework and defined general "Free Share Plan rules" to that effect.

In this context, in 2016, the Company's Board of Directors has granted a first two plans of free shares awarded to some Group employees and directors.

In 2017, two additional free share plans were awarded by the Company's Board of Directors, under the same principle rules – a vesting period of 4 years for the first half of free shares awarded to each beneficiary and 5 years for the second half.

No new free share plan was awarded in 2018.

The details of the current free shares plans are as follows:

Free share plans	1st instalment	2nd instalment	3rd instalment	4th instalment
Date of Board of Directors' meeting	29/07/2016	01/08/2016	04/04/2017	13/12/2017
Number of free shares initially awarded	5,985	4,496	940	13,400
incl. free shares granted to current members of the Board of Directors	0	0	0	0
Date of delivery of first tranche of free shares	29/07/2020	01/08/2020	04/04/2021	13/12/2021
Date of delivery of second tranche of free shares	29/07/2021	01/08/2021	04/04/2022	13/12/2022
Number of free shares lost and/or reawarded under new conditions	650	434	0	2,685
Number of valid free shares	5,335	4,062	940	10,715

b. Authorized and Non-Issued Capital

In connection with the transfer of Eurofins' registered office to Luxembourg, the annual general meeting of 11 January 2012 has approved a new article 8Bis of the Eurofins' Articles of Association to set an authorized share capital ("capital autorisé") for a maximum nominal value of EUR 2,500,000 represented by 25,000,000 shares having a nominal value of EUR 0.10 per share.

On 19 April 2016, the shareholders approved the renewal for five additional years (from 29th June 2016, date of publication of the notarial deed recording the extraordinary general meeting in the then existing Mémorial C. Recueil des Sociétés et Associations, until 29th June 2021) of the authorization granted to the Board to increase the Company's share capital to a maximum nominal value of EUR 2,500,000 (represented by 25,000,000 shares having a nominal value of EUR 0.10 per share) under the terms and conditions that the Board of Directors may determine. The Board of Directors may in particular limit or waive the preferential subscription rights reserved to existing shareholders.

Moreover, Eurofins has issued:

- BSA and BSAAR warrants (see par. II 2.2.1 (a) (ii) above);
- Stock option plans (see par. II 2.2.1 (a) (i) above)
- Free share plans (see par. II 2.2.1 (a) (iii) above)

giving access to existing and/or new shares of Eurofins.

As of 31 December 2017, the maximum number of new shares that may be issued resulting from the exercise of BSA, BSAAR warrants, free shares and stock options was 970,902, resulting in a potential fully diluted number of shares of 18,614,816.

Consequently, the additional maximum number of new shares that could be issued by Eurofins within the limit of the authorized share capital was 6,385,184.

As of 31 December 2018, the maximum number of new shares that may be issued resulting from the exercise of BSA, BSAAR warrants, free shares and stock options is 916,987, resulting in a potential fully diluted number of shares of 18,669,145.

Consequently, the additional maximum number of new shares that could be issued by Eurofins within the limit of the authorized share capital is 6,330,855.

Besides, new shares issued as well as Eurofins' existing shares could be listed, in addition to the Paris Stock Exchange, on any other Luxembourg or foreign Stock Exchange to be determined by the Chairman of the Board on the basis of a mandate given by the Board of Directors.

2.2.2 Shareholding Disclosure

The Martin family indirectly holds 36.1% of the shares with 58.0% of the voting rights in Eurofins attached as of 31 December 2018.

The free float represents 63.9% of the shares and 42.0% of the voting rights of the Company.

The detail of the different shares and voting rights held by the shareholders of Eurofins is as follows:

Shareholders and voting rights as of 31 Dec 2018

SHAREHOLDERS	SHARES	SHARES %	VOTING RIGHTS (attached to shares)	VOTING RIGHTS (attached to Beneficiary Units Class A)	VOTING RIGHTS (attached to Beneficiary Units Class B)	TOTAL VOTING RIGHTS	% TOTAL VOTING RIGHTS
Dr. Gilles G. MARTIN and his family	2	0.0%	2	2	0	4	0.0%
Dr. Yves-Loïc MARTIN	14,546	0.1%	14,546	14,546	0	29,092	0.1%
Analytical Bioventures SCA (1)	6,400,000	36.1%	6,400,000	6,400,000	3,000,000	15,800,000	57.9%
Martin Family (subtotal)	**6,414,548**	**36.1%**	**6,414,548**	**6,414,548**	**3,000,000**	**15,829,096**	**58.0%**
Treasury shares	0	0.0%	0	0	0	0	0.0%
Free Float	11,337,610	63.9%	11,337,610	102,168	0	11,439,778	42.0%
TOTAL	**17,752,158**	**100.0%**	**17,752,158**	**6,516,716**	**3,000,000**	**27,268,874**	**100.0%**

(1) Private company incorporated in Luxembourg and controlled by Gilles Martin

The Company's shareholder Analytical Bioventures SCA exercised its right for 1,000,000 of the 6,400,000 shares it owns pursuant to the terms of the new article 12 Ter of the Company's articles of association as adopted by the AGM of shareholders held on 19 April 2016 to receive 1,000,000 class B beneficiary units ("parts bénéficiaires de catégorie B") carrying one extra voting right per share, in addition to existing class A beneficiary units carrying one voting right per share.

In March 2017 and in June 2018, Analytical Bioventures SCA subscribed to an additional 1,000,000 new Class B beneficiary units and is now holding a total of 6,400,000 Class A and 3,000,000 Class B beneficiary units.

2.2.3 General Meetings of Shareholders held in 2018

The Annual General Meeting of shareholders held on 26 April 2018 adopted *inter alia* the following resolutions:

(i) Approval of the annual statutory accounts for the financial year ended on 31 December 2017,

(ii) Allocation of results for the financial year ended on 31 December 2017 and approval of a dividend payment of EUR 2.40 per share,

(iii) Discharge granted to the members of the Board of Directors for the performance of their duties as at 31 December 2017,

(iv) Discharge granted to PricewaterhouseCoopers, external auditor, for the execution of his assignment for the financial year ended 31 December 2017 and renewal of its mandate,

(v) Renewal of the mandate of Mrs. Fereshteh Pouchantchi as an independent director for another four years expiring on the date of the annual general meeting of shareholders to be held in 2022 to approve the financial statements for fiscal year ending December 31, 2021,

(vi) Renewal of the mandate of Mrs Patrizia Luchetta as an independent director for another four years expiring on the date of the annual general meeting of shareholders to be held in 2022 to approve the financial statements for fiscal year ending December 31, 2021,

(vii) Approval of attendance fees for Board members up to 200,000 euros for the fiscal year 2018.

2.3 Annual Statements in Relation to the Takeover Law

2.3.1 Share Capital Structure

Please see above point 2.2.1 – Share capital

2.3.2 Shareholder Purchase/Sale Agreement

With regard to article 11(1)(b) of the Takeover Law, the shares issued by Eurofins are listed on Euronext Paris and are freely transferable.

A shareholders' agreement regarding the Martin Family's shareholding in Analytical Bioventures SCA was concluded on 20th April 2017, which cancels and replaces the preceding one and aims in principal to renew the commitment towards the present management of Eurofins going forward and promote co-operation on a course of action in the event of a take-over bid. This agreement was concluded for a period of eight years, tacitly renewed each year.

2.3.3 Significant Shareholdings

With regard to article 11 (1)(c) of the Takeover Law, Eurofins' shareholding structure showing each shareholder owning 2.5% or more of Eurofins' share capital as far as they formally disclosed this to the Company is as follows:

Significant Shareholding as of 31 December 2018

	No. of Shares	No. of Stock Options outstanding
Gilles G. Martin	1	0
Yves-Loïc Martin	14,546	0
Valérie Hanote	1	0
Stuart Anderson	55	730
Fereshteh Pouchantchi	0	630
Patrizia Luchetta	0	100

Analytical Bioventures SCA, which is controlled by Gilles Martin, holds 6,400,000 shares.

Eurofins has not been formally notified of any shareholder with an interest in excess of 5% of the voting rights as at 31 December 2018.

2.3.4 Holders of Any Securities with Special Control Rights

With regard to article 11 (1)(d) of the Takeover Law, in addition to shares representing Eurofins' issued share capital, a class A beneficiary unit, une « *part bénéficiaire de catégorie A*» which confers no right to dividends but a right to one vote, is allocated to holders of fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in the Company's Articles of Association.

In case of a capital increase by incorporation of reserves, profits or share premium, the existing holders of beneficiary units will be entitled to additional class A beneficiary units following the issuance of new shares.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to article 12bis of the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

The Shareholders' extraordinary meeting held on 19 April 2016 also authorised the issuance until 30 June 2021 of a new class B of beneficiary units ("*parts bénéficiaires de catégorie B*") which confers no right to dividends but a right to one extra vote for each share of the Company held by holders of fully paid-up shares continuously held under registered form evidencing a holding for at least five (5) years as provided for in the Company's Articles of Association.

In case of a capital increase by incorporation of reserves, profits or share premium, the existing holders of class B beneficiary units will be entitled to additional class B beneficiary units following the issuance of new shares.

2.3.5 System of Control of Any Employee Share Scheme

With regard to article 11 (1)(e) of the Takeover Law, information on stock-options and BSAAR warrants is available in section II 2.2.1 Share capital and notes 2.4, and 4.7 to the audited consolidated financial statements.

2.3.6 Restrictions on Voting Rights

A sanction of suspension of voting rights can be applied to any shareholder (or group of shareholders acting jointly) who has (or have) crossed the thresholds set out (i) in article 10.3 of the Articles (2.5% or any multiple of 2.5% of the Company's share capital, voting rights or securities giving access to the share capital of the Company) (ii) and in article 8 (1) of the Transparency Law dated January 11, 2008 (i.e. 5%; 10%; 15%; 20%; 25%; 33 1/3%; 50% and 66 2/3%) without having notified Eurofins accordingly and subject to limited exceptions set out in article 8 of Transparency Law.

Such suspension can be requested by any shareholder holding at least 2.5% of the Company's share capital, and shall be applicable to voting rights above the thresholds indicated in the Transparency Law and the Articles and for a period of two years, as set out in article 10.3 of the Articles.

2.3.7 Agreements Between Shareholders

With regard to article 11 (1)(g) of the Takeover Law, there are agreements between shareholders in place as detailed in paragraph 2.3.2 above.

2.3.8 Appointment and Replacement of Board Members – Amendment of the Articles

With regard to article 11 (1)(h) of the Takeover Law, the Directors are elected by the general meeting of shareholders for four-year terms and may be re-elected or removed.

The rules governing amendments to Eurofins' Articles are set out in article 20 of Eurofins' Articles. An extraordinary general meeting, resolving as hereinafter provided, may amend any provisions of Eurofins' Articles.

Such an extraordinary general meeting shall not validly deliberate unless at least one half of the share capital is present or represented. If this condition is not satisfied, a second meeting may be convened and shall validly deliberate regardless of the proportion of the capital present or represented. At any extraordinary general meeting, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast. Votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote.

2.3.9 Shares Buy-Back Programme

With regard notably to article 11 (1)(i) of the Takeover Law, the extraordinary general meeting of shareholders held on 20 April 2017 granted the Board of Directors a new share buy-back authorisation whereby the Board of Directors is authorized to purchase Eurofins' shares on the stock exchange within a period of five (5) years from the date of the publication of the minutes of the extraordinary general meeting of shareholders held on 20 April 2017. The maximum number of shares that may be purchased and/or cancelled is limited to 10% of the total number of shares issued at this date and a maximum buying price of EUR 900.00 per share.

As at 31 December 2018, Eurofins held no shares under this programme.

2.3.10 Any Significant Agreement to Which Eurofins is a Party and Which Takes Effect, is Altered or Terminates upon a Change of Control

With regard to article 11 (1)(j) of the Takeover Law, such significant agreements to which Eurofins is a party are not disclosed for confidentiality reasons.

Confidential agreements relate to commercial and strategic aspects of the Group to the knowledge of the Board of Directors. Exceptionally, some agreements provide for early repayment in the event of change of control and / or departure of key leaders of the Group at the request of certain credit institutions.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS0881803646) issued in January 2013 (and extended in July 2014) provide for the application of an additional interest rate and an additional margin of 5% each per annum if a change of control event occurs up to 30 January 2020 (the "first call date") and for an additional margin of 5% per annum if a change of control event occurs as from 31 January 2020. If such a change of control occurs prior to the first call date, Eurofins has also the option to redeem all (but not part) of outstanding bonds.

The conditions of the bonds issued in November 2013 (Senior unsecured Euro bond ISIN XS0996772876) provided that if a change of control event occurred, bondholders had the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds would have been redeemed at their principal amount together with all interest accrued until (but excluding) such date. All bonds were redeemed at their maturity date on 26 November 2018.

The conditions of the bonds issued in January 2015 (Senior unsecured Euro bond ISIN XS1174211471) provide that if a change of control event occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS1224953882) issued in April 2015 provide for the application of an additional interest rate and an additional margin of 2.5% each per annum, if a change of control event occurs up to 28 April 2023, as from and including the 60th calendar day following the change of control event date and until the redemption of the bonds ; if a change of control event occurs as from 29 April 2023, the margin will be increased by 2.5% per annum as from and including the floating rate interest payment date immediately following the 60th calendar day following the change of control event date and until the redemption of the bonds. If such a change of control occurs prior to the first call date, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

The conditions of the bonds issued in July 2015 (Senior unsecured Euro bond ISIN XS1268496640) provide that if a change of control event occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The conditions of the bonds issued in July 2017 (Senior unsecured Euro bond ISIN XS1651444140) provide that if a change of control event as defined in the bond documentation occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS1716945586) issued in November 2017 provide for the application of an additional interest rate and an additional margin of 2.5% each per annum, if a change of control event as defined in the bond documentation occurs up to 12 November 2025, as from and including the 60th calendar day following the change of control event date and until the redemption of the bonds ; if a change of control event occurs during a floating rate interest period the margin will be increased by 2.5% per annum as from and including the floating rate interest payment date immediately following the 60th calendar day following the change of control event date and until the redemption of the bonds. If such a change of control occurs as from 13 November 2025, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

2.3.11 Any Agreement between Eurofins and its Board Members or Employees Providing for Compensation if they Resign or are Made Redundant without Valid Reason or if Their Employment Ceases Because of a Takeover Bid

With regard to article 11 (1)(k) of the Takeover Law, there is a table of remuneration of members of the Board of Directors as detailed in section II 2.1.1c.

<u>Related party transactions</u>

Due to the high technical requirements they underlie, investments in leasehold improvements in laboratories facilities can often cost as much or more than the building itself. This creates the risk that a third party owner of the building could take advantage of these investments to increase the rent at the end of the rental period. On the other hand, owned buildings immobilizes capital for Eurofins at a low rate of return. Subsidiaries of Analytical Bioventures, which is controlled by the Group CEO have thus agreed to buy from third parties or build certain laboratories buildings and rent these to Eurofins companies at market rates, which are also below the Group's hurdle rate set by Eurofins for its investments as in force at the time of lease initiation. This frees capital for higher returns investments by Eurofins. Renting from a related party owner also gives Eurofins companies more flexibility when they need an early exit of a lease or required buildings expansion on an existing campus.

In order to avoid any conflict of interest for sites rented from related parties, Eurofins has put in place a Corporate Governance Committee whose mission is to oversee any related party rental, by ensuring that decision makers on the lease agreement do not include any related party, and that the lease agreement terms and conditions are verified to be at arms' length by an independent, reputed real estate service provider (such as CBRE or Cushman & Wakefield) against local market conditions.

As of end of 2018, Eurofins occupies ca. 1,300 sites throughout the world (laboratories, offices, warehouses, etc.). The total net floor area of these sites amounts to about 1.25 million sqm. The breakdown of ownership for these surfaces is as follows:

- 65% (ca. 810,000 sqm) is rented from third party landlords;
- 16% (ca. 240,000 sqm) is owned by Eurofins; and
- 19% (ca. 200,000 sqm) is rented from related parties.

As of end of 2018, annualized rent per sqm for sites leased from third parties stands at EUR 124, whereas those leased from related parties stands at EUR 125.

When narrowing the comparison to laboratory sites only (95% of the surfaces leased from related parties), in countries where lease agreements are made with both third party landlords and related parties, the annualized rent per sqm for sites leased from third parties stands at EUR 125, whereas those leased from related parties stands at EUR 124.

In addition, the Corporate Governance Committee has commissioned an ad-hoc audit from a Tier-2 audit firm in order to review its decision making process and the supporting materials used by committee members for most significant properties rented form related party as described above.

Following is an extract of the conclusions of this independent report issued by Grant Thornton:

"Grant Thornton Luxembourg ("Grant Thornton" or "we" or "our) prepared this memorandum ("Memorandum") at the request of Eurofins Scientific S.E. (the "Company"). This Memorandum intends to evaluate whether the Corporate Governance Committee (the "CGC") follows adequate due process, supported with adequate internal or external documentation, to ensure that no conflict of interest arises in lease related decisions in respect

of transactions with related party(s). Additionally, this Memorandum will also assess whether the Martin family exerts any influence in lease related decisions in respect of transactions with related party(s)…

Following a factual review of the documentation, for a sample of transactions selected by us, we are of the opinion that such provedures are in line with the Company's Corporate Governance Charter and Corporate Governance Committee's Terms of Reference. On the same basis, we observed that the Company adopts certain appropriate tools and processes in line with the Corporate Governance Charter to ensure that lease related decisions – entered into with a related party or otherwise – are made and taken in compliance with corporate governance as generally accepted and defined under "the X Principles of Corporate Governance of the Luxembourg Stock Exchange".

Based on a review of the documentation for and only for the selected sample transactions we selected at random as described below, nothing came to our attention that could lead us to reasonably believe that a transparent process was not adopted or sufficiently documented by the Corporate Governance Committee. Furthermore and on the same basis, no influence of Analytical Bioventures SCA or the Martin family can be detected regarding any of the sample transactions analysed therein. The arm's length terms of these transactions are duly supported by external third party documentation as commissioned by the Group and produced by CBRE and/or Cushman & Wakefield relative to the location of the property concerned…"

On the basis of the processes and controls that were put in place, Eurofins Board of Directors believes that there is no conflict of interest between the duties of Eurofins, any of the members of the Company's Board of Directors and management, and their private interests or other duties. For more information on related party transactions, please see notes 4.4 and 4.10 to the audited consolidated financial statements.

There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which the aforementioned persons have been selected as a member of the Board of Directors or senior management.

Share market

Euronext, Paris

	Month	Average closing price (€)	High (€)	Low (€)	Average daily volume ('000)	Market cap (€m)
2017	**July**	493.71	516.00	468.35	15.6	8,402
	August	474.23	489.35	452.00	14.6	8,082
	September	511.15	545.00	477.25	21.4	8,715
	October	541.66	559.85	522.00	18.2	9,247
	November	517.62	540.65	505.75	18.9	9,124
	December	506.80	518.20	495.55	18.4	8,942
2018	**January**	525.09	545.50	507.00	18.1	9,275
	February	484.33	532.50	458.60	28.5	8,556
	March	470.38	507.00	429.00	32.6	8,312
	April	429.20	451.40	382.20	40.6	7,587
	May	449.82	462.80	436.40	22.3	7,954
	June	432.97	490.80	402.20	40.4	7,662
	July	464.65	482.00	439.20	27.3	8,226
	August	460.87	491.40	432.60	26.7	8,163
	September	478.28	492.40	454.40	27.0	8,474
	October	432.37	492.00	395.80	42.2	7,667
	November	403.61	459.20	343.40	35.1	7,160
	December	331.93	393.40	304.00	41.5	5,892

3 Statement of Persons Responsible for the Annual Report

The Board of Directors confirms that, to the best of its knowledge, the annual statutory accounts, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements for the year ended 31 December 2018, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins Scientific SE and its consolidated subsidiaries taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of Eurofins Scientific SE and its consolidated subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors

Dr. Gilles MARTIN

Chairman of the Board of Directors and CEO

Dated: March 1st, 2019

III. ANNUAL FINANCIAL STATEMENTS

1 Consolidated Financial Statements

Consolidated Income Statement

January 1, 2018 to December 31, 2018

EUR Thousands	Note	2018 Adjusted results [1]	2018 Separately disclosed items [2]	2018 Reported results	2017 Adjusted results [1]	2017 Separately disclosed items [2]	2017 Reported results
Revenues [3]	4.1	**3,781,148**	-	**3,781,148**	**2,971,417**	-	**2,971,417**
Operating costs, net	2.1	-3,061,303	-68,398	-3,129,701	-2,414,694	-43,481	-2,458,174
EBITDA [4]		**719,845**	**-68,398**	**651,447**	**556,723**	**-43,481**	**513,243**
Depreciation and amortisation	3.1, 3.2	-199,085	-24,662	-223,747	-157,161	-18,557	-175,718
EBITAS [5]		**520,760**	**-93,060**	**427,700**	**399,562**	**-62,038**	**337,525**
Share-based payment charge and acquisition-related expenses, net[6]	2.4	-	-83,733	-83,733	-	-40,718	-40,718
EBIT		**520,760**	**-176,793**	**343,967**	**399,562**	**-102,756**	**296,807**
Finance income	2.5	2,218	11,480	13,698	897	7,457	8,354
Finance costs	2.5	-62,326	-5,890	-68,216	-44,040	-11,419	-55,459
Share of (loss) / profit of associates	3.4	391	-	391	403	-	403
Profit before income taxes		461,042	-171,203	289,840	356,823	-106,718	250,105
Income tax expense	2.6	-104,981	38,727	-66,254	-54,482	23,222	-31,260
Net profit for the period		**356,061**	**-132,476**	**223,586**	**302,341**	**-83,496**	**218,845**
Net profit and loss attributable to:							
Equity holders of the Company		**355,810**	**-131,866**	**223,944**	**299,135**	**-82,364**	**216,771**
Non-controlling interests		252	-610	-358	3,206	-1,132	2,074
Earnings per share (basic) in EUR							
- Total	4.8	20.11	-7.45	12.65	17.49	-4.82	12.68
- Attributable to hybrid capital investors		2.45	0.29	2.75	1.64	0.55	2.18
- Attributable to equity holders of the Company		17.65	-7.74	9.91	15.86	-5.36	10.49
Earnings per share (diluted) in EUR							
- Total	4.8	19.44	-7.20	12.24	16.62	-4.58	12.04
- Attributable to hybrid capital investors		2.37	0.28	2.66	1.55	0.52	2.07
- Attributable to equity holders of the Company		17.07	-7.49	9.58	15.07	-5.10	9.97
Weighted average shares outstanding (basic) - in thousands	4.7, 4.8	17,697	-	17,697	17,099	-	17,099
Weighted average shares outstanding (diluted) - in thousands	4.7, 4.8	18,301	-	18,301	17,998	-	17,998

1 Adjusted results – reflect the ongoing performance of the mature and recurring activities excluding "separately disclosed items" (Notes 1.27 and 1.28).

2 Separately disclosed items – include one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects – Details are provided in Notes 1.28 and 2.3.

3 Mature and recurring activities represented EUR 3,505m and EUR 2,714m of revenues in 2018 and 2017 respectively.

4 EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

5 EBITAS – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

6 Share-based payment charge and acquisition-related expenses – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

Consolidated Statement of Comprehensive Income

January 1, 2018 to December 31, 2018

EUR Thousands	**Note**	**2018**	**2017**
Net profit for the period		**223,586**	**218,845**
Other comprehensive income/ loss (OCI)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		35,376	-71,208
Net investment hedge	4.5	33,852	-70,251
Fair value through other comprehensive income (FVOCI)	3.5	8,365	3,168
Cash flow hedge	4.5	-641	-
Income tax on items that may be reclassified	3.17	954	795
Total		**77,906**	**-137,496**
Items that will not be reclassified to profit or loss :			
Retirement benefit obligations	3.15	-2,826	-182
Deferred taxes on retirement benefit obligations	3.17	492	92
Total		**-2,334**	**-90**
Other comprehensive income/ loss for the period, net of tax		**75,572**	**-137,586**
Total comprehensive income for the period		**299,158**	**81,259**
Attributable to:			
Equity holders of the Company		300,217	80,712
Non-controlling interests		-1,059	547

Consolidated Balance Sheet

As of December 31, 2018

EUR Thousands	Note	2018	2017
Property, plant and equipment	3.1	1,018,005	685,998
Goodwill	3.2	3,418,328	2,505,337
Other intangible assets	3.2	946,918	735,120
Investments in associates	3.4	5,076	5,642
Financial assets and other receivables	3.5	67,550	43,942
Deferred tax assets	3.17	44,168	29,690
Total non-current assets		**5,500,045**	**4,005,729**
Inventories	3.6	66,373	51,805
Trade accounts receivable	3.7	864,898	705,716
Prepaid expenses and other current assets	3.8	147,955	99,478
Current income tax assets		73,134	58,745
Derivative financial instruments assets	4.5	46,796	90,477
Cash and cash equivalents	3.9	506,246	820,357
Total current assets		**1,705,402**	**1,826,578**
Total assets		**7,205,448**	**5,832,307**
Share capital	3.20	1,775	1,764
Hybrid capital	3.12	1,000,000	1,000,000
Treasury Shares		-184	-
Other reserves		954,784	934,857
Retained earnings		659,244	522,881
Currency translation differences		53,571	-16,332
Total attributable to equity holders of the Company		2,669,190	2,443,170
Non-controlling interests	3.21	52,992	38,803
Total shareholders' equity		**2,722,182**	**2,481,973**
Borrowings	3.10	2,766,169	1,662,099
Derivative financial instruments liabilities	4.5	-	239
Deferred tax liabilities	3.17	138,557	126,352
Amounts due for business acquisitions	3.14	57,788	49,521
Retirement benefit obligations	3.15	64,074	55,535
Provisions for other liabilities and charges	3.16	6,018	4,695
Total non-current liabilities		**3,032,606**	**1,898,441**
Borrowings	3.10	391,075	554,231
Interest and earnings due on hybrid capital	3.11	66,034	64,472
Trade accounts payable	3.13	373,010	301,863
Advance payments received	3.7	40,076	46,670
Deferred revenues	3.7	62,564	55,072
Current income tax liabilities		39,384	21,455
Amounts due for business acquisitions	3.14	66,030	88,235
Provisions for other liabilities and charges	3.16	16,269	15,027
Other current liabilities	3.13	396,217	304,868
Total current liabilities		**1,450,660**	**1,451,893**
Total liabilities and shareholders' equity		**7,205,448**	**5,832,307**

Consolidated Cash Flow Statement

January 1, 2018 to December 31, 2018

EUR Thousands	Note	2018	2017
Cash flows from operating activities			
Profit before income taxes		**289,840**	**250,105**
Adjustments for:			
Depreciation and amortisation	3.1, 3.2	223,747	175,718
Share-based payment charge and acquisition-related expenses, net	2.4	83,733	40,718
Other non-cash effects		1,621	-9,596
Financial income and expense, net	2.5	52,135	45,247
Share of profit from associates	3.4	-391	-403
Transactions costs and income related to acquisitions	2.4	-17,527	-9,940
Increase/ decrease in provisions, retirement benefit obligations	3.15, 3.16	-642	3,397
Change in net working capital	3.18	-20,805	-10,740
Cash generated from operations		**611,711**	**484,506**
Income taxes paid		-67,816	-79,384
Net cash provided by operating activities		**543,895**	**405,122**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	-322,245	-200,645
Purchase, capitalisation of intangible assets	3.2	-42,204	-45,090
Proceeds from sale of property, plant and equipment		3,082	33,090
Net capex		*-361,367*	*-212,645*
Free Cash Flow to the Firm[1]		*182,529*	*192,477*
Acquisition of subsidiaries net of disposals, net of cash acquired	3.19	-1,254,256	-1,534,362
Change in investments, financial assets and derivative financial instrument, net	3.22	53,875	-3,511
Interest received		4,302	3,432
Net cash used in investing activities		**-1,557,446**	**-1,747,086**
Cash flows from financing activities			
Proceeds from issuance of share capital	3.20	20,041	320,049
Proceeds from borrowings	3.10	1,189,362	879,732
Repayments of borrowings	3.10	-366,988	-138,884
Change in hybrid capital	3.12	-98	398,543
Dividends paid to shareholders and non-controlling interests		-42,645	-34,912
Earnings paid to hybrid capital investors	3.12	-48,625	-35,625
Interest paid		-59,983	-45,612
Net cash provided by financing activities		**691,064**	**1,343,292**
Net effect of currency translation on cash and cash equivalents and bank overdrafts		1,465	-10,969
Net increase (decrease) in cash equivalents and bank overdrafts		**-321,023**	**-9,641**
Cash and cash equivalents and bank overdrafts at beginning of period		816,026	825,667
Cash and cash equivalents and bank overdrafts at end of period	3.9	**495,003**	**816,026**

[1] Free Cash Flow to the Firm – Net cash provided by operating activities, less Net capex.

Consolidated Statement of Changes in Equity

As of December 31, 2018

EUR Thousands	Note	Attributable to equity holders of the Company							
		Share capital	Treasury shares	Other reserves	Currency translation differences	Hybrid capital	Retained earnings	Non-controlling	Total equity
Balance at January 1, 2017		**1,693**	**-**	**614,928**	**123,576**	**600,000**	**287,281**	**129,237**	**1,756,714**
Currency translation differences		-	-	-	-69,657	-	-24	-1,527	-71,208
Net investment hedge	4.5	-	-	-	-70,251	-	-	-	-70,251
Fair value through other comprehensive income	3.5	-	-	-	-	-	3,168	-	3,168
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	-	-182	-	-182
Deferred taxes on actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	-	92	-	92
Deferred taxes on net investment hedge	3.17	-	-	-	-	-	795	-	795
Other comprehensive income (loss) for the period, net of taxes		-	-	-	-139,908	-	3,849	-1,527	-137,586
Net profit		-	-	-	-	-	216,771	2,074	218,845
Total comprehensive income (loss) for the period		-	-	-	-139,908	-	220,620	547	81,259
Share-based payment effects	2.4	-	-	-	-	-	9,333	-	9,333
Tax credit relating to share-based payment charge		-	-	-	-	-	3,476	-	3,476
Issue of share capital	3.20	72	-	319,930	-	-	-	47	320,049
Issue of hybrid capital	3.12	-	-	-	-	400,000	-1,457	-	398,543
Distribution on hybrid capital	3.12	-	-	-	-	-	-37,335	-	-37,335
Dividends		-	-	-	-	-	-33,852	-1,060	-34,912
Reevaluation on amounts due from business acquisitions	3.14	-	-	-	-	-	-17,237	-	-17,237
Non-controlling interests arising on business acquisitions	3.19, 3. 21	-	-	-	-	-	92,051	-89,967	2,084
Balance at December 31, 2017		**1,764**	**-**	**934,857**	**-16,332**	**1,000,000**	**522,881**	**38,803**	**2,481,973**
Balance at January 1, 2018		**1,764**	**-**	**934,857**	**-16,332**	**1,000,000**	**522,881**	**38,803**	**2,481,973**
Currency translation differences		-	-	-	36,051	-	-7	-668	35,376
Net investment hedge	4.5	-	-	-	33,852	-	-	-	33,852
Fair value through other comprehensive income	3.5	-	-	-	-	-	8,365	-	8,365
Cash flow hedge	4.5	-	-	-	-	-	-641	-	-641
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	-	-2,793	-33	-2,826
Deferred taxes on actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	-	492	-	492
Deferred taxes on net investment hedge	3.17	-	-	-	-	-	954	-	954
Other comprehensive income (loss) for the period, net of taxes		-	-	-	69,903	-	6,370	-701	75,572
Net profit		-	-	-	-	-	223,944	-358	223,586
Total comprehensive income (loss) for the period		-	-	-	69,903	-	230,314	-1,059	299,158
Share-based payment effects	2.4	-	-	-	-	-	12,382	-	12,382
Tax credit relating to share-based payment charge		-	-	-	-	-	868	-	868
Issue of share capital	3.20	11	-	19,927	-	-	-	103	20,041
Treasury shares variation		-	-184	-	-	-	-	-	-184
Distribution on hybrid capital	3.12	-	-	-	-	-	-48,625	-	-48,625
Dividends		-	-	-	-	-	-42,345	-300	-42,645
Non-controlling interests arising on business acquisitions	3.19, 3.21	-	-	-	-	-	-16,229	15,445	-784
Balance at December 31, 2018		**1,775**	**-184**	**954,784**	**53,571**	**1,000,000**	**659,244**	**52,992**	**2,722,182**

Notes to the consolidated financial statements

In the consolidated financial statements and the notes all amounts are shown in EUR thousands or millions and differences of EUR +/- 1 thousand are due to rounding.

Eurofins Scientific S.E. (the "Company") and its subsidiaries ("Eurofins" or the "Group") operate more than 800 laboratories across 47 countries in Europe, North and South America and Asia-Pacific.

Eurofins believes it is a scientific leader in food, environment and pharmaceutical products testing and in agroscience CRO services. It is also one of the independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167 775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

These consolidated financial statements have been adopted by the Board of Directors on March 1, 2019 and will be submitted to the Shareholders' Annual General Meeting for approval.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

Accounting standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. At December 31, 2018, the Standards adopted by the European Union and used by the Company for the preparation of these financial statements present no differences with the standards as published by the IASB. The standards, as adopted by the European Union, are available on the website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the re-evaluation of Fair value through other comprehensive income, and financial assets and liabilities (including derivative instruments) at fair value through the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.24.

1.2 Application of standards, amendments and interpretations

(a) New and amended standards adopted by the Group without significant impact on the consolidated financial statements as of December 31, 2018:

IFRS 9 'Financial Instruments'

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies, but without adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

(i) Classification and measurement

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories.

Financial assets classification

EUR Thousands **Financial assets – January 1, 2018**	Financial assets classification Amortised cost (Loans and Receivables in 2017)	FVPL[1] (Assets at fair value through profit and loss in 2017)	FVOCI[2] (Available for sale in 2017)	Total
Closing balance December 31, 2017 - IAS 39	1,469,638	243,770	9,422	1,722,830
No reclassification according to IFRS 9	-	-	-	-
Opening balance January 1, 2018 - IFRS 9	**1,469,638**	**243,770**	**9,422**	**1,722,830**

[1] Fair value through profit or loss (FVPL).
[2] Fair value through other comprehensive income (FVOCI).

The majority of the Group's financial assets include:

- equity instruments classified as Available for Sale as of December 31, 2017 for which a (FVOCI) election is available;
- equity investments currently measured at fair value through profit or loss (FVPL) which continue to be measured on the same basis under IFRS 9, and
- debt instruments currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under IFRS 9.

There is no impact on consolidated financial statements in relation to financial liabilities, as the new requirements only affect the accounting of financial liabilities that are recorded at fair value through profit or loss and the Group does not own any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

(ii) Derivatives and hedging activities

The interest rate swaps in place as at December 31, 2017 did not qualify as cash flow hedge under IAS 39 and similarly do not qualify as cash flow hedges under IFRS 9. These interest swaps ended during the first half of 2018.

Listed equity derivatives assets are accounted as fair value through profit and loss.

(iii) Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- Trade receivables and
- Contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled percentage of completion and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of the last 24 months before December 31, 2018 and the corresponding historical credit losses experienced within the last 3 years. Furthermore, the group applies individual credit loss estimates on identified trade account receivables or contract assets with specific issues such as ongoing commercial litigation.

On that basis, the loss allowance at January 1, 2018 was kept unchanged as the average observed credit losses over the last 3 years was calculated as highly immaterial in proportion of the consolidated sales. The loss allowance at December 31, 2018 and January 1, 2018 (on adoption of IFRS 9) was determined as follows:

December 31, 2018 EUR Millions	Current	0-90 days past due	91-360 days past due	Over 360 days past due	Individual bad debt	Total
Expected loss rates	0.6%	1.8%	22.6%	100%	100%	
Trade accounts receivables (without VAT)	434	178	45	13	8	677
Contract assets (without VAT)	145					145
Loss Allowance	3.5	3.2	10.2	12.9	8.3	38.1

January 1, 3018 EUR Millions	Current	0-90 days past due	91-360 days past due	Over 360 days past due	Individual bad debt	Total
Expected loss rates	0.7%	2.3%	23.9%	100%	100%	
Trade accounts receivables (without VAT)	389	115	29	13	8	555
Contract assets (without VAT)	116					116
Loss Allowance	3.5	2.7	7.0	13.3	8.4	35.0

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period greater than 90 days past due.

Accounting policies for Financial Instruments applied from January 1, 2018 are described in Notes 1.10 and 1.31.

IFRS 15 'Revenue from contracts with customers'

Impact of adoption

The Group has adopted IFRS 15 'Revenue from contracts with customers' from January 1, 2018, which results in changes in accounting policies, but without adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rules retrospectively.

This new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Control either transfers "over time" or "at a point in time". When the control transfers "over time" the entity can recognize revenue with a counterpart in percentage of completion over the duration of the contract. When the control transfers "at a point in time" the revenue is then recognized only when the performance obligation is fulfilled.

Revenue is recognized over time if Eurofins activities cumulate the following conditions:

- the Eurofins entity's performance does not create an asset with an alternative use to the entity, which is the case for Eurofins businesses as any analysis tailored for one given customer can only be communicated to this same customer;
- the Eurofins entity has an enforceable right to payment for performance.

If both conditions are not met, revenue is recognized at a point in time.

The Group has assessed the effects of applying the new standard on the Group's financial statements by main businesses:

- The vast majority of the businesses of the Group consist in providing laboratory and advisory services based on analyses (analyses of customer's samples into our laboratories). This sample-based activity is a repetitive business, generally with many relatively small transactions with short turn-around times ruled by short term contracts (turnaround time counted in days or weeks). These contracts for their vast majority are straightforward and do not include multiple performance obligations. The Group considers the input method to measure the progress for service rendered to its customers. The payment terms and conditions are most often standard, short term and highly predictable. Where incentives on volumes are granted to some customers, these are taken into account by the Group in its revenue recognition policy.

- The study-based businesses are mainly relying on medium to long-term contracts that are usually partially invoiced at the beginning of the contract and then in successive steps based on the level of completion, until the delivery of the final report. The Group considers the input method to measure the progress for service rendered to its customers.
- In the product-based business, the Group manufactures and sells a range of products (e.g. kits). Sales are recognised when control of the products is transferred, being when the goods are transferred to the customers. Products not sold are recognized in Inventory at cost of production (cost of goods).
- The Weighted average Full Time Equivalent (FTE)-based services are mainly external projects supported by the Group, for which the client is charged based on actual working hours (hourly rates) delivered by Eurofins. As a result the working hours are being chosen as the most appropriate metrics, to depict service progress and primary measure for percentage of completion calculation.
- For its clinical diagnostic testing services, the Group recognises revenues when the testing process is completed and test results are reported to the ordering physician.

Besides:

- The Group does not incur material costs to obtain contracts with customers, does not operate material customer loyalty program and does not provide a right to return in the course of its business.
- The Group does not expect to have any contracts where the period between the transfer of the promised services and payment from the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Overall the Group has assessed that the first time application of IFRS 15 has not changed revenue recognition accounting for Eurofins businesses.

Based on the above policy, here is the timing of revenue recognition by operating segment:

Revenues EUR Thousands	**2018**	**At a point in time**	**Over time**
Benelux	251,399	10,390	241,009
France	766,147	357,134	409,013
Germany	426,304	59,113	367,190
Nordic Region	242,137	-	242,137
UK and Ireland	239,652	18,330	221,322
Western Europe	1,925,639	444,966	1,480,672
North America	1,256,684	260,094	996,590
Rest of the World	598,826	107,943	490,883
Total	3,781,148	813,004	2,968,145

The impact of the over time method is the following:

EUR Thousands	2018	2017
External Sales	3,781,148	2,971,417
Amounts due by customers for analysis in progress (Note 3.7)	102,700	90,276
Deferred revenues (Note 3.7)	-62,564	-55,072
Net position (Balance Sheet position)	40,136	35,204
% of External Sales	1.1%	1.2%

The remaining performance obligations (unsatisfied or partially satisfied), on contracts with a duration over a year, expected to be recognized in the following years is of EUR 223m at December 31, 2018, of which EUR 119m are expected to be recognized in revenue in 2019. The amount disclosed above does not include the potential cancellation of signed contracts nor variable consideration which is constrained.

Accounting policy for revenue recognition applied from January 1, 2018 is described in more detail in Note 1.22.

Other new and amended standards adopted by the Group in 2018 include:

- IFRIC 22;
- IFRS 2 (amendment);
- Annual improvement to IFRS Standards 2014-2016 cycle.

(b) *New standards and interpretations not yet adopted*

Certain new standards and interpretations have been published that are not mandatory for December 31, 2018 reporting period and have not been early adopted by the Group:

- IFRS 16 ‘Leases’
- IFRIC 23 ‘Uncertainty over Income Tax Treatments’

Amongst these new standards and interpretations, the Group’s assessment of the impact of IFRS 16 is set out below.

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group will adopt the standard effective on January 1, 2019 using the modified retrospective approach and will measure assets as if IFRS 16 had been applied from lease commencement, which means that the cumulative impact of the adoption will be recognised in retained earnings as of January 1, 2019 and that comparatives for 2018 will not be restated.

Based on these elements, the Group estimates the cumulative impact of the adoption as follows:

EUR Millions	**Total equity**	**Net debt**
Closing balance December 31, 2018	2 722	2 651
Adjustment on adoption of IFRS 16 (net of tax)	-36	481
Restated total equity as of January 1, 2019	2 687	3 132

If IFRS 16 had been applied from lease commencement, EBITDA generated in 2018 would have been positively impacted by an amount in excess of EUR 105m (on a pro forma basis including all 2018 acquisitions from January 1, 2018).

The difference between the debt impact (EUR 481m) and the commitments (Note 4.4: EUR 630m) is mainly linked to:

- The discount rate impact for EUR 72m;
- The leases which concern assets under construction for EUR 56m;
- The exceptions for short-term and low-value leases for EUR 18m.

IFRIC 23 'Uncertainty over Income Tax Treatments

IFRIC 23 issued in June 2017 clarifies the accounting for uncertainties in income taxes under IAS 12 for the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group will adopt the standard effective on January 1, 2019 using the modified retrospective approach. Based on the assessments undertaken to date, the Group does not expect a material impact in the Group's retained earnings.

1.3 Consolidation

Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable and cross put and call options agreements are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date such control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

All inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. When necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the Group.

The companies acquired at the end of the year are not consolidated if their contribution in terms of total assets, sales and net profit is not material in comparison with the consolidated accounts. They will be consolidated as from January 1 of the following year (Notes 3.4 and 3.19).

The Group holds no special purpose entities that are not consolidated.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit and loss.

A listing of the Group's subsidiaries is set out in Note 5. The financial effect of the acquisition and disposal of subsidiaries is described in Note 3.19.

The annual closing date of the individual financial statements is in principle December 31.

Transactions with non-controlling interests ("NCI")
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, which means as transactions with the owners in their capacity as owners.
For purchases from non-controlling interests after the initial control of the entity, the differences between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the entity are recorded in equity. Gains and losses on disposals to non-controlling interests are also recorded in equity.

Put and call options at acquisition time
When the Group takes control of a subsidiary, it may enter into obligations to acquire the shares held by minority shareholders (put options) and concurrently benefits from the option to acquire these same shares (call options). These agreements are accounted for as follows:

- In case of cross put and call options exercisable at a fixed price, Management considers these instruments as being exercised as the risks and rewards are in substance transferred to the Group from inception. As such, non-controlling interests are not recognised in the Balance Sheet and the Income Statement.
- In case of cross put and call options at a variable price resulting from a business combination completed after the first application of IFRS 3R, Management considers whether the risks and rewards are actually transferred to the Group:
  - Where it is determined that risks and rewards did not transfer to the Group, non-controlling interests are recognised in the Income Statement and the Balance Sheet.
  - Where it is determined that risks and rewards did transfer to the Group upon entering into the cross put and calls, non-controlling interests are not recognised in the Balance Sheet and the Income Statement.

In addition a financial liability reflecting the put option element of the transaction is recognised for an amount corresponding to the present value of the redemption amount of the put option. Such financial liability is recognised from the equity attributable to holders of the Company.

Any post-acquisition adjustment to the initial value on the put liability on non-controlling interests is booked to profit and loss.

The Group is also closely monitoring the guidelines of the IASB and the IFRIC, which could lead to an amendment of specific standards on the treatment of such put options granted to holders of non-controlling interests.

In case of cross put and call options at a variable price resulting from a business combination completed prior to the first application of IFRS 3R, the goodwill in progress is calculated by the difference between the put liability and the non-controlling interest value. Any post-acquisition adjustments to the original value on the put liability are also recorded in “goodwill in progress”.

Associates
Associates are all entities over which the Group has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the associate after the date of acquisition.

Joint arrangements
The Group has no joint arrangements.

1.4 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share in the net assets of the acquired subsidiary at the date of acquisition.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement (bargain purchase or negative goodwill).

In accordance with IFRS 3R, the Group has twelve months from the acquisition date to finalise the allocation of the purchase price over the fair values of the acquiree’s identifiable assets and liabilities.
IFRS 3R allows an accounting policy choice, available on a transaction by transaction basis, to measure non-controlling interests (NCI) either at:
- fair value (‘full goodwill method’), or
- the NCI's proportionate share of net assets of the acquiree (‘partial goodwill method’).

Goodwill on acquisition of associates is included in “investments in associates”.

1.5 Intangible assets

Intangible assets (software development costs capitalised and software licences) are booked at historical value, revised periodically in case of impairment. They are amortised over their estimated useful life of 3 years.

Other intangible assets (customer relationships, brands) acquired as part of an acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably. Customer relationships and Brands have a finite useful life. They are valued according to the Income Approach.

Customer relationships are valued using the discounted cash flow method using an appropriate discount rate (WACC) over a maximum period of 15 years. The value is based on the sales acquired using an annual percentage of attrition after deduction of the contributory assets charges (remuneration of the fixed assets, working capital, workforce and brands). Customer relationships are amortised on a straight-line basis over their estimated useful lives. For outsourcing deals signed with a sales contract, the amortisation period is aligned with respect to the duration of the contract.

Brands are assessed on the basis of their royalty potential in relation to the annual sales, net of taxes. Brands are amortised on a systematic basis over their estimated useful lives (maximum period of 25 years).

1.6 Development costs

The IT development costs (e.g. Laboratory information management systems) are capitalised under the criteria of IAS 38:
- It is technically feasible to complete the software products so that it will be available for use;
- Management intends to complete the software products and use it;
- There is an ability to use the software products;
- It can be demonstrated how the software products can generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software products are available;
- The expenditure attributable to the software product during its development can be reliably measured.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Directly attributable costs include the software development employee costs and an appropriate portion of relevant overheads.
Software development costs recognised as assets are amortised over their estimated useful lives which do not exceed three years.

Business development costs are recognised as an expense as they do not currently correspond to the criteria of capitalising development costs as described in IAS 38.

1.7 Property, plant and equipment

Fixed assets are stated at historical cost less depreciation. Depreciation on fixed assets is calculated using the straight-line method to write off their cost to their residual values over their estimated useful lives as follows:

- Buildings and leasehold improvements5-20 years
- Machinery and laboratory equipment 5 years
- Office equipment, furniture and vehicles 3-5 years

Land is not depreciated as it is deemed to have an indefinite life.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

1.8 Finance and Operating Leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease’s commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter period of the lease term or the asset useful life, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in that case the depreciation period is the useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease (before adoption of IFRS 16).

1.9 Impairment of non-financial assets

Assets that have an indefinite useful life (goodwill) are not subject to amortisation and are tested for impairment annually or if objective evidence of impairment loss is identified.

Assets that are subject to amortisation (e.g. customer relationship, brands) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets including goodwill are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The allocation of goodwill is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Each of those cash-generating units represents or are part of an operating segment (Note 4.1).

The asset's fair value less costs to sell of the cash-generating unit corresponds to an estimate based on financial multiples calculated on:

- the average revenues of the last two years ;
- the average adjusted EBITDA and EBITAS over the last two years.

The financial multiples are validated annually by comparison with the valuation and the price of take-overs of comparable companies.

The value in use is estimated by the discounted cash flows method using an appropriate discount rate (WACC). This rate is adapted to each cash-generating unit. The estimates of future cash flows and the discount rates are determined on a pre-tax basis. The debt/equity ratio is taken independently of the Group's capital structure. The cost of debt has been determined taking into account prevailing economic conditions and the time horizon of expected cash flows.

The valuation of the value in use is determined using reasonable assumptions (WACC, organic growth), based on a projected five-year period. The determination includes the net cash flows from disposal at the end of the useful life (terminal value).

Goodwill impairment reviews are undertaken annually or more frequently if events of changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Non-financial assets other than goodwill are reviewed at each reporting date for possible reversal of an impairment loss that may have taken place.

1.10 Financial assets

Classification

From January 1, 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss, or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and

presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

1.11 Inventories

The inventory of consumables consists primarily of chemical products. Inventories are stated at the lower amount between cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The above inventories are generally used within 2 years of their purchase.

1.12 Trade accounts receivable

Trade accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade accounts receivable correspond to amounts invoiced, accrued or due by clients for analysis in progress, depending on the stage of completion of the analysis/work performed.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due, according to the original terms of sale. This risk is assessed in a standardised way with particular regard to the age of the account, the customer status, the country and the fact of invoices being subject to dispute.

For governmental organisations as well as healthcare insurance providers, in the case of its US clinical diagnostic testing services, the Group regularly assesses the state of its billing operations and the level of payer's reimbursements based on specific facts and circumstances and historical recoverability data in order to identify issues which may impact the collection of these receivables. This individual review by third-party payor grouping of all outstanding amounts is carried out at least at the end of each year and half year, especially to assess the difference between the invoices issued and the expected amounts to be recovered based on the scale of reimbursement for the patient. This review is based on the period that the receivables have been outstanding and the historical collection experience from the payers. An allowance is then recorded to reduce the gross revenue to the amount expected to be collected. Those revenue allowances are recorded as a reduction in revenue in the period that the services are performed. Changes in estimates related to revenue allowances are recorded as an increase or decrease to revenue in the period that the changes are identified.

Impairment

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Bad debts are written off during the year in which they are identified.

1.13 Cash and cash equivalents and bank overdrafts

For the purposes of the Balance Sheet, cash and cash equivalents include cash in hand, deposits held at call with banks, and investments in money market instruments highly liquid (with original maturities of three months or less that can be sold at any time). Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

1.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributable incremental costs net of income taxes is deducted from total shareholders' equity as treasury shares until the shares are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

1.15 Provisions

Provisions for restructuring costs, legal claims and environmental restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.16 Employee benefits

Pension obligations
Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed

contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

In accordance with IAS 19 the liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated or reviewed annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds (Iboxx AA) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments, law changes and changes in actuarial assumptions are recognised immediately in Other Comprehensive Income as they occur.

Past services (including those resulting from plan amendments) are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Share-based compensation

The Group operates a number of equity settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period and the counterpart is accounted for in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and other reserves when the options are exercised.

Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing schemes based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently recorded at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

The costs of the transaction are deducted from the debt and are expensed along the maturity of the borrowings.

1.18 Hybrid capital

The structure of the hybrid capital ensures that it is recognised as a component of equity in accordance with IAS 32 as the conditions below are met:

- No contractual obligation to redeem the instrument;
- No contractual obligation to pay the coupon.

For this reason, the tax-deductible interest payments are not included in interest expense, but accounted for in the same way as dividend obligations to shareholders. The distribution of coupon payments and the costs of issue are booked before tax in shareholders' equity.

1.19 Current and deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided for, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the Balance Sheet date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions for pensions and tax losses carried forward. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

1.20 Trade accounts payable

Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.21 Amounts due for business acquisitions

Amounts due for business acquisitions are mainly comprised of:

- amounts due to former shareholders of acquired companies for the fair value amount based on achievement of objectives (in general based for the major part on the operating profit);
- the liability of the "put and call options" (part related to the transaction with non-controlling interests) at initial acquisition time.

Amounts due for business acquisitions are also accounted for at the fair value of the expected cash flow. The variation of the liability related to the decreasing time value is accounted for in the Income Statement as a financial expense.

All re-estimations of the amounts due for business acquisitions of the purchase price are booked in the Income Statement as an acquisition-related expense (except for the put option on non-controlling interests contracted before IFRS 3R accounted for as “goodwill in progress”).

If all or part of the acquisition price of certain acquired laboratories is paid in Eurofins shares (new or existing shares):

- the amount due is accounted for in “Amounts due for business acquisitions” in the case where the acquisition contract stipulates a fixed monetary amount payable in a variable number of Eurofins shares (number to be calculated at the moment of payment);
- the amount due is accounted for in “retained earnings” in the case where the acquisition contract stipulates a fixed number of Eurofins shares.

1.22 Revenue recognition

Accounting policies applied from January 1, 2018

Eurofins provides analytical solutions and a comprehensive range of testing methods to clients from a wide range of industries including the pharmaceutical, food, environmental and clinical diagnostics sectors.

Revenue recognition for sample-based businesses

The major part of the Eurofins business is based on sample-based businesses (e.g. in Food and Environment testing). Revenue from providing these services is recognised in the accounting period in which the services are rendered and according to stages of completion. These stages of completion are established in accordance with the observation of costs incurred by the entities when performing such sample-based tests.

Revenue recognition for study-based businesses

The study-based businesses for some pharmaceutical products testing, in agroscience and in contract research organization (CRO) services businesses are mainly relying on medium term contracts that are usually partially invoiced at the beginning of the contract and then in successive steps based on the level of completion, until the delivery of the final report. As the outcome of the medium term contracts can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period, which means recognition of revenue ‘over time’. To be able to recognize the revenue ‘over time’ (i.e. in line with the progress of service performance), the following criterias are met: the asset created have no alternative use to the entity and an enforceable right to payment for performance completed to date exists.

Revenue recognition for FTE-based services

Revenue from providing FTE-based services corresponds to Consulting activities and Professional Scientific Services and is recognised at a point in time in the accounting period in which the services are rendered.

Revenue recognition for Product-based businesses

For a small part of its business, the Group manufactures and sells a range of products (e.g. kits). Sales are recognised when control of the products is transferred, being when the products are provided to the customers.

Revenue recognition for Specialty Clinical Diagnostic Testing Revenue

For its clinical diagnostic testing services in Europe and the USA, the Group recognises revenues at a point in time when the testing process is completed and test results are reported to the ordering physician. The sales are generally billed to three types of payers: clients, patients and third parties such as HMOs (Health Managed Organizations), PPOs (Preferred Provider Organizations), Medicare and Medicaid in the US or other health national organisations in other countries.

Clients
For clients (e.g. hospitals, reference laboratories, physicians’ offices who wish a direct-pay arrangement or biopharma companies seeking clinical testing services), sales are recorded on a fee-for-service basis at the Company’s client list price, less any negotiated discount.

Patients
Patients typically need to pay what is not covered by their insurance or falls under the deductible, co-pays and/or co-insurance of their insurance coverage, as defined by individual payer plan coverage policies and as required by applicable state guidelines. If not covered by insurance, patients typically pay list price or, if offered, a discounted amount from list price for advance payment of testing procedures. Collection from patients is often difficult and only a part of amounts due is often eventually collected.

Third-party payers not facing significant variable consideration
In the US or whenever applicable in Europe, the Company bills third-party payers under fee-for-service agreements. Fee-for-service third-party payers are billed at the Company's patient fee schedule amount, and third-party revenue is recorded net of contractual discounts. These discounts are recorded at the transaction level at the time of sale based on a fee schedule that is maintained for each third-party payer. The majority of the Company’s third-party sales are recorded using an actual or contracted fee schedule at the time of sale.

Third-party payers facing significant variable consideration
For the remaining third-party sales, for which there exists a significant variable consideration in the transaction prices, the entity can recognize revenue only to the extent that it will be paid for the work performed and that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimation of the high probability is based on the most recent collection rate estimates and is maintained for each payer to recognize revenue. Adjustments to the estimated payment amounts are recorded at the time of final collection and settlement of each transaction as an adjustment to Revenue. The Company periodically adjusts these estimated collection rates based upon historical payment trends, using the most recent two years of historical data. Historical collection statistics are grouped according to logical clusters of payers that have the same or similar payment coherence. Any exceptional event (e.g. important cash payment from a third party) is carefully reviewed with the objective to ensure a stable and accurate statistical model for revenue recognition.

Financing components
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

1.23 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all such options into shares which are in the money at the current share price. The Company has the following categories of dilutive potential for ordinary shares: stock options, free shares, BSA warrants and partial and optional acquisition price payments in Eurofins shares.

The net profit attributable to shareholders of the Group is obtained by deducting from the net profit the part that is directly attributable to hybrid capital investors.

1.24 Significant accounting judgments and estimates

Judgments:

By applying the Group's accounting policies described above, management has made the following judgments that have significant effects on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt with in the following paragraphs).

Revenue recognition
To use the percentage of completion method to measure the outcome of its services, the Group reviews annually the improvement of both operational and financial processes and systems (Note 1.22).

In its US clinical diagnostic testing services, the Group regularly assesses the state of its billing operations and the level of payer's reimbursements based on specific facts and circumstances and historical recoverability data in order to identify issues which may impact the collection of these receivables. Those revenue allowances are recorded as a reduction in revenue in the period that the services are performed. Change in estimates related to revenue allowances are recorded as an increase or decrease to revenue in the period that the changes are identified.

Use of estimates:

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors, including the prevailing economic environment. Actual amounts may differ from those obtained through the use of these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for other liabilities and charges
Management estimates the provisions based on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas (e.g. termination payment to employees upon leaving the Group, environmental and legal and warranty claims on services rendered), it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Estimated impairment of goodwill
The Group tests at least annually if goodwill has suffered any impairment (Note 1.9). The recoverable amounts of cash-generating units are determined based on the higher of value-in-use and fair value less costs to sell calculations. The value in use calculation is based on discount rate and future cash flows. The fair value less costs to sell calculation is based on multiples of EBITDA/ EBITAS and revenues.
Variable acquisition price calculation
The Group reviews frequently the variable acquisition price calculations. The formulas are based on current and/or future profitability of the acquired companies. Thereafter, these amounts are re-estimated each year (Note 1.3 and Note 3.14).

Valuation of intangible assets acquired in a business combination
The Group estimates for each acquisition the value of the potential intangible asset related to an acquisition (e.g. customer relationships, brand names) based on discount rate and future cash flows of each asset (Note 1.5).

Valuation of fixed assets acquired in a business combination
The Group estimates for each acquisition the value of the fixed assets related to an acquisition and particularly on lands and buildings based on external valuations (Note 1.3).

Deferred tax assets recognition
The Group reviews deferred tax assets on an annual basis, and recognises deferred tax assets for temporary differences and tax loss carry forwards to the extent that it deems probable that future taxable profit will be generated against which these can be offset. Judgment is required by management in estimating the probability, timing and amount of future taxable profit based on the presence of regular profitability track records for the past two years, as well as forecasted profitability for the next three years (Note 1.19).

Income taxes
The Group operates in 47 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Where the effects of laws and regulations are unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgments to be reasonable; however, this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements (Note 1.19).

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any change in these assumptions will impact carrying amount of pension obligations (Note 1.16).

1.25 Segment reporting

In accordance with IFRS 8, segment information reflects the Group's internal organization after applying aggregation criteria on the operating segments. Operating segments are based on geographical areas (Note 4.1) in line with the Group's internal reporting.

The Group is very decentralised with a large number of small and medium size companies in many countries. For practical reasons, the sets of information provided to the Chief Operating Decision Maker ("CODM"), who is the CEO of the Group, aggregate these legal entities based on geographical areas and leadership structure. This aggregation can vary over time depending on changes in management, organisation or leadership. The rapid evolving nature of the Group also results in a constant adaptation of the matrix of its organisation.

When necessary, the CODM may review financial information at a more disaggregated level.

The aggregation mechanism described above results in the determination of the following operating segments: Benelux, France, Germany, Nordic Region, North America, UK and Ireland and the other smaller countries or regions.

Within Eurofins, the nature of services, the nature of the production processes, the type or class of customers for its products and services; the methods used to provide its services; and the nature of the regulatory environment have highly similar economic characteristics. For example, similar long-term average gross margins are expected for all our businesses. Accordingly, the operating segments have been grouped together as they meet aggregation criteria. The Group therefore defines three main reportable segments, based on geography: Western Europe, North America and Rest of the World.

The CODM has made a determination that the provision of financial information by geographical areas is more meaningful to the readers of the consolidated financial statements because he believes that the regions where the Group operates are the main business performance differentiator.

1.26 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.
Income statements of foreign entities are translated into Euro at average exchange rates for the year and the balance sheets are translated at year end exchange rates ruling on December 31.

Currency translation differences arising from the retranslation of the net investment in foreign subsidiaries are booked into "currency translation differences" in shareholders' equity, net of tax if applicable.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions in Group companies are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Income Statement.

1.27 Alternative performance measures (APM)

Eurofins is providing in the Income Statement certain alternative performance measures (non-IFRS information such as "Adjusted Results and Separately Disclosed Items" columns) that excludes certain items because of the nature of these items and the impact they have on the analysis of the underlying business performance and trends. See also Note 1.28 Separately Disclosed Items.

In addition, Eurofins shows EBITDA, EBITAS as defined in the notes to the Income Statement with the objective to be consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other comparable companies.

Management believes that providing these APMs (Alternative Performance Measures) enhances investors' understanding of the Group's core operating results and future prospects, consistent with how management measures and forecasts the Group's performance, especially when comparing such results to previous periods or objectives and to the performance of our competitors.

This enables Eurofins to demonstrate the underlying profitability of the business – i.e. what the performance would be if the investments as described in Note 1.28 were not undertaken. In the interest of full transparency, Eurofins discloses both the adjusted results (i.e. without the separately disclosed items) and full reported results (i.e. including the separately disclosed items).

This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS.

1.28 Separately disclosed items

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately in the Income Statement.

Separately disclosed items (Note 2.3) include:
- One-off costs from integration, reorganisation and discontinued operations;
- Other non-recurring income and costs for all Group companies;
- Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring;
- Loss/ gain on disposal;
- Transaction costs (incl. long term incentives/ retention bonus) related to acquisitions;
- Share-based payment charge;
- Impairment of goodwill, amortisation of acquired intangible assets, negative goodwill;
- Income from reversal of such costs and from unused amounts due for business acquisitions;
- Net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income);

- And all the related tax effects of the items listed above.

Reorganisation costs, such as reducing overhead and consolidating facilities, are included in the Separately Disclosed Items as Management believes that these effects are not indicative of our normal operating income and expenses.

Certain gains/losses are also disclosed separately, as they are either isolated or cannot be expected to occur again with any regularity or predictability and as Management believes are not indicative of our normal operating gains and losses. These include for example, gains or losses from items such as the sale of a business or real estate to third party, gains or losses on significant litigation-related matters and discontinued operations.

Start-ups or acquisitions in significant restructuring are new companies or business activities established to develop an existing business model, transfer technology or a specific strategy. They are generally greenfield operations, or, in certain cases, newly-acquired businesses bought to achieve a target market share in a given geography that are not operating optimally, but that have the potential to operate efficiently and profitably once restructured or reorganised to the Eurofins model. However the reorganisation measures required are so large that they have a significant negative impact on the ongoing business of the Company. Start-ups are generally undertaken in new markets, and in particular emerging markets, where there are often limited viable options for acquisitions or in developed markets when Eurofins transfers technology developed by its R&D and Competence Centers abroad.

Given that the costs or operating losses incurred in the start-up or restructuring phase are temporary and should cease within a 3-5 year period on average, it is management's view that they should be disclosed separately. Whilst the timeframe for these temporary costs or losses is finite, and should cease gradually, the businesses should continue to generate revenues for the Group indefinitely, and these are therefore not considered temporary.

Start-up activities go through various stages of development before reaching optimal efficiency levels, and can take several years to become profitable. The development process includes the creation or construction of the laboratory, hiring the appropriate staff, obtaining relevant accreditations, deployment of the IT infrastructure and dedicated IT solutions, developing the sales and marketing channels, and building up volumes and the revenue base.

In general, start-up periods last for 2 to 3 years in mature markets and 2 to 5 years in emerging markets.

A business will generally no longer be considered as a start-up or an acquisition in significant restructuring when:

- The Group's systems, structure and processes have been deployed;
- It has been audited, accredited and qualified and used by the relevant regulatory bodies and the targeted client base;
- It no longer requires above-average annual capital expenditures, exceptional restructuring or abnormally large costs with respect to their current revenues for deploying new Group IT systems.

The list of entities classified as start-ups or acquisitions in significant restructuring is reviewed at the beginning of each year and is relevant for the whole year.

Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring are included in the Separately Disclosed Items as these are investments in future growth prospects and distort the judgment of the underlying performance of the mature businesses of the Group.

Separately disclosed items also include share-based payment charge, impairment of goodwill, and amortisation of acquired intangible assets, recording of negative goodwill as well as income from reversal of such costs and from unused amounts due for business acquisitions as all these transactions are without cash impact in the consolidated financial statements. Furthermore the amortisation of acquired intangible assets is included because a significant portion of the purchase price for acquisitions may be allocated to intangible assets.

All transaction costs and long term incentives/ retention bonus related to acquisitions during the year are disclosed separately. There are a number of different professionals that may assist throughout the process of planning, negotiating, due diligence, and closing of the transaction. Examples include intermediaries (investment bankers or business brokers), legal professionals (lawyers) and accounting professionals. These costs are specific and directly related to the transaction and are usually paid at or around the closing of the relevant transaction. These costs are disclosed separately also due to the fact that if the Group would stop the external growth, i.e. the acquisitions, and would only focus on internal growth, all these costs would disappear instantly and the EBIT would increase mechanically. Furthermore, these costs do not correspond to Eurofins' business of providing analytical solutions to our customers.

Net finance costs related to excess cash and one-off financial effects correspond to cash earmarked for future investments/ acquisitions and not needed for the existing business. Excess cash is calculated as the difference between the total consolidated cash balance at month-end and the minimum liquidity position required to operate the business, as based on a percentage of sales (considered to be 5% of the annualised revenues of the rolling last 3 months) and split proportionately between Equity, Gross financial debt and hybrid capital. The finance cost related to excess cash is then calculated using the weighted average interest rate of each debt instrument and coupon on hybrid capital on the balance sheet of the Company.

Management believes that the separate disclosure of these items enhances investors' understanding of the Group's core operating results and future prospects and allows better comparisons of operating results which are consistent over time and with peer companies.

1.29 Assets classified as held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing of use.

The assets are available for immediate sale. The appropriate level of management is committed to a plan to sell the asset, and an active program to locate a buyer and complete the plan as initiated. The asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.

1.30 Fair value measurement of land and buildings and assets classified as held for sale

For purchase price allocation or in case of changes in circumstances indicating a potential impairment, the fair value measurement of the land and buildings is performed by independent advisors, according to Level 2 methodology. Fair value of land and buildings is derived using the sales comparison approach. The most significant input into this valuation approach is the price per square meter.

1.31 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges),
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 6. Movements in the hedging reserve in shareholders' equity are shown in other comprehensive income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income (expenses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge) or a net investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes and movements on the hedging reserve in other comprehensive income are disclosed in Note 4.5. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

2. Notes to the Income Statement

2.1 Operating costs, net

EUR Thousands	2018	2017
Cost of purchased materials and services	1,348,885	1,064,364
Personnel expenses	1,770,828	1,392,815
Other operating income and expenses, net	9,988	995
Total	3,129,701	2,458,174

2.2 Full Time Equivalent and total Headcount

Weighted average Full Time Equivalent (FTE)	2018	2017
Western Europe	18,124	14,980
North America	8,978	6,660
Rest of the World	9,416	6,618
Total FTE	36,518	28,259

By the end of the year 2018, the total headcount within the Group reached 43,819 employees (34,651 in 2017).

2.3 Separately disclosed items

EUR Thousands	2018	2017
One-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs	-29,649	-12,361
Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring	-38,749	-31,120
EBITDA impact	-68,398	-43,481
Depreciation costs specific to start-ups and new acquisitions undergoing significant restructuring	-24,662	-18,557
EBITAS impact	-93,060	-62,038
Share-based payment charge and acquisition-related expenses	-83,733	-40,718
Finance cost related to excess cash and one-off financial effects	5,590	-3,962
Tax effect from the adjustment of all separately disclosed items	38,727	23,222
Total impact on Net Profit	-132,476	-83,495
Non-controlling interests of separately disclosed items	610	1,132
Total impact on earnings attributable to equity holders	-131,866	-82,363
Total impact on earnings attributable to hybrid capital investors	-5 ,185	-9,353

The EBITDA impact of the start-up losses and restructuring costs as disclosed in the separately disclosed items (SDIs) amounted to EUR 68m, an increase of EUR 25m compared to 2017 largely driven by the high number of acquisitions in 2017 and 2018.

This includes in 2018:

- EUR 31m losses on start-ups and acquisitions in significant restructuring (an increase by EUR 7m vs. last year, mostly due to Boston Heart Diagnostics difficulties, as otherwise the rest of the scope reduced its losses by 7.5% vs. last year in spite of 15 new start-ups added up in 2018);
- EUR 30m of one-off expenses, mostly linked to restructuring and site reorganisation costs across various geographies and business lines (including Dundee in Scotland, California, Los Angeles, San Jose and Southampton in the US, Eeronkatu in Finland, and Shardlow in the UK) corresponding to 3.3% of the revenues acquired in 2016 and 2017;
- and EUR 8m of network expansion costs related to acquisitions.

During 2018, the Group issued new debt for a total amount of EUR 1,189m (Notes 3.10). In 2018, the average monthly cash balance, net of overdrafts was EUR 638m (EUR 495m at year-end) to be compared to EUR 843m in 2017 (EUR 816m at year-end). This led to a lower average excess cash of EUR 452m in 2018 vs EUR 697m in 2017. The borrowing and investment of this excess cash have generated net finance costs of EUR -5,337K on the financial result and an impact of EUR -5,185K on the earnings attributable to hybrid capital investors in 2018 vs an amount of EUR -11,072K on the financial result and an impact of EUR -9,353K on the earnings attributable to hybrid capital investors in 2017. The one-off financial effects from equity derivatives had a positive impact of EUR +10,927K on the financial result in 2018 versus a positive impact of EUR +7,110K in 2017 (Note 4.5).

2.4 Share-based payment charge and acquisition-related expenses, net

EUR Thousands	2018	2017
Share-based payment charge	12,382	9,333
Gain on disposal/liquidation	-1,093	-2,594
Negative goodwill	-	-
Amortisation of acquired intangible assets	77,805	40,775
Transactions costs related to acquisitions	17,527	9,940
Unused amounts due for business acquisitions (Note 3.14)	-22,888	-16,739
Acquisition-related expenses, net	71,351	31,382
Total	83,733	40,718

Due to large acquisitions closed in 2017 and 2018 (including EAG, Covance Food Solutions and TestAmerica), intangible assets related to acquisition and brand increased by EUR 675m (Note 3.2), generating an increase in the amortisation of acquired intangible assets.

Share-based payment charge

Stock options/free shares are granted to selected managers and employees. The exercise price of the granted options is generaly equal to the 20-day volume weighted average market price prior to the date of the grant.

Options/free shares are conditional on the employee completing the vesting period (4 to 5 years). The options/free shares are exercisable after the vesting period and have a contractual option term of ten years. The average expected exercise option period is considered one year after the end of the vesting period (e.g. 5 to 6 years after grant).

The Group has no legal or constructive obligation to repurchase or settle the options in cash. The fair value of options/free shares granted during the period is determined using the Black-Scholes valuation model. An annual risk-free interest rate of 1.6% was used for the 2017 plans. The volatility measured is based on statistical analysis of daily share prices over the last three years. Volatility amounts to 26.1% for 2017 plans.

Plan	Number of stock options initially granted	Average expected exercise option period (Years)	Average subscription price (EUR)	Weighted average fair value of options (EUR)
31/08/2010	164,400	5/6	36.62	15/16
05/10/2010	12,450	5/6	37.06	15/16
23/02/2011	89,750	5/6	50.13	20/22
10/10/2011	158,350	5/6	57.83	24/26
02/03/2012	46,250	5/6	65.60	25/27
19/12/2012	191,475	5/6	120.10	41/45
01/10/2013	139,065	5/6	182.29	61/67
23/10/2014	120,950	5/6	188.28	61/67
07/04/2015	60,000	5/6	251.88	80/88
22/10/2015	35,250	5/6	282.76	89/99
21/01/2016	93,920	5/6	286.30	91/101
01/08/2016	122,740	5/6	336.90	109/120
04/04/2017	41,390	5/6	404.93	105/116
13/12/2017	169,695	5/6	508.71	132/146

The movements in the number of share options are described in Note 4.7.

Plan	Number of free shares initially granted	Average expected exercise option period (Years)	Fair value of free shares (EUR)
29/07/2016	5,985	5/6	335.50
01/08/2016	4,496	5/6	336.90
04/04/2017	940	5/6	404,93
13/12/2017	13,400	5/6	508,71

The movements in the number of free shares are described in Note 4.7.

2.5 Financial result

EUR Thousands	2018	2017
Derivative financial instrument – Fair value (Note 4.5)	-	4,922
Derivative financial instrument – Disposal (Note 4.5)	9,507	-
Other financial income	4,191	3,432
Finance income	13,698	8,354
Interest expense on borrowings	-7,503	-5,783
Interest expense on pensions, net (Note 3.15)	-767	-845
Bonds interest expense	-50,439	-43,519
Schuldschein interest expense	-2,837	-
Derivative financial instrument on interest rate hedging (Note 4.5), net	-218	1,420
Net foreign exchange gain/ loss	-2,383	-1,859
Discounted cash flow charge on amounts due for business acquisitions (Note 3.14)	-1,139	-2,230
Discounted cash flow charge on issuance costs (Note 3.10)	-2,931	-2,643
Finance costs	-68,216	-55,459
Finance result, net	-54,518	-47,105

2.6 Income tax expense

EUR Thousands	2018	2017
Current tax	-78,371	-61,434
Deferred tax (Note 3.17)	12,117	30,174
Income tax expense	-66,254	-31,260

The tax on the Group's profit before income taxes differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR Thousands	2018	2017
Profit before income taxes	289,840	250,105
Tax calculated at domestic rates applicable to profits in the respective countries	-78,636	-74,904
Theoretical tax charge rate	*27.1%*	*29.9%*
Other income taxes[1]	-23,154	-10,169
Tax impact on income taxed at a reduced tax rate and on non-deductible expenses	59,690	38,274
Tax impact of deductible expenses not accounted for in the Income Statement	17,782	7,482
Tax impact of tax losses not recognised, net	-38,859	-17,175
Re-measurement of income and deferred taxes	-3,077	25,232
Income tax expense	-66,254	-31,260
Actual income tax expense rate	22.9%	12.5%

[1] This line includes taxes based on the results such as CVAE ("*cotisation sur la valeur ajoutée des entreprises*") in France and IRAP ("*imposta regionale sulle attività produttive*") in Italy as well as withholding taxes paid on some transactions such as dividends or royalties.

The movement in deferred tax assets and liabilities during the year is detailed in Note 3.17.

The income tax paid for each period is the following:

EUR Thousands	2018	2017
Income taxes paid	-67,816	-79,384

The change in the theoretical tax charge rate is primarily due to the change in the weighted distribution of taxable results before income tax among the different countries in which the Group operates.

In 2017, the re-measurement of deferred taxes was mainly due to the US Tax Cuts enforced in December 2017 leading to a reduction in the US corporate income tax rate from 35% to 21% (25% estimated rate including State taxes) which resulted in a one-time significant non-cash profit of EUR 19m in the consolidated income statement. A positive impact of a similar nature (EUR 3m) had also been recognised in the French tax unity.

In 2018, the re-measurement of income taxes was mainly due to an adjustment on 2017 tax provisions in India and Japan.

The utilisation of previously unrecognised tax losses is detailed in Note 3.17.

3. Notes on the Balance Sheet and Cash flow statement

3.1 Property, plant and equipment

EUR Thousands	Assets in progress	Land, buildings and leasehold improvements	Machinery and laboratory equipment	Office equipment, furniture and vehicles	Total
Year 2017					
Opening net book amount	34,614	214,720	216,567	40,916	506,818
Currency tranlation differences	-3,012	-12,779	-9,315	-1,791	-26,898
Change of scope	6,533	72,680	69,225	13,712	162,150
Additions	-2,749	85,223	94,176	23,995	200,645
Disposals	-	-21,934	-507	-878	-23,318
Depreciation charge	-	-29,677	-81,289	-22,433	-133,399
Closing net book amount	35,387	308,233	288,858	53,520	685,998
Cost or valuation	35,387	483,882	938,749	203,530	1,661,548
Accumulated depreciation	-	-175,648	-649,891	-150,010	-975,550
Net book amount at 31 December 2017	35,387	308,233	288,858	53,520	685,998
Year 2018					
Opening net book amount	35,387	308,233	288,858	53,520	685,998
Currency translation differences	1,564	895	3,724	433	6,617
Change of scope	7,779	61,718	101,511	14,530	185,538
Additions	56,661	75,802	140,525	49,257	322,245
Disposals	-	-895	-2,964	-414	-4,273
Depreciation charge	-	-36,501	-112,837	-28,781	-178,119
Closing net book amount	101,391	409,251	418,817	88,545	1,018,005
Cost or valuation	101,391	633,810	1,145,601	270,514	2,151,316
Accumulated depreciation	-	-224,558	-726,784	-181,969	-1,133,311
Net book amount at 31 December 2018	101,391	409,252	418,817	88,545	1,018,005

Leased machinery/equipment and building included in the above table, where Eurofins is a lessee under a finance lease are as follows:

EUR Thousands	2018	2017
Capitalised costs of finance leases	83,845	75,491
Accumulated depreciation	-52,044	-54,800
Net book amount	31,801	20,691

3.2 Intangible assets

Other intangible assets EUR Thousands	Intangible assets related to acquisition [1]	Brand	Software [2]	Other intangible assets	Total
Year 2017					
Opening net book amount	273,689	28,023	81,257	240	383,210
Currency translation differences	-19,712	-	-931	-26	-20,669
Change in consolidation scope	391,891	13,898	4,626	344	410,760
Additions	-	-	44,452	638	45,090
Disposals	-	-	-176	-	-176
Amortisation charge	-32,747	-8,028	-42,115	-204	-83,094
Closing net book amount	613,121	33,894	87,113	992	735,120
Cost	708,470	61,045	265,370	3,305	1,038,191
Accumulated amortisation	-95,349	-27,151	-178,257	-2,313	-303,071
Net book amount at December 31, 2017	613,121	33,894	87,113	992	735,120
Year 2018					
Opening net book amount	613,121	33,894	87,113	992	735,120
Currency translation differences	18,707	-	295	6	19,008
Change in consolidation scope	258,889	10,275	5,367	-84	274,447
Additions	-	-	42,315	-111	42,204
Disposals	-	-	-288	-141	-429
Amortisation charge	-67,526	-10,279	-44,556	-1,072	-123,433
Closing net book amount	823,191	33,890	90,247	-410	946,918
Cost	990,115	71,320	312,432	3,598	1,377,465
Accumulated amortisation	-166,925	-37,430	-222,185	-4,008	-430,548
Net book amount at December 31, 2018	823,190	33,890	90,247	-410	946,918

[1] Intangible assets related to acquisitions are mainly related to customer relationships and some technology/ intangible property and non-compete agreements assets recognised during the purchase price allocation.
[2] Software includes EUR 33.0m of internal development costs capitalised in 2018.

Goodwill EUR Thousands	2018	2017
Opening net book amount	2,505,337	1,584,644
Currency translation differences	42,233	-86,776
Change in consolidation scope	870,757	1,007,469
Impairment	-	-
Closing net book amount	3,418,328	2,505,337
Cost	3,431,375	2,518,385
Accumulated amortisation	-13,048	-13,048
Net book amount	3,418,328	2,505,337

The change in scope is detailed per legal entity in Note 5.1. The change in consolidation scope (intangible assets related to acquisitions: EUR 258,889K, brands: EUR 10,275K and goodwill: EUR 870,758K) for a total amount of EUR 1,139,922K relates to:

- New acquisitions of the period: EUR 1,138,205K;
- Adjustments during the 12-month window period of previous acquisitions: EUR 1,716K.

Impairment test for goodwill

The calculation model description is provided in Note 1.9. A cash-generating unit (CGU) corresponds to the lowest level of assets or group of assets for which there are separately identifiable cash flows.

CGUs are based on the following geographical areas: Benelux, France, Germany, North America, Nordic Region, UK and Ireland, Other, which is an aggregate of other CGUs. Recently-acquired subsidiaries can be monitored up individually in case of significant contingent consideration due during the years following the acquisition. The following is a summary of goodwill allocation for each operating segment as of December 31, 2018:

EUR Thousands	Opening	Currency translation	Change of scope	Impair -ment	Closing
Benelux	112,146	-	29,672	-	141,818
France	675,272	-	146,363	-	821,634
Germany	154,597	-	30,573	-	185,170
Nordic Region	110,725	-1,106	13,748	-	123,367
UK and Ireland	96,498	-2,883	46,419	-	140,033
North America	1,115,715	52,326	512,018	-	1,680,059
Rest of the World	240,384	-6,103	91,965	-	326,247
Total	2,505,337	42,233	870,758	-	3,418,328

The recoverable amount of all CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows for years four and five are extrapolated using the estimated growth rates stated below. The Group reviews the assumptions used regularly and brings them in line with the data observed on the market.

The key assumptions used for value-in-use calculations in 2018 are as follows:

2018	Compounded annual volume growth rate[1]	Long term growth[2]	Pre-tax discount rate	Recoverable amount of the CGU EUR Thousands
Benelux	2.0%	2.0%	8.8%	456,726
France	2.2%	2.0%	9.5%	1,792,051
Germany	2.8%	2.0%	9.6%	968,274
Nordic Region	1.6%	1.5%	8.9%	589,742
UK and Ireland	2.2%	2.0%	9.4%	234,647
North America	3.0%	2.0%	8.9%	3,774,275
Rest of the World	3.0%	2.5%	10.7%	894,034

[1] Compounded annual volume revenues growth rate in the initial five-year period.
[2] Weighted average growth rate used to extrapolate cash flows beyond the initial five-year period.

The key assumptions used for value-in-use calculations in 2017 were as follows:

2017	Compounded annual volume growth rate [1]	Long term growth rate [2]	Pre-tax Discount rate	Recoverable amount of the CGU EUR Thousands
Benelux	2.0%	2.0%	7.2%	557,086
France	2.2%	2.0%	8.3%	2,101,257
Germany	2.2%	2.0%	7.0%	1,686,327
Nordic Region	1.6%	1.5%	7.3%	652,774
UK and Ireland	2.2%	2.0%	7.9%	326,342
North America	2.4%	2.0%	9.4%	2,590,216
Rest of the World	2.8%	2.5%	12.4%	656,140

Management determined as a key assumption the compounded annual volume growth rate for each CGU. The volume of sales in each period is the main driver for revenue and costs. The compounded annual volume growth rate is based on past performance and management's expectations of market development. The long term growth rates used reflect specific risks relating to the relevant operating segments.

The EBITAS margin used is between 8% and 16% of the revenues depending on geographic area for 2018, with an improvement in subsequent years. Reportable segments datas as per IFRS 8 are provided in Note 4.1.

In 2018, no impairment is required as these values are above the carrying value of each CGU.

Sensitivity analysis

Rising the WACC rate by 1 percentage point in the value in use would not result in any impairment in goodwill.

In EUR Millions and multiple	Goodwill, net	value in use[1]/ Goodwill, net
Benelux	142	2.6x
France	822	1.8x
Germany	185	4.2x
Nordic Region	123	4.0x
UK and Ireland	140	1.3x
North America	1,680	1.8x
Rest of the World	326	2.2x

[1] WACC rate increased by 1%.

Reducing Revenues, EBITDA, EBITAS ratios by 25% used for the valuation of assets less costs of disposal would not result in any impairment in goodwill either.

3.3 Assets classified as held for sale

No assets are held for sale as of December 31, 2018.

3.4 Investments in associates

EUR Thousands	2018	2017
Opening net book amount	5,642	3,373
Currency translation differences	113	-245
Change of scope (Note 5.1)	-833	2,381
Acquisitions	14	-
Disposals	-	-24
Dividends received	-251	-246
Share of profit of associates	391	403
Closing net book amount	5,076	5,642

The amount disclosed under change of scope for 2018 is related to a minor acquisition closed at the very end of December 2018 (Note 3.19 and Note 5.1). This investment will be fully consolidated as from January 1, 2019. This amount is offset by some minor acquisitions closed at the very end of December 2017 which have been fully consolidated in 2018.

Other investments in associates were as follows:

Main associates undertaking[1]: EUR Thousands	Revenues	Net profit	Total assets	Equity	% of interest
At December 31, 2017					
Fasmac Co. Ltd. (JP)	10,273	450	7,178	5,473	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5,118	455	2,970	1,265	49%
Z.F.D GmbH (DE)	1,441	-17	1,016	682	33%
At December 31, 2018					
Fasmac Co. Ltd. (JP)	10,648	482	8,110	6,043	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5,461	384	2,552	1,234	49%
Z.F.D GmbH	1,494	10	989	692	33%

[1] Dermscan Asia Co., Ltd (TH) will be consolidated (through equity method) as from January 1, 2019.

3.5 Financial assets and other receivables

EUR Thousands	2018	2017
Opening net book amount	43,942	34,154
Currency translation differences	-171	-1,657
Change of scope	17,151	4,496
Increase	500	4,801
Decrease	-2,236	-1,020
Revaluation through OCI of FVOCI	8,365	3,168
Closing net book amount	67,550	43,942

EUR Thousands	2018	2017
FVOCI	17,220	9,422
Lease and other deposits	50,330	34,520
Closing net book amount	67,550	43,942

FVOCI relate to an investment in Vimta Labs Limited a listed company in India.

3.6 Inventories

EUR Thousands	2018	2017
Inventories	68,203	53,538
Provision for inventories	-1,830	-1,733
Closing net book amount	66,373	51,805

The cost of inventories recognised as an expense during the period and included in “Operating costs, net” amounts to EUR 454,299K (2017: EUR 370,831K).

3.7 Trade accounts receivable

EUR Thousands	2018	2017
Trade accounts receivable – Gross and expected amounts[1]	742,549	611,491
Provision for impairment of receivables	-38,016	-34,939
Accrued sales	57,665	38,888
Amounts due by customers for analysis in progress	102,700	90,276
Trade accounts receivable	864,898	705,716
Advance payments received	-40,076	-46,670
Deferred revenues	-62,564	-55,072
Total Trade accounts receivable, net	762,258	603,974

[1] Offset for US Clinical Testing as the revenues are recorded based on expected amounts and shown in Trade accounts receivable for their expected amounts (Notes 1.12 and 1.22).

The ageing of the gross trade accounts receivable as at December 31, 2018 is as follows:

EUR Thousands	2018	2017
Not overdue	479,432	429,822
Overdue for less than 90 days	191,791	127,049
Overdue for more than 90 days but less than 360 days	47,909	31,305
Overdue for more than 360 days	13,806	13,766
Individual bad debts	9,611	9,549
Total	742,549	611,491

As of December 31, 2018, trade accounts receivable, net of VAT, were impaired for an amount of EUR 38,016K (Note 1.2).

Movements in the provision for impairment of trade accounts receivable are detailed as follows:

EUR Thousands	2018	2017
Opening net book amount	34,939	27,962
Exchange differences	-187	-669
Change of scope	6,349	6,239
Net variation	-3,085	1,406
Closing net book amount	38,016	34,939

The maximum exposure to credit risk at the reporting date is the carrying value of the trade accounts receivable mentioned above. The Group does not hold any collateral as security. For more details regarding the credit risk of the Group, refer to Note 4.2.

3.8 Prepaid expenses and other current assets

EUR Thousands	2018	2017
Prepaid expenses	42,667	37,140
Other receivables	105,287	62,338
Total	147,955	99,478

3.9 Cash and cash equivalents, bank overdrafts and net debt

EUR Thousands	2018	2017
Short term deposits with banks	24,599	153,293
Cash in hand	481,647	667,064
Cash and cash equivalents	506,246	820,357
Bank overdrafts	-11,243	-4,331
Cash and cash equivalents less bank overdrafts	495,003	816,026

At the end of the year, the carrying amount reflected above is the fair value based on the market price as they are quoted on active markets.

EUR Thousands	2018	2017
Total Borrowings (Note 3.10)	3,157,244	2,216,330
Cash and cash equivalents	-506,246	-820,357
Net debt	2,650,998	1,395,973

3.10 Borrowings

EUR Thousands Variation of borrowings	2018	2017
At beginning of year	2,211,999	1,383,446
Currency translation differences	906	-1,349
Change of scope	107,790	86,411
Increase of borrowings	1,189,362	879,732
Repayment of borrowings	-366,988	-138,884
Amortisation of bond costs	2,931	2,643
At end of year	3,146,001	2,211,999
Bank overdrafts	11,243	4,331
Total Borrowings	3,157,244	2,216,330

EUR Thousands Analysis of current borrowings	2018	2017
Bank borrowings	11,762	15,998
Bonds[1]	-1,993	297,232
Schuldschein Loan[1]	-282	-
Commercial Paper	361,000	230,000
Bank overdrafts	11,243	4,331
Lease liabilities	9,345	6,669
Total current borrowings	391,075	554,231

[1] In 2018, issuance costs deferred to be recognised in 2019 in Income Statement.

EUR Thousands Analysis of non-current borrowings	2018	2017
Bank borrowings	535,952	11,278
Bonds[1]	1,642,186	1,640,264
Schuldschein Loan[1]	549,084	-
Lease liabilities	38,946	10,558
Total non-current borrowings	2,766,169	1,662,099

[1] Net of issuance costs.

The repayment periods of the current borrowings are as follows:

EUR Thousands	Total	Up to 3 months	3-6 months	Over 6 months
Bank borrowings	11,762	2,941	2,941	5,881
Issuance costs	-2,275	-569	-569	-1,137
Commercial Paper	361,000	277,000	84,000	-
Bank overdrafts	11,243	11,243	-	-
Lease liabilities	9,345	2,336	2,336	4,672
Total current borrowings	391,075	292,951	88,708	9,416

Eurobonds

Eurobond due in November 2018:

In November 2013, Eurofins issued an inaugural senior unsecured Euro bond for a nominal value of EUR 300m. The bonds have a five-year maturity (due November 26, 2018), and bore an annual fixed rate of 3.125%. This Eurobond was repaid in full in November 2018 at maturity date.

Eurobond due in January 2022:

In January 2015, Eurofins raised EUR 500m through its second senior unsecured Euro bond public issuance. The bonds have a seven-year maturity (due January 27, 2022) and bear an annual fixed rate of 2.25%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

Eurobond due in January 2023:

In July 2015, Eurofins raised EUR 500m in its third senior unsecured Eurobond public issuance. The bonds have a seven and a half-year maturity (due January 30, 2023) and bear an annual fixed rate of 3.375%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1268496640).

Eurobond due in July 2024:

In July 2017, Eurofins raised EUR 650m in its latest senior unsecured Euro bond public issuance. The bonds have a seven-year maturity (due July 25, 2024) and bear an annual fixed rate of 2.125%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1651444140).

The quoted values of the Company's Eurobonds are disclosed in Note 4.6.

Commercial paper

In September 2017, Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") for an initial maximum amount of EUR 500m which was increased in 2018 up to EUR 750m. This program is used to issue short term notes with a minimum size of EUR 200K and maturity of less than one year. At the end of December 2018, notes were outstanding for an amount of EUR 361m under this program.

Schuldschein loan

At the end of July 2018, Eurofins issued a EUR 550m Schuldschein loan ("Certificate of Indebtedness"). The Schuldschein loan was structured in tranches with maturities of 4 and 7 years, with both fixed and floating interest rates. In the 4-year tranches, the fixed rate tranche was priced at a fixed rate of 1.073% per annum and the floating rate tranche at a variable rate of 6-months-Euribor (floored at 0%) plus 95bps per annum. In the 7-year tranches, the fixed rate tranche was priced at a fixed rate of 1.834% per annum and the floating rate tranche at a variable rate of 6-months-Euribor (floored at 0%) plus 130bps.

Bilateral credit lines

At year-end 2018, Eurofins had used some of its bilateral credit lines for EUR 490m that are renewable until 2021. In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2018.

3.11 Interest due on borrowings and earnings due on hybrid capital

EUR Thousands	2018	2017
Interest due on borrowings	35,211	33,591
Earnings due on 2013/14 hybrid capital	19,216	19,274
Earnings due on 2015 hybrid capital	9,897	9,897
Earnings due on 2017 hybrid capital	1,710	1,710
Earnings due on hybrid capital	30,823	30,881
Total	66,034	64,472

3.12 Hybrid capital

EUR Thousands	2018	2017
At beginning of year	1,000,000	600,000
Proceeds from hybrid capital	-	400,000
At end of year	1,000,000	1,000,000

The dividend outflow related to hybrid capital outstanding reflected in the Cash Flow Statement is detailed as follows:

EUR Thousands	2018	2017
2013/14 hybrid dividend	21,000	21,000
2015 hybrid dividend	14,625	14,625
2017 hybrid dividend	13,000	-
Total dividend distribution on hybrid capital	48,625	35,625

Hybrid instrument with a first call date on January 31, 2020:

In January 2013, Eurofins issued a EUR 150m hybrid instrument. In July 2014, Eurofins extended the size of its existing hybrid instrument, bringing the overall size of this hybrid instrument to EUR 300m.
The hybrid instrument has a perpetual maturity, but is callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years until first call, and a coupon of Euribor 3m + 818 bps thereafter if not called. The instrument is listed on the Frankfurt open market (ISIN XS 0881803646).

Hybrid instrument with a first call date on April 29, 2023:

In April 2015, Eurofins issued a new EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins in April 2023. This hybrid instrument bears a fixed annual coupon of 4.875% for the first eight years until first call, and a coupon of Euribor 3m + 701 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1224953882).

Hybrid instrument with a first call date on November 13, 2025:

In November 2017, Eurofins raised a EUR 400m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins in November 2025. This hybrid instrument bears a fixed annual coupon of 3.25% for the first eight years until first call, and a coupon of Euribor 3m plus a margin thereafter if not called. This margin may vary between 266.7bps and 516.7bps, depending on the various potential external credit rating scenario assigned to Eurofins by external rating agency/ies by November 2020 (and assessment of equity content given by external rating agency/ies to the instrument). The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1716945586).

On these three hybrid instruments outstanding in 2018, a first distribution on hybrid capital of EUR 21.0m was paid in January (EUR 300m at 7%), a second one of EUR 14.6m was paid in April (EUR 300m at 4.875%) and a third one of EUR 13m was paid in November (EUR 400m at 3.25%).

The impact of the hybrid capital dividend distribution on the equity and of the net profit attributable to hybrid capital holders used for the calculation of the earnings per share is detailed as follows:

EUR Thousands	2018	2017
2013/14 hybrid dividend	21,000	21,000
2015 hybrid dividend	14,625	14,625
2017 hybrid dividend	13,000	1,710
Total dividend distribution on hybrid capital (Note 4.8)	48,625	37,335

3.13 Trade accounts payable and other current liabilities

EUR Thousands	2018	2017
Trade accounts payable	231,942	206,143
Trade accruals payable	141,068	95,720
Total trade accounts payable	373,010	301,863
Tax and social security payables	144,670	111,811
Tax and social security accruals	209,031	163,630
Other payables	42,516	29,427
Other operating current liabilities	396,217	304,868

3.14 Amounts due for business acquisitions

Amounts due for business acquisitions include conditional clauses impacting the price payable to former shareholders of purchased companies.

Movements in 2018 are detailed as follows:

EUR Thousands	2018	2017
At beginning of year	137,755	224,112
Currency translation differences	966	-11,228
Change of scope on new acquisitions	43,280	55,076
Amounts due for business acquisitions paid	-36,435	-132,932
Reevaluation by equity	-	17,237
Reversal of amounts due for business acquisitions not paid	-22,888	-16,739
Interests on amounts due for business acquisitions	1,139	2,230
At end of year	123,818	137,755
Current	66,030	88,235
Non-current	57,788	49,521
Total	123,818	137,755

The change of scope corresponds to:

EUR Thousands	2018	2017
New acquisitions	43,369	52,618
Re-evaluation goodwill within the 12 months period	-709	2,458
Re-evaluation goodwil in progress	621	-
Change of the year	43,280	55,076

The discount rate used in 2018 to determine the present value of deferred considerations is 7.4% in India and 3.2% in USA.

The periods in which the non-current Amounts due for business acquisitions are due are detailed as follows:

EUR Thousands	2018	2017
Between 1 and 5 years	55,193	47,627
Over 5 years	2,595	1,894
Total non-current	57,788	49,521

Within the amounts due for business acquisitions, the Group has contingent arrangements in relation with fifty past acquisitions (including put and call options).

The assumptions used are based on the business plans provided at acquisition time and reviewed during the first 12 months in case of significant changes, then reviewed every year based on actual performance for multi-year arrangements to re-assess deferred considerations to be paid. This is a level 3 fair value measurement.

More detailed price conditions are disclosed below. The companies acquired have already been fully consolidated and the liabilities related to the deferred consideration (including put and call options) are already included in the line "Amounts due for business acquisitions".

EUR Thousands	2018	2017
Transactions with previous shareholders	91,356	103,368
Transactions with NCI - Fixed price	985	4,447
Transactions with NCI - Variable price	33,668	32,498
Put and Call prior to the first application of IFRS 3R	-	1,400
Discounted effects	-2,192	-3,958
Total	123,818	137,756

The potential undiscounted amounts of all future payments that the Group could be required to make under these arrangements are estimated between EUR 113m and EUR 150m, depending on changes in financial performance of acquired companies.

(i) Transactions with previous shareholders

End of January 2015, Eurofins acquired 100% of Boston Heart Diagnostics Corp. ("BHD") in the United States. An Earn-out Consideration was based on the average EBITDA of the company over the period January 2016 to December 2017. Several companies in the cardiac biomarker laboratory services business, including BHD, are currently cooperating in conjunction with investigations that the US Department of Health and Human Services, Office of Inspector General (OIG), is conducting along with the US Department of Justice (DOJ) related, in part, to alleged incentives paid to physicians in connection with blood testing services. As of end of 2018, there were two so-called qui tam cases filed against BHD, a civil investigation demand issued to BHD and an OIG subpoena issued to BHD. The US government declined to intervene in the qui tam suits and has not made any determination in the other matters, but as long as those suits and other matters are not settled, they may continue for a long time and may create a significant liability / cost in excess of the indemnified recoverable values from the acquisition of BHD. Although BHD is fully cooperating with the OIG and DOJ and vigorously defending the qui tam suits, neither BHD nor the Group can at this time estimate which, if any, impact these matters and any results from these matters could have on our bioanalytics business in general or our medical diagnostics business in particular. The ultimate outcome could have a material adverse effect on BHD's results of operations, financial position or cash flows. However Group is indemnified by the former shareholders of BHD for losses arising out of, resulting from, based on or relating to the investigation and qui tam cases, up to the amount of funds held in escrow (USD 30m) or, if not sufficient, payable under the provision for earn-out. Due to our earn-out offset mechanism in relation to the historical cases in progress, valuation and payment of the earn-out, if any, will be possible only after the quitam cases in progress are resolved. The fair value of the probable cash outflows for the Earn-out including the offset mechanism on the pending litigations was estimated at an amount of USD 60m at December 31, 2018, same as at December 31, 2017 and at acquisition time (maximum amount undiscounted).

In September 2016, Eurofins acquired 100% of VRL, Inc. in the United States. The Earn-out Consideration is based on the Revenues and EBITDA of the company over the period September 2016 to August 2017. The fair value of the contingent consideration arrangement was estimated at an undiscounted amount in excess of EUR 5m at end of 2017. The final instalment was paid in early 2018.

In July 2017, Eurofins acquired 100% of Genoma in Italy. The Earn-out Consideration is based on the average EBITDA of the company over the period January 2017 to December 2019. The fair value of the contingent consideration arrangement has been estimated at an undiscounted amount in excess of EUR 11m. The final instalment will be paid in early 2020.

In June 2017, Eurofins acquired 100% of Alphora Research, Inc. in Canada. The Earn-out Consideration is based on the EBITDA of the company over the period January 2017 to December 2017. The fair value of the contingent consideration arrangement was an undiscounted amount in excess of EUR 6m at the end of 2017 paid in early 2018.

In December 2017, Eurofins acquired 100% of Selcia in the UK. The Earn-out Consideration is based on the EBITDA of the company over financial years 2017 and 2018. The fair value of the contingent consideration arrangement was estimated at an undiscounted amount in excess of EUR 3m at the end of 2017. In line with metrics, the undiscounted amount in excess has been reestimated to EUR 1.7m at the end of 2018. The instalments for both years should be paid in 2019.

In May 2017, Eurofins acquired 100% of GATC Biotech AG. Eurofins received EUR 3.6m in 2018 regarding the final balance sheet adjustment.

The other contingent consideration arrangements are individually estimated at less than EUR 3m.

(ii) Transactions with non-controlling interests at a fixed price

Eurofins completed in June 2017 the acquisition of a 90% majority stake in Electrosuisse (CH). A put and call agreement has been concluded for the remaining 10% of the shares. The call option is valued at a fixed price of EUR 1.0m as at December 31, 2018 payable in 2019.

Eurofins completed in July 2017 the acquisition of a 62.6% majority stake in LifeCodexx (DE). An agreement has been concluded for the remaining 37.4% of the shares for a fixed price of EUR 3.5m as at December 31, 2017 paid in early 2018.

(iii) Transactions with non-controlling interests at a variable price

Eurofins acquired in 2013 a 91% majority stake in Eurofins Environment Testing Australia Pty Ltd. A put and call agreement was concluded for the remaining 9% of the shares. The fair value of the put and call agreement was based on a multiple of the Average EBITDA over the period 2016-2017. The put and call agreement was exercised in 2018 for an amount of EUR 2.1m.

Eurofins acquired in 2015 a 76% stake in Emory Genetics Laboratory ("EGL") in the United States. A put and call agreement was concluded for the remaining 24% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITDA, net of Net Debt, of the two last years of the put and call agreement ending no sooner than 2021 and payable in the following year. In 2017 and 2018, following changes in EGL's share capital, the Group's share in EGL rose to 90%. At year-end, the Group revised its estimation of the put and call option to a value of EUR 1.7m (compared to EUR 5.8m as of December 31, 2017). As per IFRS 3, this change was recorded through the income statement in 2018.

Eurofins acquired in 2015 a 72% stake in Laboratoire des Pyramides in France. A put and call agreement was concluded for the remaining 28% of the shares. The fair value of the put and call agreement is based on a multiple of the last year EBITDA, net of Net Debt, at any time. In 2018, 2 shareholders exercised their put and call agreement for 15% of the company's shares for EUR 2.6m. The fair value of the 13% remaining shares is estimated at an undiscounted amount of EUR 2.2m at the end of 2018.

Eurofins acquired in 2017 a 60% stake in Spectro Analytical labs, Ltd in India. A put and call agreement was concluded for the remaining 40% of the shares. The fair value of the put and call agreement is based on a multiple of the average EBITDA over the period 2018-2019, net of Net Debt. The fair value is estimated at an undiscounted amount of EUR 4.9m (compared to EUR 17.4m at end of 2017). As per IFRS 3, this change was recorded through the income statement in 2018.

Put and call agreements were signed in 2015 for the remaining 9% of the shares in Eurofins Digital Testing group (Benelux, Sweden, British Isles and Poland). The fair value of the put and call agreement is based on a multiple of the average EBITDA over the period 2018-2019, net of Net Debt. The fair value is estimated at an undiscounted amount in excess of EUR 3.1m at the end of 2018 (compared to EUR 1.8m as of December 31, 2017).

Eurofins acquired in 2018 an 80% majority stake in a German diagnostics company that develops and manufactures diagnostic test kits for both human and veterinary markets. A put and call agreement has been concluded for the remaining 20% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITDA over the period 2019-2020. The fair value is estimated at an undiscounted amount in excess of EUR 8m at the end of 2018.

Eurofins acquired in 2018 a 82.5% stake in a US company that develops, manufactures and distributes a portfolio of instrumentation and diagnostic test kits. A put and call agreement has been concluded for the remaining 17.5% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITDA over the period 2020-2021. The fair value is estimated at an undiscounted amount in excess of EUR 8.9m at the end of 2018.

Other put and call agreements have been signed for the remaining 25% of the shares in NM Group of Laboratories (Malaysia), for the remaining 33% of the shares in Eurofins Ecopro Research KK (Japan), for the remaining 10% of BLC Leather Technology Centre Limited (UK) and for the remaining 20% of Amar Immunodiagnostics Pvt Ltd (India).

The aggregate value of these put and call agreements is estimated at less than EUR 4.9m as of December 31, 2018.

(iv) Transactions with non-controlling interests at a variable price with the method of the "goodwill in progress" prior to the first application of IFRS 3R

In 2017, it concerned one put and call agreement for the remaining 10% of the shares in Eurofins Shanghai Holding Ltd (multiple of the Average EBITA over the period 2016-2017 times 10%). An amount of EUR 2m has been paid in 2018.

3.15 Retirement benefit obligations

The Group operates retirement benefit obligations plans in Austria, France, Germany, the Netherlands, Norway, Italy, Japan, Sweden and Taiwan. These plans concern roughly 9,700 headcount (of which 7,000 headcount in France).

We provide hereafter a short description of the main defined benefit plans and of the risks associated thereto:

In Sweden, it relates to a defined benefit plan for all employees (ITP 2, 669 headcount). The ITP 2 plan can be funded in two different ways, either by paying premiums to Alecta Pensionsförsäkring (a mutual life insurance company) or by using a book reserve system in combination with credit insurance through PRI Pensionsgaranti. Eurofins is using the latter. The ITP 2 pension paid relates to the final salary. The ITP 2 plan does not include any guaranteed compensation for inflation. The cost for the ITP 2 plan can vary significantly between employees depending on age and salary. The age of retirement is 65. A mechanism in the plan will limit any excessive cost for the retirement pension benefit.

In France, the "*Provision pour indemnité de départ à la retraite*" corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service with the company, compensation at retirement age (between age of 63 and 65) and collective agreements.
Some companies in France also have some work anniversary awards agreements "*médaille du travail*". The lump sum amount is defined by the collective agreement and based on the number of years of service with the company.

In Germany, it relates mainly to a defined benefit plan for the employees of CLF (Central Laboratories Friedrichsdorf) and to defined benefit plans for former managers of companies acquired by Eurofins (who are no longer employees of these companies). The CLF pension plan consists in a perpetual annuity mainly dependent on final salary and years of service at the age of retirement (between age of 60 and 63). The CLF pension liabilities are updated taking the inflation rate into account.

In Japan, the defined benefit plan mainly corresponds to a lump sum payment made upon retirement (age of 60) or upon ending an employment contract with the company. The lump sum amount is dependent on different factors such as years of service and job grade per company retirement rule.

In Taiwan, the defined benefit plan corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service, compensation of the last six months' salary preceding retirement.

In the Netherlands, the benefit obligation, relates to work anniversary award plans 'Jubilee'. The lump sum amount is defined by the employment conditions and based on the number of years of service.

In Italy it relates to the TFR ('*Trattamento di Fine Rapporto*'). It is an end-of-employment provision accrued for each single employee and paid out upon termination of the employment contract. The provision amounts approximately to one month of salary per each worked year: the cost for the TFR can therefore vary significantly between employees depending on age and salary. Since the change in legislation in 2007, the TFR valuation as defined benefit obligations (DBO) has only consisted of:

- The TFR for entities of less than 50 employees;
- The TFR for the employees of companies greater than 50 employees and in existence before December 2006 (this "old" TFR is re-evaluated every year).

Since 2007, entities of more than 50 employees established after 2006 have had the obligation to transfer the TFR provision to external funds (alternatively the Italian Social Security Agency – INPS – or any other private fund).
Where applicable the TFR has been converted into a defined contribution plan.

In Norway, the Group has a defined benefit plan ("Multi-Employer Scheme") for employees who have previously been employed in the public sector (82 headcount). This plan relates to a company acquired by Eurofins. The benefits of this funded plan are mainly dependent on earned pension entitlement, salary at the time of retirement and the size of payments from the National Insurance. The plan also covers a life insurance and disability insurance. The yearly premiums are calculated in accordance with the Insurance Activity Act §10-5 to §10-8 and the National Insurance Act §19-14. The pension scheme is included in a common arrangement with other companies and the yearly premiums are levelled between all participating companies. The arrangement ensures that the premiums paid are neutral of gender and age. The premiums to be paid by Eurofins are calculated based upon the share of the total pension entitlements of the members of the scheme. The company is not liable to the plan for other entities participating in the scheme. Any surplus of the scheme will be allocated to the participating companies and added to its pension fund. Deficits will be charged to each participating company according to the share of the future obligation.

In all countries, the calculation is performed by actuary experts (except in France where the calculation is performed by Eurofins).

The movement on the pension accrual account is as follows:

EUR Thousands	2018	2017
At beginning of year	55,535	51,113
Exchange differences	-295	-854
Change of scope	4,866	3,373
Re-measurements included in OCI	2,826	182
Annual expense	4,488	4,157
Contributions paid	-3,346	-2,437
At end of year	64,074	55,535

The total pension costs for the year 2018 amount to EUR 36.6m, of which EUR 4.5m for defined benefit plans and EUR 32.1m for defined contribution plans. The total pension costs for the year 2017 amounted to EUR 29m, of which EUR 4.2m for defined benefit plans and EUR 24.8m for defined contribution plans.

The amount of contributions to defined contribution plans paid to members of the Board of Directors corresponds to EUR 46k.

The amounts recognised in the Income Statement for the defined benefit plans are determined as follows:

EUR Thousands	2018	2017
Current service costs	3,838	3,607
Past service costs	-	-
Effects of curtailements	-116	-294
Interest cost	918	912
Expected return on plan assets	-151	-67
Total	4,488	4,157

Out of the total yearly amount recognised in the Income Statement for defined benefit plans, an amount of EUR 3,838K has been recognised in “Personnel expenses”, EUR -116K in “Operating costs, net” and EUR 767K in the “Financial result”.

For 2018, movements in the pension accrual account between present value of obligation and fair value of plan assets are detailed as follows:

EUR Thousands	Present value of obligation	Fair value of plan asset	Total
At beginning of year	65,414	-9,879	55,535
Current service cost	3,838	-	3,838
Interest expense/(income)	918	-151	767
Past service costs	-	-	-
Effects of curtailments	-116	-	-116
Amounts recognised in the Income Statement	4,640	-151	4,488
Remeasurements :			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-141	-141
(Gain)/loss from change in demographic assumptions	-82	-	-82
(Gain)/loss from change in financial assumptions	109	-	109
Experience (gains)/losses	2,939	-	2,939
Amounts recognised in the Other Comprehensive Income	2,967	-141	2,826
Exchange differences	-214	-81	-295
Change of scope	4,866	-	4,866
Contributions :			
- Employers	-	-252	-252
- Plan participants	-	-	-
Benefit payments :			
- From plans	-349	349	-
- From Employers	-3,094	-	-3,094
At end of year	74,231	-10,157	64,074

The amounts recognised in the balance sheet are determined as follows:

Country	Present value of funded obligations	Fair value of plan assets	Pension liability in the balance sheet
Germany	7,042	-357	6,685
France	31,840	-	31,840
Italy	4,703	-	4,703
Japan	2,657	-	2,657
Netherlands	1,744	-	1,744
Norway	3,110	-2,674	437
Sweden	15,989	-	15,989
Taiwan	7,145	-7,127	19
Total	74,231	-10,157	64,074

The main actuarial assumptions used vary depending on the country and are detailed as follows:

Assumptions	Discount rate	Salary increase rate (including inflation)	Pension increase rate	Inflation rate
Germany	1.5%	3.8%	1.8%	1.8%
France	1.5%	3.0%	N/A	2.0%
Italy	1.5%	3.0%	2.6%	1.5%
Japan	0.6%	N/A	N/A	N/A
Norway	2.6%	2.8%	1.7%	2.5%
Sweden	2.4%	3.0%	3.0%	2.0%
Taiwan	1.1%	3.0%	N/A	N/A

Assumptions regarding future mortality rates are set based on actuarial data, published statistics and experience in each country.

The sensitivity of the defined benefit obligation to changes in the main assumptions is outlined as follows:

Sensitivity tests	Dis-count rate	Salary growth rate (incl. inflation)	Pension growth rate (incl. inflation)
Change in assumption	+/- 0.5%	+/- 0.5%	+/- 0.5%
Net Liability	64,074	64,074	64,074
Increase of rate in assumption	-4,858	3,484	812
Decrease of rate in assumption	5,963	-2,681	-557

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the balance sheet.

Plan assets are detailed as follows:

EUR Thousand	Quoted	Unquoted	Total	%
Equity instruments	-	-	-	0%
Governmental bonds	-	-	-	0%
Corporate bonds	-	-492	-492	5%
Property	-	-324	-324	3%
Qualifying insurance	-	-356	-356	4%
Cash and Cash equivalents	-	-7,311	-7,311	72%
Investment funds	-	-1,364	-1,364	13%
Others	-	-310	-310	3%
Total	-	-10,157	-10,157	100%

The expected maturity analysis of undiscounted pension benefits is as follows:

Year	Expected undiscounted benefit payments to employees
2019	3,707
2020	2,639
2021	3,145
2022	3,784
2023	3,786
2024 and afterwards	174,900
Total	191,961

The expected employer contributions for 2019 amount to EUR 2,820K.

3.16 Provisions for other liabilities and charges

EUR Thousands	Focusing resources	Other Charges	Total
At January 1, 2017	8,156	9,622	17,778
Currency translation differences	-191	-380	-571
Change of scope/ Reclassification	290	548	838
Additional provisions	2,983	5,631	8,614
Utilised during year	-2,852	-2,832	-5,683
Unused amounts reversed	-627	-627	-1,254
At December 31, 2017	7,760	11,962	19,722

EUR Thousands	Focusing resources	Charges	Total
At January 1, 2018	7,760	11,962	19,722
Currency translation differences	-7	128	121
Change of scope/ Reclassification	173	4,053	4,226
Additional provisions	3,438	3,064	6,502
Utilised during year	-2,459	-3,666	-6,125
Unused amounts reversed	-548	-1,612	-2,160
At December 31, 2018	8,356	13,931	22,287

Focusing resources provisions are related to reorganisations in progress. Provisions for other charges are mainly related to litigations.

The change in provision for focusing resources mainly relates to:

- The ongoing restructuring plan within Biomnis SELAS. This plan was initiated before the company's integration into Eurofins Group;
- Various sites reorganisations mainly in the US.

The change of scope is mainly due to an asset retirement obligation for Eurofins Analytical Science Laboratories in Japan.

The additional provisions and unused amounts reversed are included in the separately disclosed items (Note 2.3).

The periods in which the provision for other liabilities and charges could be paid are as follows:

EUR Thousands	2018	2017
Up to one year	16,269	15,044
1 to 5 years	1,154	3,616
Over 5 years	4,863	1,062
Total	22,287	19,722

3.17 Deferred income taxes

Movements in the deferred income tax are detailed as follows:

EUR Thousand	2018	2017
At beginning of year	-96,662	-46,107
Exchange differences	-1,390	1,907
Change of scope	-9,900	-83,523
Deferred taxes on retirement benefit obligations (change in OCI)	492	92
Deferred taxes on net investment hedge (change in OCI)	954	795
Income statement/expense or income (Note 2.6)	12,117	30,174
At end of year	-94,389	-96,662

The change of scope relates to the deferred taxes on intangible assets recognised on the purchase price allocation (Note 3.19).

The amounts of deferred taxes are shown in the consolidated balance sheet as follows:

EUR Thousands	2018	2017
Deferred tax assets	44,168	29,690
Deferred tax liabilities	-138,557	-126,352
Total	-94,389	-96,662

Deferred income tax assets are recognised for tax loss carryforwards only to the extent that realisation of the related tax benefit is probable.

The Group owns tax losses of around EUR 722m to carry forward against future taxable income and which have not been recognised as tax assets due to uncertainty of their recoverability.

The analysis of the deferred tax assets and deferred tax liabilities is detailed as follows:

EUR Thousands	2018	2017
Deferred tax assets		
To be used after more than 12 months	26,494	8,569
To be used within 12 months	17,674	21,121
Total	44,168	29,690
Deferred tax liabilities		
To be released after more than 12 months	117,436	107,219
To be released within 12 months	21,121	19,133
Total	138,557[1]	126,352

[1] Offset company by company and by tax unity.

Movements in deferred income tax assets and liabilities during the year are detailed as follows:

Deferred tax liabilities[1] movement In EUR Thousands	Intangible assets amortisation and fixed assets depreciation - temporary differences – deferred tax liabilities	Discounted amounts due for business acquisitions
At beginning the year	-177,803	-1,190
Exchange differences	-4,137	23
Change of scope	-38,906	0
Income Statement	-835	893
At end of year	-221,681	-274

[1] Not offset company by company and by tax unity.

The deferred tax liabilities on temporary differences in intangible assets amortisation and fixed assets depreciation are related to differences between amounts per consolidation books and amounts per tax books on intangible assets recognised as part of the acquisition; and on fixed assets and goodwill in case of taxable stock acquisition (e.g. eligible under §338(h)(10) in the United States). No deferred tax is recognised for non tax-deductible goodwill amounts.

In 2017, the deferred taxes income statement impact was mainly due to the US Tax Cuts enforced in December 2017 (Note 2.6).

Deferred tax assets[1] movement In EUR Thousands	Tax losses capitalised	Pension accrual	Fixed assets depreciation - temporary differences – deferred tax assets	Other	Total, net
At beginning of year	41,823	11,223	18,365	10,920	-96,662
Exchange differences	1,597	-56	-60	1,243	-1,390
Change of scope	11,360	585	1,388	15,673	-9,900
OCI	-	492	-	954	1,446
Income Statement	3,641	169	487	7,762	12,117
At end of year	58,421	12,413	20,180	36,552	-94,389

[1] Not offset company by company and by tax unity.

The deferred tax assets on tax losses capitalised mainly concern the tax unity MWG Biotech AG (EUR 3.5m) in Germany, Eurofins Cerep SAS (EUR 3.5m) in France and EAG Inc (EUR 15.4m) and TestAmerica (EUR 9.0m) with an expectation to be used within the next seven years.

3.18 Change in net working capital

The change in net working capital as disclosed in the cash flow statement is the following:

EUR Thousands	2018	2017
Change in:		
Trade accounts receivable	-159,182	-181,208
Inventories	-14,568	-12,258
Prepaid expenses and other current assets	-49,939	-34,466
Trade accounts payable	71,147	71,741
Advance payments received and deferred revenues	2,437	48,732
Other current liabilities	91,348	62,867
Total changes - Balance Sheet	-58,757	-44,592
Change of scope – current assets	142,615	158,713
Tax credit accruals receivable transfer	-7,787	-7,447
Change of scope – current liabilities	-100,112	-108,018
Currency translation differences	3,237	-9,396
Total cash flow	-20,805	-10,740

Other current liabilities change is caused for EUR 78m in 2018 by the impact of the employee payroll liabilities and accruals (of which EUR 40m are related to acquisitions).

Tax credit accruals receivable transfer is related to the transfer to corporate tax receivables in France once the tax statements are fulfilled the following year ("crédit d'impôt compétitivité emploi" and Tax Credit Research).

3.19 Business combinations

During 2018 the Group completed ca. fifty acquisitions. The percentage of ownership of the following acquisitions is provided in Note 5.1. The acquisitions disclosed below have an individual acquisition price above EUR 18m.

In March, Eurofins acquired LABS Inc., an American clinical diagnostics company. LABS Inc. generated revenues of around EUR 28m in 2017 with 160 staff. The company will be fully integrated with VRL Inc.

In April, Eurofins acquired Edge Testing, a digital testing company based in the UK. Edge Testing generated revenues of around EUR 16m in 2017 with 180 staff.

In June, Eurofins acquired VTT Expert Services Ltd. ("VTT ES") and Labtium Ltd. ("Labtium"), two wholly owned subsidiaries of VTT Technical Research Centre of Finland Ltd. ("VTT Group"). These subsidiaries cover all of VTT's testing, inspection and certification (TIC) operations. VTT ES offers its clients versatile expert services including calibration services, certification services, structural safety testing, building material testing, electronics testing, fire safety testing and product failure and safety testing. Labtium offers advanced analytical services including environment testing, geochemistry, fuel and combustion chemistry, pulp mill chemistry, mineral processing services and material and products testing. The two companies operate 16 facilities in Finland. In 2017, they generated annual revenues in excess of EUR 27m.

In June, Eurofins acquired PHAST Gesellschaft für Pharmazeutische Qualitätsstandards mbH ("PHAST"), one of Europe's leading service providers in the field of pharmaceutical products quality. Headquartered in Homburg, Germany, and with additional sites in Constance, Germany, as well as in Switzerland, PHAST generated revenues of around EUR 24m in 2017 with 300 staff.

In July, Eurofins acquired BIO LAB, a French multi-sites clinical diagnostics company in Paris area. BIO LAB generated revenues of around EUR 33m in 2017 with 300 staff.

In August, Eurofins acquired Laboratorios Ecosur S.A. (Ecosur), one of the leaders of the Food testing market in Spain. In 2009, Ecosur expanded into Turkey opening a new laboratory in the Izmir Region. The company employs more than 150 staff and generated revenues above EUR 8m in 2017.

In August, Eurofins acquired Covance Food Solutions from LabCorp, a leading global life sciences company. Covance Food Solutions provides product integrity, food safety, product development and consulting solutions for end-use segments that span the life cycle of food, beverage and dietary supplement products. Covance Food Solutions operates an integrated network of 12 facilities across the globe (9 in the United-States, 2 in the United Kingdom and 1 in Singapore). It employs approximately 850 staff and generated revenues of approximately USD 150m in 2017. The acquisition price is USD 670m on a cash free debt free basis and is fully tax deductible.

In August, Eurofins acquired Nanolab Technologies Inc. founded in 2007 focused in providing materials sciences such as microscopy and advanced imaging. Headquarter is located in Milpitas (California), the company employs over 100 highly skilled staff and generated revenues in excess of USD 35m in 2017.

In August, Eurofins acquired Clinical Research Laboratories in the United States. Founded in 1992, the company is focused in clinical safety and efficacy testing for the cosmetic, beauty products, personal care and pharmaceutical industries. Headquartered in central New Jersey and with subsidiaries in North Carolina and Texas, the company employs over 100 highly skilled staff and generated revenues of around USD 12m in 2017.

In September, Eurofins acquired a German company specialised in diagnostics business. These company generated revenues of around EUR 9m in 2017 with 60 staff.

In October, Eurofins acquired TestAmerica Environmental Services LLC from the JTSI Group. TestAmerica is the leading environmental testing laboratory group in the U.S., delivering innovative technical expertise and analytical testing services. TestAmerica generated revenues of over USD 230m in 2018 and employs over 2,000 staff. The acquisition price was USD 175m on a cash free debt free basis.

In October, Eurofins closed the acquisition of EnvironeX, a leading provider of testing services to the Environment, AgriFood and Health and Pharmaceuticals sectors in Quebec, Canada. EnvironeX operates three laboratories and one service point, employs 275 staff and generated revenues of over CAD 25m in 2017.

In October, Eurofins acquired Interlab, a French multi-sites clinical diagnostics company. Interlab generates revenues of around EUR 9m in 2018 with approximetaly 80 staff.

In November, Eurofins closed an outsourcing agreement with Astellas to outsource one of its internal testing laboratories Astellas Analytical Science Laboratories, Inc. ("ASL"). ASL is located in Kyoto and employs more than 140 staff.

In October 2017 a US company with revenues of EUR 9m was disposed of. In 2018, two small companies (Pro Monitoring BV (NL) and Eurofins Air à l'Emission France SAS) have been sold with 2017 revenues close to EUR 3m. Some other businesses mainly the final closure of the line of business serving rural hospitals at Boston Heart Diagnostics and the discontinuation of non core construction activities at HT Analytics were discontinued in 2017 with revenues of EUR 9m. Total disposals and discontinuations had an impact of EUR 21m on 2017 comparable revenues used for organic growth calculation.

As Eurofins carries out multiple acquisitions each year, in accordance with paragraph B64 of IFRS 3, the table below discloses the acquisitions above EUR 100m as acquisition price. All the others acquisitions being individually below EUR 100m, they are disclosed on an aggregate basis.

The provisional fair values of assets and liabilities acquired or disposed of all acquisitions were as follows:

EUR Thousands	Covance	TestAmerica	Other Acq.	2018	2017
Property plant and equipment	-32,820	-42,154	-110,565	-185,538	-162,150
Intangible assets	-1,731	-2,301	-1,250	-5,282	-4,970
Customer relationships and brands	-131,273	-26,767	-111,124	-269,164	-405,789
Investments[1]	-	-	833	833	-2,381
Financial assets	-244	-2,168	-14,739	-17,151	-4,496
Treasury shares	-	-	-184	-184	-
Trade Accounts Receivable, net	-23,463	-43,534	-41,812	-108,809	-123,848
Inventories	-413	-2,794	-8,404	-11,611	-11,828
Other receivables	-863	-5,534	-15,799	-22,196	-23,037
Deferred income taxes assets	-	-9,656	-1,108	-10,764	-5,928
Corporate tax receivable	-	-218	4,962	4,744	1,541
Cash	-188	-2,089	8,399	6,122	-64,641
Current liabilities	9,195	27,435	63,482	100,112	108,018
Corporate taxes due	-	194	-3,435	-3,241	1,035
Borrowings	51	29,369	78,370	107,790	86,411
Accrued Interest Payable	-	-	51	51	45
Pension accrual	-	-	4,866	4,866	3,373
Provisions for risks	392	262	3,573	4,226	838
Deferred income taxes liabilities	503	5,918	14,243	20,664	89,451
Net Assets Acquired	**-180,854**	**-74,038**	**-129,640**	**-384,532**	**-518,356**
Goodwill	-391,720	-54,889	-424,147	-870,757	-1,007,469
Negative Goodwill	-	-	-	-	-
Gain on sale on disposal of a subsidiary	-	-	1,093	1,093	2,594
Non controlling interests	-	-	-784	-784	2,084
Amounts due from business acquisitions on new acquisitions	-	-	43,280	43,280	55,076
Purchase price paid	**-572,574**	**-128,927**	**-510,197**	**-1,211,699**	**-1,466,070**
Less cash	188	2,089	-8,399	-6,122	64,641
Amounts due from business combinations paid	0	0	-36,435	-36,435	-132,932
Net Cash Outflow on Acquisitions, net	**-572,386**	**-126,838**	**-555,031**	**-1,254,256**	**-1,534,362**
Divided into:					
Cash outflow on acquisition				-1,256,375	-1,536,956
Proceeds from disposals of a subsidiary net of cash transferred				2,119	2,594

[1] The amount shown under Investments is mainly related to the acquisition of E-Coast (Environment) in Belgium that will be consolidated from January 1, 2019, offset by acquisitions closed at the end of December 2017 and that are fully consolidated as from January 1, 2018 (Ashwood (Food testing laboratory UK), Minerag (AgroSciences Services HU) and Saikan (Environmental Laboratory JP). This company generated annual sales of around EUR 1m in 2017.

The businesses acquired contributed to Eurofins consolidated revenues for EUR 284m and to consolidated EBITDA for EUR 42m in 2018. If the effective dates of these acquisitions would have been January 1, 2018, Group consolidated revenues would have been increased by an additional ca. EUR 435m and consolidated EBITDA increased by an additional ca. EUR 62m.

TestAmerica and Covance Food Solutions contributed respectively to Eurofins consolidated revenues for EUR 34m and EUR 51m and to consolidated EBITDA for EUR 4m and EUR 10m in 2018. If the effective dates of these acquisitions would have been January 1, 2018, Group consolidated revenues would have been increased by EUR 165m and EUR 70m and consolidated EBITDA increased by EUR 11m and EUR 13m respectively.

The net cash outflow on acquisitions concerns both acquisitions completed in 2018 and in previous years (in case of payment of deferred considerations).

The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise after acquisition.

On the last acquisitions completed in December 2018, the purchase price allocation between goodwill and intangible assets related to acquisitions has not been finalised. It will be completed in 2019.

The Group did not carry out any bargain purchases in 2018.

The part of goodwill and other intangible assets related to acquisitions completed in 2018 that are tax deductible represents an amount of EUR 552m, mainly on Covance Food Solutions.

For all companies acquired in 2018, the provisional fair value of net assets acquired was as follows:

EUR Thousands	2018		
	Book value prior to acquisition	Fair value adjustment	Fair value on acquisition
Property plant and equipment	-179,909	-5,629	-185,538
Intangible assets	-5,456	174	-5,282
Customer relationships and brands	-	-269,164	-269,164
Investments	833	-	833
Financial assets	-17,151	-	-17,151
Treasury shares	-184	-	-184
Trade accounts receivable, net[1]	-113,005	4,197	-108,809
Inventories	-11,611	-	-11,611
Other receivables	-22,687	491	-22,196
Deferred income taxes assets	-10,595	-169	-10,764
Corporate tax receivable	4,744	-	4,744
Cash	6,122	-	6,122
Current liabilities	101,198	-1,086	100,112
Corporate taxes due	-3,241	-	-3,241
Borrowings	107,790	-	107,790
Accrued interest payable	51	-	51
Pension accrual	3,085	1,781	4,866
Provisions for risks	4,226	-	4,226
Deferred income taxes liabilities	-9,997	30,661	20,664
Net Assets Acquired	**-145,787**	**-238,745**	**-384,532**

[1] After fair value adjustment,the gross amount of trade accounts receivable was EUR 115,158K and the provision for bad debts EUR 6,349K.

3.20 Shareholders' equity

As of December 31, 2018, the Company's share capital is composed of 17,752,158 shares of EUR 0.10 each (versus 17,643,914 shares restated as of December 31, 2017). The allotted, called-up and fully paid capital amounts to EUR 1,775K.

During 2018, share capital and other reserves increased by EUR 19,938K through:

- exercise of stock options by employees (89,204 new shares have been issued);
- 13,120 new shares issued from the exercice of 2014 BSA warrants;
- On December 5, 2018, reserved capital increase subscribed in cash for an amount of EUR 1,121K with the issuance of 2,711 new shares at a price of EUR 413.57 per share in relation to the acquision of Nanolab Technologies Inc.
- On December 19, 2018, reserved capital increase by way of contribution in kind of shares in the company Eurofins Biologie Medicale Sud Ouest for an amount of EUR 1,488K in exchange of 3,209 new shares at a subscription price of EUR 463.774 per share in relation to the acquisition of Interlab SELAS.

See more details in Note 4.7.

Other reserves correspond to the legal reserve and share premium. Retained earnings correspond to the accumulated reserves not distributed.

Furthermore, a EUR 42.3m dividend (EUR 2.40 per share) was paid in July 2018.

Class A beneficiary units

Until 30 June 2017 inclusive, Class A beneficiary units, which confer no right to dividends but a right to one vote, were allocated to holders of fully paid-up shares for which proof was provided of registration in the name of the same shareholder for at least three consecutive years.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.
Consequently, the Company's shareholder Analytical Bioventures SCA decided to pay in July 2017 a cash contribution of EUR 640,000 equivalent to EUR 0.10 per Class A beneficiary unit.

The total number of Class A beneficiary units decreased from 6,535,247 as of December 31, 2017 to 6,517,116 as of December 31, 2018.

Class B beneficiary units

Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

In June 2016, March 2017 and June 2018 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (3,000,000 in total) on the equivalent number of shares out of its 6,400,000 shares registered in a registered account for five consecutive years in the name of the Company's shareholder Analytical Bioventures SCA for a cash contribution of EUR 300,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units increased from 2,000,000 as of December 31, 2017 to 3,000,000 as of December 31, 2018.

Voting rights

Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However as mentioned above, class A and class B beneficiary units ("part bénéficiaire de catégorie A" and "part bénéficiaire de catégorie B") carrying an extra voting right each can be allotted to all fully paid-up shares fulfilling conditions as specified in the last two paragraphs. As at December 31, 2018, a total amount of 9,517,116 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 27,268,874.

3.21 Non-Controlling Interests

The measurement policy of the Non-controlling interests (NCI) is explained in Note 1.3.
The Non-controlling Interests (NCI) valued at the fair value at acquisition time relate to the following companies:

- Eurofins Cerep SA for the remaining non-controlling interests of circa 4.2%. This is a level 1 fair value measurement.
- the companies listed below for their remaining NCI, already controlled by the Group in 2017:
  - Laboratoires des Pyramides SELAS (France): 13%;
  - EGL (US): 9.4%;
  - Eurofins Digital Testing group (Benelux, Poland, Sweden, UK): 9%;
  - Spectro Analytical Labs Ltd.(India): 40%;
  - EcoPro Research KK (JP): 33%.
- and the newly consolidated companies in 2018:
  - BLC Leather Technology Centre Limited (UK): 10%;
  - Amar Immunodiagnostics Pvt Ltd (India) : 20%.

  Except for Eurofins Cerep SA, the valuation is based on the value of the Put and Call option at a variable price, as defined in Note 3.14 'Amounts due for business acquisitions' for the put and call option at a variable price. This is a level 3 fair value measurement.

The non-controlling interests of the companies listed above consequently bear the risks and rewards attached to their shareholding, which are recognised as Non-controlling interests. Most minority shareholders are managing directors of the companies and they have a right to the dividend of the company in which they hold a non-controlling interest.

The Group has elected the full goodwill method on these deals; the non-controlling interests have been in consequence recognised at their fair value against goodwill at acquisition time.

In accordance with IAS 32.23, the Group has recognised its obligation to purchase the shares under the put option as a financial liability under the caption "amounts due for business acquisitions" (Note 3.14). The same paragraph states that the financial liability is reclassified from equity.

During 2018, the Group acquired 15% non-controlling interests in Laboratoires des Pyramides SELAS (France), 9% shares in Eurofins Environment Testing Australia (Vietnam) and 19% shares in Agrisearch Services (Australia/ New Zealand).

3.22 Change in investments, financial assets and derivative financial instruments, net

EUR Thousands	2018	2017
Investments in associates change (Note 3.4)	237	270
Financial assets and other receivables acquisitions/disposals (Note 3.5)	1,735	-3,781
Derivative financial instruments - Listed equity (Note 4.5)	54,275	-
Derivative financial instruments - Caps (Note 4.5)	-2,372	-
Total	53,875	-3,511

3.23 Free cash flow to the Firm and Equity

EUR Thousands	2018	2017
Free cash flow to the Firm	182,529	192,477
Change in investments and financial assets, net (Note 3.22)	1,972	-3,511
Interest received (Cash Flow Statement)	4,302	3,432
Interest paid (Cash Flow Statement)	-59,983	-45,612
Free cash flow to Equity	128,820	146,786

Free cash flow to the Firm corresponds to the net cash provided by operating activities, less capex net of divestments. Divestments correspond to the sale of property plant and equipment assets.

Free cash flow to Equity corresponds to the free cash flow to the Firm, less change in investments and financial assets, net and interest paid net interest received;

Free cash flow to Equity does not take into account the dividends paid to shareholders and non-controlling interests as well as earnings paid to hybrid capital holders.

4. Other information

4.1 Segment information

Following the recent growth of its footprint, the Group presents in 2018 three main geographical areas (see Note 1.25): Western Europe, North America and Rest of the World.

According to IFRS 8, the following operating segments - Benelux, France, Germany, Nordic Region and UK and Ireland - have been grouped together in Western Europe as they meet aggregation criteria. They have similar economic characteristics as they share the same long-term financial performance and the services provided are of similar nature to multi-national clients along with a comparable regulatory environment. North America is a separate operating segment. Rest of the World is an aggregation of remaining segments,

- as reportable segments above (Western Europe and North America) exceed the 75% threshold of revenues;
- and as the remaining segments are individually below 10% threshold of revenues, EBITDA and total assets.

Revenues EUR Thousands	2018	As % of total	2017	As % of total	% variation 2018 – 2017
Western Europe	1,925,639	50.9%	1,609,166	54.2%	19.7%
North America	1,256,684	33.2%	902,815	30.4%	39.2%
Rest of the World	598,826	15.8%	459,435	15.5%	30.3%
Total	3,781,148	100.0%	2,971,417	100.0%	27.3%

EBITDA per segment are as follows:

EBITDA EUR Thousands	2018	2017
Western Europe	327,787	307,079
North America	274,262	160,987
Rest of the World	92,520	83,076
Other[1]	-43,121	-37,900
Total	651,447	513,243

[1] Other corresponds to Group services costs for EBITDA, and holding companies transactions for the other captions.

Total assets and capital expenditure are shown in the geographical area in which the assets are located.

Total Assets EUR Thousands	2018	2017
Western Europe	2,759,561	2,376,483
North America	3,126,095	2,070,012
Rest of the World	917,301	697,620
Other[1]	402,491	688,192
Total	7,205,448	5,832,307

Investments EUR Thousands	2018	2017
Western Europe	427,034	567,036
North America	811,710	882,397
Rest of the World	185,652	169,963
Other[1]	79,975	39,599
Total	1,504,371	1,658,995

Investments include the purchase of property, plant, equipment (EUR 322,245K) and intangible assets (EUR 42,205K) as well as the change of scope for goodwill (EUR 870,757K) and for intangible assets related to acquisitions and brands (EUR 269,164K).

4.2 Financial risk management

Liquidity risk

During 2017, the Company raised total proceeds of EUR 320m following the issuance of new shares (Note 3.20).

In 2017, the Company also issued a new senior unsecured Eurobond for EUR 650m in July and a new hybrid instrument with a par value of EUR 400m in November (Note 3.10 and 3.12). In September 2017, Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") for a maximum amount of EUR 500m that was increased in 2018 to EUR 750m. This program is used to issue short term notes with a minimum size of EUR 200K and a maturity of less than one year. At the end of December 2018, notes were outstanding for an amount of EUR 361m under this program.

End of July 2018, Eurofins issued a EUR 550m Schuldschein loan ("Certificate of Indebtedness") for EUR 650m.

At year-end, the Company and its subsidiaries also entered into several loan and facility agreements with a number of banks.

Certain loans/facilities are secured either by contingent securities over assets determined at local level.

The hybrid capital instruments, Euro bonds, Schuldschein loan and bilateral credit lines are not secured by any financial covenants.

The Group has made a detailed review of its liquidity risk and considers that it is capable of honouring its debt service.

For information, the leverage ratios as at December 31, 2018 and 2017 are as follows:

EUR Thousands	2018	2017
Net debt (Note 3.9)	2,650,998	1,395,373
Adjusted EBITDA	719,825	556,723
Leverage ratio	3.68	2.51

The leverage ratio as at December 31, 2018 calculated on the pro forma Adjusted EBITDA of EUR 785m is 3.38.

Bearing in mind the uncertainties affecting the banking industry on a global basis, the likely increase of interest rates and the possible difficulties for corporate enterprises to access the credit markets, it is possible that the Company will bear a higher cost on its short, medium and long term lines of credit than was available previously. This could have adverse effects on the Company's net worth, financial position, and operating results and even its very existence.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period between the balance sheet date and the maturity date.

Financial liabilities EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Year 2018				
Bank borrowings[1]	559,803	23,341	519,885	16,577
Schuldschein[1]	550,000	-	363,500	186,500
Lease liabilities	48,291	9,345	20,582	18,365
Bonds[1]	1,650,000	-	1,000,000	650,000
Commercial paper	361,000	361,000	-	-
Amounts due for business acq. (not discounted)	126,009	66,835	56,579	2,595
Earnings due on hybrid capital	30,823	30,823	-	-
Current and future interest due[2]	308,871	88,502	186,199	34,170
Trade accounts payable	373,010	373,010	-	-
Total	4,007,807	952,856	2,146,744	908,207

[1] Par value.
[2] Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments.

As at December 31, 2018, Cash and cash equivalents stood at EUR 506,246K (Note 3.9).

As at December 31, 2017, Cash and cash equivalents stood at EUR 820,357K (Note 3.9).

Financial liabilities EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Year 2017				
Bank borrowings[1]	32,948	20,753	8,282	3,912
Lease liabilities	17,227	6,669	8,851	1,707
Bonds[1]	1,950,000	300,000	500,000	1,150,000
Commercial paper[1]	230,000	230,000	-	-
Amounts due for business acquisitions (not discounted)	141,311	89,465	49,952	1,894
Earnings due on hybrid capital	30,881	30,881	-	-
Current and future interest due[2]	299,779	86,195	169,000	44,585
Trade accounts payable	301,863	301,863	-	-
Total	3,004,009	1,065,826	736,085	1,202,098

[1] Par value.
[2] Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments.

Besides the above the Company has unused committed bilateral borrowing facilities or other lines of credit that it can access to meet its liquidity needs.

Interest rate risk

In order to finance parts of its acquisition and expansion costs, the Company and its subsidiaries have entered into several loan and facility agreements as specified above. The loans and facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans and facilities with a variable interest rate in the Company and in some of its subsidiaries has been partially hedged by various financial instruments (e.g. swap with a fixed rate or cap with a maximum interest rate covering a certain period, Note 4.5).

However, as there are certain lines of credit that are still based on a variable rate, it cannot be excluded that the interest rate concerning these loans will rise in the future. This could have an adverse effect on the Company's financial position and results.

Currency risks

Presently, the Group generates roughly 53% of its revenues outside of the Euro-Zone. The Group will continue to conduct its business activities in the future via subsidiaries in various countries. However, in most cases, the revenues and operating results as well as most items on the balance sheet of its subsidiaries (intangible, fixed and current assets, certain financial and current liabilities) are settled in the domestic currency without any real exchange risk. Accounting-wise, these operating results and balance sheet items are recorded in the relevant foreign currency and then converted into Euro, for translation into the Company's consolidated financial statements at the applicable exchange rate.

In some cases, where an exchange rate risk might be applicable with revenues and cost structures in different currencies, the Company or its subsidiaries may enter into some currency hedging instruments to avoid any exchange rate fluctuations.

However, even though the Company intends to continue to take such measures in the future in order to at least partially mitigate the effects of such exchange rate fluctuations, future exchange rate fluctuations could have a material adverse effect on the Company's financial position and operating results, particularly with respect to the US, Canadian, Taiwan, Singapore, New Zealand and Australian Dollar, the Danish, Swedish and Norwegian Krona, the Korean won, the Swiss franc, the Polish zloty, the Hungarian forint, the Turkish lira, the Chinese Yuan and Japanese Yen, the Brazilian Real and the Pound Sterling.

Credit risk

Given the quality of the Group customers, the Company believes the risk of bad debts is low. The rate of default suffered by the Company in proportion to its sales has been very low in the last five fiscal years. On average during this period, provision for impairment of receivables represented around 1% of the annual revenues, whilst customer terms of payment are in accordance with ordinary commercial practices in each country where the Company is active. During times of more difficult economic and trading conditions, such as at present, the Company pays particular attention to the ability of new and existing customers to pay their debts. At all times the Company considers that its provisioning policy for doubtful debtors is appropriate. However, if any major customers were to default, there would be a negative impact on earnings. In its lines of business, the Group has a large number of customers. The Company endeavours not to be dependent on any single customer. The Group’s biggest customer represents less than 2% of the consolidated revenues and the first 10 customers of the Group represent altogether less than 10% of the consolidated revenues. More particularly, the credit risk associated with US clinical diagnostic testing services is described in more detail in Notes 1.12 and 1.22.

However, the loss of one or more of these customers would have an adverse effect on the Group’s financial position and operating results or in very extreme cases its very existence.

The amounts relating to trade accounts receivable, bad debt provision and the ageing balance are shown in Note 3.7.

4.3 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

4.4 Contractual obligations and other commercial commitments

Contingent liabilities over borrowings:
The liabilities and borrowings listed below are already included in the Group's balance sheet. The following table only repeats these amounts when these borrowings are secured by covenants or securities on assets.

EUR Thousands	2018	2017
Bank borrowings secured over building and other assets	21,698	5,534
Leases secured over building and other assets [1]	48,366	16,488
Bank borrowings secured by covenants and assets	6,995	9,248
Total borrowings and leases secured	*77,059*	*31,270*
Bank borrowings secured by covenants	-	80
Bank borrowings guaranteed by the direct parent of the borrower	450	1,101
Total	77,509	32,451

[1] Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The Group's other contractual obligations and commercial commitments as of December 31, 2018 are detailed as follows:

Other contractual obligations EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Total Operating leases	630,318	128,465	304,987	196,866
- Buildings[1]	602,784	117,108	288,975	196,701
- Equipments, cars and others	27,534	11,357	16,012	165
Irrevocable purchase obligations	-	-	-	-
Total	630,318	128,465	304,987	196,866

[1] Undiscounted sum of future aggregate minimum lease payments, non-cancellable.

The amounts of operating lease payments recognised as an expense during the period are the following:

EUR Thousands	2018	2017
Operating lease payments - Buildings	106,433	86,132
Operating lease payments - Equipments, cars and others	11,261	12,091
Total	117,694	98,223

Other commercial commitments EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Guarantees given related to financing	17,189	-	-	17,189
Guarantees given related to acquisitions	-	-	-	-
Total	17,189	-	-	17,189
Guarantees received	-	-	-	-
Total guarantees, net	17,189	-	-	17,189

Detail of guarantees given related to financing

- The Company has counter-guaranteed the Swedish insurance entity "Försäkringsbolaget Pensionsgaranti" for all amounts due that this entity should have to pay to the current and past employees of some Swedish companies that are indirect subsidiaries of Eurofins Scientific S.E., as part of their pension payment obligation for a maximum amount of EUR 15,989K (this amount is accounted for in the caption "retirement benefit obligations" Note 3.15).
- In the context of a EUR 1,200K public subsidy grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failing to meet its commitments related to this grant.

Detail of guarantees given related to acquisitions
None.

Other commitments given
To the Group's knowledge, no other significant off-balance sheet commitments are in existence.

The Group has not set up any factoring or securitization transactions with third parties.

Detail of guarantees received
None.

4.5 Exposure to market and counterparties risks

EUR Thousands	2018	2017
Derivative financial assets - Listed equity	45,065	90,477
Derivative financial assets – Caps	1,730	-
Derivative financial assets	46,796	90,477
Derivative financial liabilities - Swaps	-	-239
Total net	**46,796**	**90,238**

Exposure to interest rate risk

In order to hedge the Group's exposure to interest rate fluctuations particularly related to the Schuldschein loan issued in 2011, the Group had concluded hedging contracts in order to swap its floating interest rate against a fixed rate. These contracts were either with immediate or deferred effect. Consequently, the Group has concluded interest rate hedging contracts with deferred effective dates for the period December 2017 to July 2018 for a total nominal amount of EUR 10m.

The previous year fair value of the financial instruments has been passed to the Income Statement for an amount of EUR 239K.

Interest Rate [1]	Notional principal value	Fair value (in EUR Thousands) Opening	Change	Closing
3.88%	-10,000	-239	239	-

[1] Interest rate applicable at the end of December 2017.

The derivative financial instruments assets also includes caps for the 2018 loan for an amount of EUR 1.7m as of December 31, 2018 in order to hedge the Group's exposure to interest rate fluctuations particularly related to the 2018 Schuldschein loan. The Group has concluded hedging contracts in order to cap its floating interest rate against a fixed rate for a total nominal amount of EUR 99m.

In EUR Thousands				
Notional amount	Premium %	Initial premium	Fair value Adjust-ments	Closing Fair value
25,000	2.4%	593	-158	435
25,000	2.4%	595	-160	435
25,000	2.4%	601	-166	435
24,000	2.4%	583	-157	426
99,000		2,372	-641	1,730

The amount booked in equity is transferred to net profit as far as the underlying instrument impacts the net profit.

The impact on the valuation of the financial instruments of a shift of +/- 1 percentage point in the yield curve would not be material on the Group's total equity.

The Group's net exposure to interest rate risk for the borrowings as per balance sheet date, before taking into account the above hedging transactions is presented below:

	2018	2017
Borrowings at fixed interest rates	89%	99%
Borrowings at floating interest rates	11%	1%

Given the breakdown between fixed rate and floating rate assets and liabilities as at December 31, 2018, a 1% increase or decrease in interest rates would have a full-year impact of +/- EUR 2,488K on results before income taxes.

EUR Millions	Rate	Up to 1 year	2-5 years	Over 5 years	Total
Assets	Fixed	-24.6	-	-	-24.6
	Floating	-	-	-	-
Borrowing and issuance costs	Fixed	11.1	524.6	33.4	569.2
	Floating	7.7	7.6	0.5	15.8
Schuldschein	Fixed	-	130.5	87.5	218.0
	Variable	-	233.0	99.0	332.0
Bonds	Fixed	-	500.0	1,150.0	1,650.0
	Floating	-	-	-	-
Commercial Paper	Fixed	361.0	-	-	361.0
	Floating	-	-	-	-
Net exposure Before hedge	**Fixed**	**347.5**	**1,155.1**	**1,270.9**	**2,773.6**
	Floating	**7.7**	**240.6**	**99.5**	**347.8**
Hedge	Fixed	-	-	99.0	99.0
	Floating	-	-	-99.0	-99.0
Net exposure After hedge	**Fixed**	**347.5**	**1,155.1**	**1,369.9**	**2,872.6**
	Floating	**7.7**	**240.6**	**0.5**	**248.8**

Exposure to other market risks

The Group uses non-complex or complex derivative instruments in order to hedge its potential exposure to changes in market values of certain underlying assets that may arise in the future.

The assets correspond to listed equity derivatives. The fair value of these assets amounts to EUR 45.1m as of December 31, 2018 vs EUR 90.5m as of December 31, 2017.

The variation is resulting from the partial sale of the listed equity derivative instrument for EUR 54.3m in 2018. This operation has generated a gain of EUR 9.3m and a negative change in the fair value for EUR 0.4m for the remaining amount.

A 10% increase or decrease of the above-mentioned derivative instrument would have a full-year impact of +/- EUR 4.5m on results before income taxes.

Exposure to currency risk

The most significant currencies for the Group were translated at the following exchange rates into Euro.

Value of EUR 1	Balance Sheet		Income Statement	
	End of period rates		average rates	
	Dec 31, 2018	Dec 31, 2017	2018	2017
US dollar	**1.14**	1.19	**1.18**	1.13
Pound sterling	**0.90**	0.89	**0.88**	0.88
Swedish krona	**10.28**	9.97	**10.26**	9.62
Norwegian krone	**9.94**	9.98	**9.60**	9.31
Danish krone	**7.47**	7.45	**7.45**	7.44
Japanese yen	**128.21**	135.14	**129.87**	126.58
Australian dollar	**1.61**	1.55	**1.58**	1.47
Brazilian Real	**4.44**	3.92	**4.31**	3.59

As at December 31, 2018, the exposure to currency risk breaks down as follows (amounts in EUR Millions):

Currency	Assets	Liabilities	Off-balance sheet Commitments	Net position before hedge	Hedge	Net position after hedge
DKK	127	108	-	18	-	18
SEK	92	83	16	-7	-	-7
NOK	40	31	-	9	-	9
USD	3,369	1,891	-	1,478	-	1,478
GBP	257	135	-	122	-	122
BRL	54	33	-	21	-	21
Other[1]	708	378	-	330	-	330
Total	4,647	2,660	16	1,971	-	1,971

[1] Non Euro.

A 1 percentage point increase or decrease in exchange rates would have an impact of EUR 20.1m on the Group's equity and an impact on the Group's EBITAS of EUR 2.4m.

Net investment hedge

The Company has designated instruments to hedge net investments in foreign operations. An entity may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. Such monetary items may include long-term receivables or loans. In particular, they correspond to Intercompany loans denominated in Euros and in US

Dollars provided by Eurofins GSC Finance NV (lender) and Eurofins Scientific S.E. to other companies of the Group (borrowers) trading in currencies other than Euro.

The nature of the risk hedged is the change in foreign exchange rates between the currency of the loan and the currency of either the lender or the borrower.

Currency of lender	Currency of borrower[1]	Currency of loan	Dec 31, 2018	Dec 31, 2017
EUR	USD	USD	1,228,512	921,336
EUR	CAD	CAD	53,838	16,600
EUR	NZD	NZD	5,164	-
EUR	DKK	DKK	57,668	10,993
EUR	BGN	BGN	496	-
EUR	NOK	NOK	15,342	4,821
EUR	SEK	SEK	30,747	10,901
EUR	AUD	AUD	21,400	2,665
EUR	CHF	CHF	9,577	1,758
EUR	GBP	GBP	82,067	6,932
EUR	INR	INR	22,500	24,229
EUR	RON	RON	2,910	-
EUR	TWD	TWD	13,119	-
EUR	PLN	PLN	4,005	-
EUR	HUF	HUF	15,052	-
EUR	SGD	SGD	1,976	-
EUR	JPY	JPY	27,257	444
EUR	CZK	CZK	78	-
EUR	VND	USD	1,201	-
EUR	DKK	EUR	-	45,452
EUR	GBP	EUR	-	53,295
EUR	CAD	EUR	-	30,790
EUR	SEK	EUR	2	26,543
EUR	BRL	EUR	24,429	24,232
EUR	NOK	EUR	-	11,058
EUR	MAD	EUR	300	-
EUR	CCH	EUR	-	8,177
EUR	AUD	EUR	1	9,201
EUR	USD	EUR	2,497	6,742
EUR	CNY	EUR	4,999	4,203
EUR	PLN	EUR	-	2,773
EUR	JPY	EUR	4,862	5,706
EUR	KRY	EUR	616	-
EUR	TWD	EUR	-	1,875
EUR	RON	EUR	-	1,354
EUR	NZD	EUR	-	1,545
EUR	TRY	EUR	260	260
EUR	THB	EUR	103	103
EUR	HUF	EUR	-	1,214
EUR	VND	EUR	200	-
EUR	BGN	EUR	-	215
		Total	**1,631,178**	**1,235,414**

[1] From 2018 onward, loans are granted in the currency of the borrower.

The net investment in hedged foreign operations is worth EUR 1,631m (fully eliminated in consolidation).

The fair value of hedging represents a positive value of EUR 11.3m at the end of 2018 included in "Currency translation differences" in equity.

Credit quality of financial assets

The Group may be exposed to the risk of losses on cash and other financial instruments held or managed on its behalf by financial institutions, if any of its counterparties defaults on its obligations. Group policy is to limit its exposure by dealing solely with leading counterparties and monitoring their credit ratings, in line with guidelines approved by the Company. However, credit risks arising from transactions with financial counterparties can escalate rapidly and a high credit rating is no guarantee that an institution will not experience a rapid deterioration of its financial position. As a result, there is no guarantee that this policy will be effective in entirely eliminating counterparty risk. Any default by a counterparty could have a material adverse effect on the Group's objectives, operating income and financial position.

To limit the Group's exposure to credit risk, the Treasury and Financing Department has defined the following rules for treasury investments at corporate level:

- One single counterparty should represent not more than 25% of total invested amount; a counterparty is defined as a financial institution including all its subsidiaries and affiliates.
- Counterparties should have a short-term rating of A1/P1F1 or above from Standard & Poor's / Moody's / Fitch respectively.
- In order to mitigate sovereign risk, invested amounts should be spread into at least 3 countries of solid reputation, mostly in the Euro zone.
  One country should not account for more than 40% of the total invested amount.
- In order to ensure optimal liquidity, most treasury investments should have daily liquidity. However, short notice periods (max 32 days) are acceptable for limited amounts.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings. In the context of negative short term interest rate across many European countries, the Group may decide to ease some of the criteria listed above in order to avoid any loss on capital (i.e. no negative remuneration on cash deposit).

The cash and marketable securities are allocated within the cash generating units as follows:

EUR Thousands Cash & cash equivalents	**2018**	in %	**2017**	in %
Western Europe	121,324	24%	129,338	16%
North America	66,277	13%	66,617	8%
Rest of the World	69,681	14%	59,766	7%
Other[1]	248,964	49%	564,635	69%
TOTAL	**506,246**	**100%**	**820,357**	**100%**

[1] Other corresponds to the Parent Company, other Group holding companies and corporate entities which are not operating companies.

It should be noted that the breakdown of cash and marketable securities shown in the table above reflects the geographic distribution among cash generating units and not by counterparty.

Short term deposits with banks (EUR 24,599K) are invested for around 91% with banks in Luxembourg.

The maximum credit risk to which the Group is theoretically exposed to as at December 31, 2018 is the carrying amount of financial assets.

4.6 Financial instruments by category

The carrying and fair values of the financial assets and financial liabilities are as follows:

EUR Thousands Assets	Carrying Value	Financial assets classification Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	FVOCI	Fair Value
Year 2018						
FVOCI (Note 3.5)	17,220	-	-	-	17,220	17,220
Financial assets trade and other receivables – non current (Note 3.5)	50,330	50,330	-	-	-	50,330
Trade and other receivables excluding prepayments - current (Note 3.7, 3.8)	970,186	970,186	-	-	-	970,186
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Derivative financial instruments (Notes 4. 5)	46,795	-	46,795	-	-	46,795
Short term deposit with banks (Note 3.9)	24,599	-	24,599	-	-	24,599
Cash and cash equivalents	481,647	481,647	-	-	-	481,647
	1,590,777	**1,502,163**	**71,394**	**-**	**17,220**	**1,590,777**

EUR Thousands Liabilities	Carrying Value	Financial liabilities classification	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Fair Value
Year 2018						
Borrowings (Note 3. 10)	3,157,244	-	-	-	3,157,244	3,145,763
Interest and earnings due on hybrid capital (Note 3. 11)	66,034	-	-	-	66,034	66,034
Amounts due for business acquisitions (Notes 3 .14)	123,818	-	-	-	123,818	123,818
Derivative financial instruments (Notes 4. 5)	-	-	-	-	-	-
Trade accounts payable other current liabilities and advance payments received and deferred revenues	871,867	-	-	-	871,867	871,867
	4,218,963	**-**	**-**	**-**	**4,218,963**	**4,207,482**

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 - Marketable securities, Derivative financial instruments assets or Eurobonds);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. such as prices) or indirectly (i.e. derived from prices) (Level 2 - Derivative financial instruments liabilities);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

There were no transfers between levels.

With the exception of the borrowings, the Group considers the carrying value of the financial instruments to approximate their fair value.

Regarding borrowings, their fair value is based on:

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2022 (fair value amount of EUR 504m against a carrying value of EUR 500m).
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2023 (fair value amount of EUR 515 against a carrying value of EUR 500m).
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond July 2024 (fair value amount of EUR 619m against a carrying value of EUR 650m).

EUR Thousands Assets	Carrying value	Financial assets classification Loans and Receivables	 Assets at fair value through profit and loss	 Derivatives used for hedging	 FVOCI	Fair value
Year 2017						
FVOCI (Note 3.5)	9,422	-	-	-	9,422	9,422
Financial assets trade and other receivables – non current (Note 3.5)	34,520	34,520	-	-	-	34,520
Trade and other receivables excluding prepayments - current(Note 3.7, 3.8)	768,054	768,054	-	-	-	768,054
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Derivative financial instruments(Note 4.5)	90,477	-	90,477	-	-	90,477
Short term deposits with banks (Note 3.9)	153,293	-	153,293	-	-	153,293
Cash and cash equivalents	667,064	667,064	-	-	-	667,064
	1,722,830	**1,469,638**	**243,770**	**-**	**9,422**	**1,722,830**

EUR Thousands Liabilities	Carrying value	Financial liabilities classification Liabilities at fair value through profit and loss	 Derivatives used for hedging	 Other financial liabilities at amortised cost	Fair Value
Year 2017					
Borrowings (Note 3.10)	2,216,330	-	-	2,216,330	2,308,252
Interest and earnings due on hybrid capital (Note 3.11)	64,472	-	-	64,472	64,472
Amounts due for business acquisitions (Note 3.14)	137,756	-	-	137,756	137,756
Derivative financial instruments (Note 4.5)	239	239	-	-	239
Trade accounts payable, other current liabilities, advance payments received and deferred revenues	708,473	-	-	708,473	708,473
	3,127,270	**239**	**-**	**3,127,031**	**3,219,192**

4.7 Potentially dilutive instruments

Stock option plans
Stock options are granted to directors and to employees. Movements in the number of share options outstanding are as follows:

Share options	2018	2017
At beginning of the year	828,804	835,876
Options granted [1]	-	211,085
Options exercised	-89,204	-137,002
Options expired or lost	-57,725	-81,155
At end of the year	681, 875	828,804

[1] Under conditions (strike price, date of exercise, etc.) of new option plans (Note 2.4).

As at December 31, 2018, 681,875 stock options awarded are still outstanding. Further details can be found in the "Management Report".

Free shares

Free shares are granted to directors and employees. Movements in the number of free shares outstanding are as follows:

Free shares	2018	2017
At beginning of the year	24,278	10,481
Free shares granted	-	14,340
Free shares lost	-3,226	-543
At end of the year	21,052	24,278

2014 BSA Leaders Warrants

In June 2014, the Company issued 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58 between July 1, 2018 and June 30, 2022. The subscription price was set at EUR 18.15 per warrant.

2014 BSA Leaders Warrants	2018
At beginning of the year	117,820
Warrants exercised	-13,120
Warrants lost	-15,100
At end of the year	89,600

2018 BSA Leaders warrants

In June 2018, Eurofins issued 124,460 capital-providing securities in the form of stock purchase warrants, conferring 2018 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2018 BSA Leaders Warrant at a fixed exercise price of EUR 529.65 between June 1, 2022 and May 31, 2026. The subscription price was set at EUR 34.36 per warrant. This new warrants program brought EUR 4.3m of proceeds to the company.

Partial and optional acquisition price payments in Eurofins shares
At December 31, 2018, the overall number of Eurofins shares potentially deliverable is 0 shares.

Own shares
As at December 31, 2018, the Company indirectly owns 400 of its shares (none as of December 31, 2017).

Detail of the weighted average number of shares outstanding (diluted)

EUR Thousands	2018	2017
Weighted average number of shares outstanding (basic)	17,697	17,099
Weighted average number of stock options	479	769
Weighted average number of free shares	23	12
Number of potential number of shares by warrants exercise with exercise price above the average share price	103	118
Weighted average shares outstanding (diluted)	18,301	17,998

4.8 Earnings per share

	Net Profit of the period (in EUR Thousands)	Weighted average number of shares outstanding	Earnings per share (in EUR)
Basic			
Total	223,944	17,697	12.65
Hybrid capital investors[1]	48,625		2.75
Equity holders	175,319	17,697	9.91
Diluted			
Total	223,944	18,301	12.24
Hybrid capital investors	48,625		2.66
Equity holders	175,319	18,301	9.58

[1] See Note 3.12.

4.9 Contingencies

The Group has contingent liabilities in respect of legal and tax claims arising in the ordinary course of business in connection with the services they provide. The majority of these claims are covered by business-specific insurance. Specifically, the Group contests significant liability demands in the United States, which it considers to be unjustified. The Group's responsibility has not been proven and the damages that are claimed have been neither established nor measured.

For tax claims, when the Group estimates that the risk is not likely, no provision is provided for.

Risk factors are described in the section 6 of the Management report.

Based on the information available to date, the Group considers that the outcome of these disputes and legal claims currently in process is unlikely to have a significant adverse impact on the consolidated financial statements other than those provided for (Note 3.16).

4.10 Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation process and are not disclosed in the notes.

The company Analytical Bioventures SCA, which is controlled by the Martin family, owns 36.1% of the

Company's shares and 57.9% of its voting rights as of December 31, 2018.

Transactions with affiliates or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's Board of Directors or top management have significant influence such as "International Assets Finance S.à.r.l." are detailed as follows:

EUR Millions	2018	2017
Support management services, provided to the related party	0.3	0.3
Support management services, provided to Eurofins	-	-
Receivables from related party	12.2	13.6
Bank guarantees to related party	0.2	0.2
Payables to related party	2.3	1.4
Rent expenses to related party	26.0	24.4

Other information related to the real estate transactions is provided in the Corporate Governance Statement for the period ended on December 31, 2018.

The aggregate amount of future minimum, non-cancellable (operating) lease commitments payable to related-parties represents an amount of EUR 265m as at December 31, 2018 (EUR 278m in 2017).

Receivables relate to lease deposits.

Compensation of the Board of Directors:

EUR Thousands	2018	2017
Director fees and other short-term fringe benefits	1,955	1,789
Post-employment benefits	-	-
Share-based payments	-	-
Total	1,955	1,789

4.11 Auditor's remuneration

EUR Thousands	2018	2017
Audit of Eurofins Scientific S.E.	430	385
Audit of financial statements of subsidiaries	2,117	1,429
Audit-related serviced	436	223
Audit and audit- related fees payable pursuant to legislation	2,983	2,037
Taxation services	108	81
Transaction advisory	-	-
Other	29	-
Total audit fees PwC[1]	3,120	2,118

[1] The list of companies audited or reviewed by PwC is listed in Note 5. Scope of the Group.

In addition with the work performed for consolidation purposes, the Group has commissioned statutory audits in a very large majority of its subsidiaries, even when not required by local regulations, performed mostly by Tier 1 and Tier 2 auditing firms, going beyond local legal requirements, in order to ensure reliability and strong control of financial statements in a fast-growth phase:

- Tier 1 (PwC, Deloitte, EY and KPMG);
- Tier 2 (RSM, Grant Thornton, BDO Mazars, Moore Stephens, Crowe and Baker Tilly).

The aggregate amount of audit fees for all auditors across the Group was EUR 7.5m in 2018 and EUR 5.4m in 2017.

Other information related to the audit coverage is provided in the section 2.1.3 (Audit Committee) of the Corporate Governance Statement for the period ended on December 31, 2018.

4.12 Post-closing events

Change of scope:
In January 2019, Eurofins acquired the assets of food and environment testing laboratories in France at insolvency proceeding.

Additionally since the beginning of 2019, Eurofins has completed the acquisition of six other companies: one in France, three in Germany, one in UK and one in Spain. The total annual revenues of these acquisitions were in excess of EUR 20m in 2018.

5. Scope of the Group

5.1 Change in the scope 2018

The Companies below are fully consolidated (at 100%).

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins NSC Austria GmbH	AT	Eurofins Support Services LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins Labo Van Poucke BVBA	BE	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	02/18
Ecoast BVBA	BE	Eurofins Environment Testing Belgium Holding NV	100	12/18 [2]
Eurofins BioPharma Product Testing Toronto, Inc.	CA	Eurofins Food Testing LUX Holding S.à.r.l.	100	05/18 [1]
Oakville Portland Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding S.à.r.l.	100	06/18 [1]
Mississauga Hadwen Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding S.à.r.l.	100	06/18 [1]
Mississauga Speakman Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding S.à.r.l.	100	06/18 [1]
EnvironeX Group, Inc.	CA	Eurofins Environment Testing Canada, Inc.	100	11/18
Eurofins PHAST Pharma GmbH	CH	Eurofins PHAST GmbH	100	07/18
MET Laboratories Shenzhen, Ltd.	CN	Eurofins MET Laboratories, Inc.	100	01/18 [1]
Eurofins Consumer Product Testing (Guangzhou) Co., Ltd.	CN	Eurofins Product Testing LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins Electrical Testing Service (Shenzhen) Co., Ltd.	CN	Eurofins Product Testing LUX Holding S.à.r.l.	100	11/18 [1]
Eurofins IT Infrastructure GSC S.A.	CR	Eurofins Support Services LUX Holding S.à.r.l.	100	08/18 [1]
Eurofins PHAST GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	07/18
PHAST Development GmbH & Co. KG	DE	Eurofins PHAST GmbH	100	07/18
PHAST Development Verwaltungs GmbH	DE	Eurofins PHAST GmbH	100	07/18
Agrartest GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	07/18
Q-Bioanalytic GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	11/18
Eurofins VBM Geo A/S	DK	Eurofins Environment Denmark Holding A/S	100	10/18
EKA Invest SL	ES	Eurofins Technology and Supplies LUX Holding S.à.r.l.	100	02/18
MADRID Garcia Noblejas Real Estate SLU	ES	Eurofins Real Estate LUX Holding S.à.r.l.	100	07/18 [1]
Mas Control Tres Canarias SLU	ES	Eurofins Analisis Alimentario Holding Espana SL	100	03/18
Inmunologia y Genetica Aplicada SA	ES	EKA Invest SL	94	02/18
Eurofins Agroscience Services Regulatory Spain SL	ES	Eurofins Agrosciences Services LUX Holding S.à.r.l.	100	04/18 [1]
Santa Cruz Diesel Real Estate SLU	ES	Eurofins Real Estate LUX Holding S.à.r.l.	100	07/18 [1]
Eurofins Audit&Inspection SA	ES	Eurofins Analisis Alimentario Holding Espana SL	100	07/18
Eurofins Agroscience Services Iberica Holding SL	ES	Eurofins Agrosciences Services LUX Holding S.à.r.l.	100	12/18 [1]
Gestión y Auditoría Medioambiental SL	ES	Eurofins Audit&Inspection S.A.	100	07/18
Eurofins LGS Megalab SL	ES	Eurofins Megalab S.A.	100	07/18
Eurofins Ecosur SA	ES	Eurofins Analisis Alimentario Holding Espana SL	100	07/18
Eurofins LGS Megalab Analisis Veterinarios SLU	ES	Eurofins L.G.S. Megalab SL	100	12/18 [1]
Eurofins Expert Services Oy	FI	Eurofins Product Testing LUX Holding S.à.r.l.	100	06/18 [3]
Eurofins Labtium Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	06/18 [3]
FTF Fuel Testing Finland Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	09/18 [1] [3]
Eurofins Biologie Medicale Sud-ouest SAS	FR	Eurofins Clinical Testing Services France LUX Holding S.à.r.l.	100	10/18 [1]
Eurofins Eichrom Europe SAS	FR	Eurofins Expertises France Holding SAS	100	04/18
Eurofins Eichrom Amiante SAS	FR	Eurofins Eichrom Europe SAS	100	04/18
Eurofins Eichrom Radioactivité SAS	FR	Eurofins Eichrom Europe SAS	100	04/18
SCI Bruz Bastié	FR	Eurofins Eichrom Europe SAS	100	04/18
Eurofins LEA SAS	FR	Eurofins Hydrologie France Holding SAS	100	04/18
Eurofins Lanagram SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	04/18
Eurofins Bactup Group SAS	FR	Eurofins Pharma France Holding SAS	100	05/18
Eurofins Bactup SAS	FR	Eurofins Bactup Group SAS	100	05/18
Eurofins Cosmetics Microbiology France SAS	FR	Eurofins Bactup Group SAS	100	05/18
3 OHMS PGC SAS	FR	Eurofins Product Testing France Holding SAS	100	07/18
Interlab SELAS	FR	Eurofins Labazur Provence SELAS	100	10/18 [3]

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
PHAST France SARL	FR	Eurofins PHAST GmbH	100	07/18
SCI Rosporden Renan	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	10/18 [1]
Eurofins Bio Lab SELAS	FR	Laboratoire Des Pyramides SELAS	25	07/18 [3]
Eurofins Biologie Medicale Ile de France SAS	FR	Eurofins Clinical Testing Services France LUX Holding S.à.r.l.	100	07/18 [1]
Eurofins Laboratoire de Bromatologie Ouest et Bretagne SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/18
Eurofins New Eab 1 SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/18 [1]
Eurofins New Eab 2 SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/18 [1]
Eurofins New Epb 1 SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	12/18 [1]
Eurofins New Epb 2 SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	12/18 [1]
Eurofins New Hydro 1 SAS	FR	Eurofins Hydrologie France Holding SAS	100	12/18 [1]
Eurofins New Hydro 2 SAS	FR	Eurofins Hydrologie France Holding SAS	100	12/18 [1]
L'Yvette SELAS	FR	Eurofins Biologie Medicale Ile de France SELAS	100	11/18
Eurofins NewCo Environment 1SAS	FR	Eurofins Expertises France Holding SAS	100	12/18 [1]
Eurofins Pollution Testing Stock II SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/18 [1]
Eurofins Optibio-Lab SELAS	FR	Eurofins Bio Lab SELAS	100	07/18
SCI Eurofins New 1	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins New Pharma 1 SAS	FR	Eurofins Pharma France Holding SAS	100	12/18 [1]
Eurofins NDSC Audit et Consulting France SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	12/18 [1]
SCI Eurofins New 2	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Eurofins New 3	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Eurofins Loos Palissy	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Martillac Newton	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Maxeville Cuenot	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Saint Augustin Paillard	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
SCI Saint Gely Vautes	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins Genomics Europe Sequencing France SAS	FR	Eurofins Genomics LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins Sensory Holding France SAS	FR	Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	100	12/18 [1]
SCI Idron Mazerolles	FR	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
Laboratoire Dermscan SAS	FR	Eurofins Product Testing 2 France Holding SAS	100	11/18 [1]
Eurofins New Microbio 3 SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	11/18 [1]
Eurofins New Chimie 3 SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	11/18 [1]
Eurofins Tiger Chimie 1 SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	01/18 [1]
Eurofins Tiger Chimie 2 SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	11/18 [1]
Eurofins Tiger Microbio 1 SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	11/18 [1]
Eurofins Tiger Microbio 2 SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	11/18 [1]
Eurofins Tiger Env 1 SAS	FR	Eurofins Newco Environment 1 SAS	100	12/18 [1]
Eurofins Tiger Env 2 SAS	FR	Eurofins Newco Environment 1 SAS	100	12/18 [1]
Eurofins New Env 1 SAS	FR	Eurofins Newco Environment 1 SAS	100	12/18 [1]
Eurofins New Env 2 SAS	FR	Eurofins Newco Environment 1 SAS	100	12/18 [1]
Eurofins New Eab 3 SAS	FR	Eurofins Newco Environment 1 SAS	100	12/18 [1]
Eurofins Food Analytica Laboratóriumi és Innovációs Szolgáltató Kft.	HU	Eurofins Food Testing Hungary Holding Kft	100	01/18
Eurofins XILÓZ Élelmiszer Ellenőrző és Szolgáltató Kft.	HU	Eurofins Food Testing Hungary Holding Kft	100	01/18
Eurofins ÖkoLabor Kft.	HU	Eurofins Environment Testing Hungary Holding Kft	100	01/18
Eurofins Environment Testing Hungary Holding Kft.	HU	Eurofins Environment Testing LUX Holding S.à.r.l.	100	07/18 [1]
BUD Foti 56 Real Estate Kft.	HU	Eurofins Real Estate LUX Holding S.à.r.l.	100	08/18 [1]
Eurofins Clinical Testing Hungary Holding Kft.	HU	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	08/18 [1]
Eurofins NSC Hungary Kft.	HU	Eurofins Support Services LUX Holding S.à.r.l.	100	09/18 [1]
Eurofins KVI-PLUSZ Környezetvédelmi Vizsgáló Iroda Kft.	HU	Eurofins Environment Testing Hungary Holding Kft	100	07/18

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Environmental Testing Ireland Holding Limited	IE	Eurofins Environment Testing LUX Holding S.à.r.l.	100	03/18 [1] [3]
City Analysts Limited	IE	Eurofins Environmental Testing Ireland Holding Limited	100	02/18 [3]
City Analysts (Limerick) Limited	IE	City Analysts Limited	100	02/18 [3]
Gynae-Screen Limited	IE	Eurofins Biomnis Ireland Limited	100	05/18 [3]
Eurofins NSC India Pvt, Ltd.	IN	Eurofins Support Services LUX Holding S.à.r.l.	100	04/18 [1]
Amar Immunodiagnostics Pvt, Ltd.	IN	Eurofins Technology and Supplies LUX Holding S.à.r.l.	80	12/18
Thusia Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	05/18
ICE Istituto Certificazione Europea Spa	IT	Eurofins Product Testing Italia Holding Srl	100	06/18
Eurofins BioPharma Services Japan Holding KK	JP	Eurofins Pharma Services LUX Holding S.à.r.l.	100	09/18 [1]
Eurofins Analytical Science Laboratories Inc.	JP	Eurofins BioPharma Services Japan Holding KK	100	11/18
MET Korea, Ltd.	KR	Eurofins MET Laboratories, Inc.	100	01/18 [1]
Lab Frontier Co., Ltd.	KR	Eurofins Environment Testing LUX Holding S.à.r.l.	96	04/18
Eurofins Material Sciences LUX Holding S.à.r.l.	LU	Eurofins International Holdings LUX S.à.r.l.	100	05/18 [1] [3]
Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	LU	Eurofins International Holdings LUX S.à.r.l.	100	06/18 [1] [3]
Eurofins Agroscience Services Maroc SARL	MA	Eurofins Agrosciences Services LUX Holding S.à.r.l.	90	06/18 [1]
Eurofins Sam Sensory & Marketing Morocco SARL	MA	Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	100	10/18 [1]
Insight Technologies, Ltd.	MU	Laboratoire Dermscan SAS	60	11/18
Eurofins Clinical Diagnostics Netherlands Holding BV	NL	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	03/18
Eurofins Nederlands Moleculair Diagnostisch Laboratorium BV	NL	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	03/18
Eurofins LCPL BV	NL	Eurofins Clinical Diagnostics Netherlands Holding BV	100	03/18
Pathologie Centrum voor de Eerstelijn BV	NL	Eurofins Clinical Diagnostics Netherlands Holding BV	100	03/18
Eurofins Materials Science Netherlands BV	NL	Eurofins Material Sciences LUX Holding S.à.r.l.	100	12/18
Eurofins Cyber Security Netherlands Holding BV	NL	Eurofins Product Testing LUX Holding S.à.r.l.	100	07/18
Eurofins Cyber Security Assurance & Advisory Netherlands BV	NL	Eurofins Cyber Security Netherlands Holding BV	100	07/18
Eurofins Cyber Security Hacking & Testing BV	NL	Eurofins Cyber Security Netherlands Holding BV	100	07/18
Eurofins Cyber Security Products & Services BV	NL	Eurofins Cyber Security Netherlands Holding BV	100	07/18
ACMAA Groep BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	07/18
ACMAA Advies BV	NL	ACMAA Groep BV	100	07/18
ACMAA Inspectie BV	NL	ACMAA Groep BV	100	07/18
ACMAA Laboratoria BV	NL	ACMAA Groep BV	100	07/18
Wellington Port Road Real Estate Limited	NZ	Eurofins Real Estate LUX Holding S.à.r.l.	100	06/18 [1]
Eurofins Animal Health New Zealand Limited	NZ	Eurofins Agroscience Services Pty Ltd.	100	12/18 [1]
Łódź Dubois Real Estate Sp. z o.o.	PL	Eurofins Polska Sp. z.o.o.	100	12/18 [1]
Dermscan Poland Sp. z.o.o	PL	Laboratoire Dermscan SAS	90	11/18
Sobrosa, Acácio j.a. Pereira, Real Estate, Unipessoal Lda.	PT	Eurofins Real Estate LUX Holding S.à.r.l.	100	12/18 [1]
Food Analytica Laborator SRL	RO	Eurofins Food Testing Laboratories Holding SRL	100	01/18
Eurofins Clinical Diagnostics Services Romania SRL	RO	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	12/18 [1]
Eurofins Biofuel & Energy Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	04/18 [3]
Eurofins Food Testing Singapore Pte Ltd.	SG	Eurofins Food Testing LUX Holding S.à.r.l.	100	08/18
NCAlabs Co. Ltd.	TH	TestAmerica Laboratories, Inc.	100	11/18
Dermscan Tunisie SARL	TN	Laboratoire Dermscan SAS	100	11/18
Kosmyrna Analiz Gida Arastirma Hizmetleri Ticaretlimited Sirketi Ltd	TR	Eurofins Ecosur SA	100	07/18
Eurofins NSC Taiwan, Ltd.	TW	Eurofins Support Services LUX Holding S.à.r.l.	100	06/18 [1]
Eurofins Tsing Hua Environment Testing Co., Ltd.	TW	Eurofins Food and Environment Testing Holding Taiwan, Ltd.	100	01/18
Eurofins Summit Tsiande Environmental Co., Ltd.	TW	Eurofins Food and Environment Testing Holding Taiwan, Ltd.	100	01/18
MET Laboratories Taiwan, Ltd.	TW	Eurofins MET Laboratories, Inc.	100	01/18
Eurofins E&E Hursley Limited	UK	Eurofins Product Testing UK Holding Limited	100	02/18
Eurofins E&E ETC Limited	UK	Eurofins Product Testing UK Holding Limited	100	01/18
Edge Testing Solutions, Limited	UK	Eurofins Digital Testing UK Holding Limited	100	04/18
Eurofins Digital Testing UK Holding, Limited	UK	Eurofins Digital Testing International LUX	100	03/18 [1]

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
		Holding S.à.r.l.		
Eurofins BLC Leather Technology Centre Limited	UK	Eurofins Product Testing UK Holding Limited	90	04/18
Eurofins Sensory, Consumer Research and Product Design UK Limited	UK	Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	100	08/18
Eurofins Food Integrity Testing UK Limited	UK	Eurofins Food Testing LUX Holding S.à.r.l.	100	08/18
County Pathology Limited	UK	Eurofins Clinical Testing Holding LUX S.à.r.l.	100	10/18
Eurofins Selcia Drug Discovery UK Limited	UK	Eurofins Discovery Services LUX Holding S.à.r.l.	100	12/18 [1]
Eurofins CEI, Inc.	US	Eurofins Lancaster Laboratories Inc.	100	01/18
LABS, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	03/18 [4]
Eurofins Microbiology Laboratories Inc.	US	Eurofins Product Testing US Holdings, Inc.	100	04/18 [1]
Eurofins Genomics Engineering LLC	US	Eurofins Pharma US Holdings II Inc.	100	03/18 [1]
Eurofins Sensory, Consumer Research and Product Design US, Inc.	US	Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	100	08/18
Eurofins Sensory, Consumer Research and Product Design US Holding, Inc.	US	Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	100	08/18
Eurofins Food Chemistry Testing US, Inc.	US	Eurofins Food Testing US Holdings Inc.	100	08/18
Eurofins Botanical Testing US, Inc.	US	Eurofins Food Testing US Holdings Inc.	100	08/18
Battle Creek 55 Hamblin Avenue Real Estate, Inc.	US	Eurofins Real Estate LUX Holding S.à.r.l.	100	08/18
Eurofins EAG Agroscience, LLC	US	EAG, Inc.	100	05/18
EAG Materials Science US Holding, Inc.	US	Eurofins Material Sciences LUX Holding S.à.r.l.	100	08/18
Eurofins CRL Cosmetics, Inc.	US	Eurofins Product Testing US Holdings, Inc.	100	08/18
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	08/18
Cascade Analytical, Inc.	US	Eurofins Food Testing US Holdings Inc.	100	09/18
Nanolab Technologies Inc.	US	EAG Materials Science US Holding, Inc.	100	08/18
TestAmerica Environmental Services LLC	US	Eurofins Lancaster Laboratories Inc.	100	11/18
TestAmerica Holdings, Inc.	US	TestAmerica Environmental Services LLC	100	11/18
TestAmerica Air Emission Corp.	US	TestAmerica Environmental Services LLC	100	11/18
TestAmerica Laboratories, Inc.	US	TestAmerica Holdings, Inc.	100	11/18
EMLab P&K LLC	US	TestAmerica Holdings, Inc.	100	11/18
Environmental Sampling Supply, Inc.	US	TestAmerica Holdings, Inc.	100	11/18
Aerotech Laboratories, Inc.	US	EMLab P&K, LLC	100	11/18
Madison Merchant Real Estate, Inc.	US	Eurofins Real Estate LUX Holding S.à.r.l.	100	08/18
Eurofins EAG Engineering Science, LLC	US	EAG, Inc.	100	12/18 [1]

[1] New Companies created during the period.
[2] These companies are consolidated from January 1, 2019 (Note 3.19).
[3] Companies for which 2018 statutory accounts are or will be audited by PwC.
[4] Companies for which local auditors work papers have been reviewed by PwC for consolidation purposes.

The below companies have been merged/liquidated/sold during the period:

Company	Country ISO Code	% of interest by the Group	Date of exit
Innolab do Brasil Ltda.	BR	100	01/18
Eurofins France Holding SAS	FR	100	01/18
Eurofins Environment Testing US Holdings Inc.	US	100	02/18
Eurofins VRL Los Angeles, LLC	US	100	02/18
Eurofins Air à l'Emission France SAS	FR	100	03/18
Openlab France SARL	FR	100	03/18
Eurofins Genomics Holding LLC	US	100	03/18
Eurofins Agroscience Services ApS	DK	100	04/18
Pro Monitoring BV	NL	80	04/18
Spinnovation Holding BV	NL	60	04/18
Kingbridge Holding BV	NL	100	08/18
Sanitas Equipement BV	NL	100	08/18
Eurofins California Analytics, LLC	US	100	08/18
Scientia Laboratorios Ltda.	BR	100	11/18
Openlab Engineering AG	CH	100	11/18

5.2 Principal subsidiary undertakings

The Companies below are fully consolidated (at 100%).

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Scientific S.E.	LU			[3]
Agrohuarpes - Eurofins Agrosciences Services S.A.	AR	Eurofins Agrosciences Services LUX Holding SARL	57	08/17
Eurofins Lebensmittelanalytik Österreich GmbH	AT	Eurofins Food Testing LUX Holding SARL	100	01/07
Eurofins Genomics Austria GmbH	AT	Eurofins Genomics LUX Holding SARL	100	09/11
Eurofins Agroscience Services Austria GmbH	AT	Eurofins Agrosciences Services LUX Holding SARL	100	12/12
Eurofins Environment Testing AT Holding GmbH	AT	Eurofins Environment Testing LUX Holding SARL	100	03/15
Eurofins NUA Umwelt GmbH & Co.KG	AT	Eurofins Environment Testing AT Holding GmbH	100	03/15
Eurofins NUA AT Holding GmbH	AT	Eurofins Environment Testing AT Holding GmbH	100	01/16
Eurofins water&waste GmbH	AT	Eurofins Environment Testing AT Holding GmbH	100	12/15
Wiener Neudorf Palmersstraße Real Estate GmbH	AT	Eurofins Real Estate LUX Holding SARL	100	12/16
Eurofins Environment Testing Australia Pty Ltd.	AU	Eurofins Environment Testing LUX Holding SARL	100	01/13
Eurofins Agroscience Services Pty Ltd.	AU	Eurofins Agrosciences Services LUX Holding SARL	100	07/13
Eurofins Agroscience Testing Pty Ltd.	AU	Eurofins Agroscience Services Pty Ltd.	100	07/13
Eurofins Animal Health Australia Pty Ltd	AU	Eurofins Agrosciences Services France Holding SAS	100	01/16
Eurofins BioPharma Product Testing Australia Pty Ltd	AU	Eurofins Australia New Zealand Holding Ltd.	100	03/16
Eurofins Australia New Zealand Holding Ltd.	AU	Eurofins Environment Testing France Australia Holding SAS	100	05/16
Eurofins Food Testing Australia Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	07/16
Eurofins Professional Scientific Services Australia Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	05/17
Dandenong South Monterey Road Real Estate Pty Ltd.	AU	Eurofins Real Estate LUX Holding SARL	100	05/17
Eurofins Dermatest Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	07/17
Eurofins Technologies Australia Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	08/17
Eurofins GSC Management Services NV	BE	Eurofins Support Services LUX Holding SARL	100	06/01
Eurofins GSC Finance NV	BE	Eurofins Scientific S.E.	100	07/06
Eurofins Belgium NV	BE	Eurofins Environment Testing Belgium Holding NV	100	11/07
Eurofins Food Testing Belgium NV	BE	Eurofins Food Testing LUX Holding SARL	100	10/10
Eurofins Environment Testing Belgium Holding NV	BE	Eurofins Environment Testing LUX Holding SARL	100	09/11
Nazareth Venecoweg Real Estate NV	BE	Eurofins Real Estate LUX Holding SARL	100	09/11
Eurofins Forensics Belgium BVBA	BE	Eurofins Forensics LUX Holding SARL	100	10/11
Eurofins Pharmaceutical Product Testing Belgium NV	BE	Eurofins Pharma Services LUX Holding SARL	100	11/11
Eurofins Agro Testing Belgium NV	BE	Holding BLGG BV	100	07/13
Eurofins Professional Scientific Services Belgium NV	BE	Eurofins Pharma Services LUX Holding SARL	100	06/14
Eurofins GSC Belgium NV	BE	Eurofins Support Services LUX Holding SARL	100	07/14
Eurofins Digital Testing Belgium Holding NV	BE	Eurofins Digital Testing International LUX Holding SARL	91	04/15
Eurofins Digital Testing Belgium NV	BE	Eurofins Digital Testing Belgium Holding NV	91	04/15
Eurofins GSC Finance & Administration NV	BE	Eurofins Support Services LUX Holding SARL	100	09/16
Eurofins Agroscience Services Belgium NV	BE	Eurofins Environment Testing Belgium Holding NV	100	02/17
Eurofins Asbestos Testing Belgium NV	BE	Eurofins Environment Testing Belgium Holding NV	100	08/17
Eurofins Amatsigroup NV	BE	Amatsigroup SAS	100	09/17
Eurofins Agroscience Services EOOD	BG	Eurofins Agrosciences Services LUX Holding SARL	100	11/08
Eurofins HOS Testing Bulgaria EOOD	BG	Eurofins Food Testing LUX Holding SARL	100	09/16
Eurofins do Brasil Análises de Alimentos Ltda.	BR	Eurofins Latin American Ventures SL	100	07/03
Eurofins Agrosciences Services Ltda.	BR	Eurofins Latin American Ventures SL	100	06/12
Laboratório ALAC Ltda.	BR	Eurofins Latin American Ventures SL	100	04/12
Analytical Technology Serviços Analíticos e Ambientais Ltda.	BR	Eurofins Latin American Ventures S.L	100	07/14
Integrated Petroleum Expertise Company - Serviços em Petroleo Ltda.	BR	Eurofins Latin American Ventures S.L	100	09/14

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Laboratorio Sao Lucas Ltda.	BR	Integrated Petroleum Expertise Company - Serviços em Petroleo Ltda.	100	12/16
Laboratorio Pasteur de Analises Clinicas Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Clinica Radiologica Dr. Moura Gogliano Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Einstein Imagens Medicas Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Eurofins Experchem Laboratories, Inc.	CA	Eurofins Pharma Services LUX Holding SARL	100	04/15
Eurofins Environment Testing Canada, Inc.	CA	Eurofins Environment Testing LUX Holding SARL	100	12/16
Quebec St. Bruno Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding SARL	100	12/16
Alphora Research, Inc.	CA	Eurofins Pharma Services LUX Holding SARL	100	06/17
Eurofins NSC Canada, Inc.	CA	Eurofins Support Services LUX Holding SARL	100	06/17
Eurofins Scientific AG	CH	Eurofins Food Testing LUX Holding SARL	100	07/00
Eurofins Regulatory AG	CH	Eurofins Agrosciences Services LUX Holding SARL	100	12/11
Eurofins BioPharma Product Testing Switzerland AG	CH	Eurofins Pharma Services LUX Holding SARL	100	01/13
Eurofins Professional Scientific Services CH AG	CH	Eurofins Pharma Services LUX Holding SARL	100	03/17
Eurofins Electrosuisse Product Testing AG	CH	Eurofins Product Testing LUX Holding SARL	100	06/17
Route de Montena Real Estate AG	CH	Eurofins Real Estate LUX Holding SARL	100	06/17
Gestion De Calidad Y Laboratorio SA	CL	Eurofins Latin American Ventures SL	100	03/13
GCL Capacita SA	CL	Gestion De Calidad Y Laboratorio SA	100	03/13
Eurofins Agroscience Services Chile S.A.	CL	Eurofins Agrosciences Services LUX Holding SARL	94	06/17
Eurofins Product Testing Hong Kong Limited	CN	Eurofins Product Testing LUX Holding SARL	100	03/06
Eurofins Technology Service (Suzhou) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	11/06
Eurofins Product Testing Service (Shanghai) Co., Ltd.	CN	Eurofins Shanghai Holding Limited	100	11/09
Eurofins Testing Technology (Shenzhen) Co., Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100	10/09
Eurofins Shanghai Holding Limited	CN	Eurofins Product Testing LUX Holding SARL	100	08/09
Eurofins Central Laboratory China Co., Ltd	CN	Eurofins Pharma Services LUX Holding SARL	100	05/12
Eurofins Food Testing Hong Kong Limited	CN	Eurofins Food Testing LUX Holding SARL	100	03/12
CEREP Drug Discovery Services Co, Ltd.	CN	Eurofins CEREP SA	96	03/13
Eurofins NSC Shanghai Co., Ltd.	CN	Eurofins Support Services LUX Holding SARL	100	06/14
Eurofins NSC Hong Kong Limited	CN	Eurofins Support Services LUX Holding SARL	100	02/14
Eurofins Food Testing Service (Shanghai) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	05/15
Eurofins Food Testing Service(Dalian)Co.,Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Eurofins Technology Service (Qingdao) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Eurofins Food Certification Service(Shanghai)Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Evans Materials Technology Co., Ltd	CN	EAG, Inc.	100	12/17
Eurofins CZ, s.r.o.	CZ	Eurofins Bel/Novamann s.r.o.	100	10/06
Eurofins Food Testing Hamburg Germany Holding GmbH	DE	Eurofins GeneScan Holding GmbH	100	05/98
Eurofins 3. Verwaltungsgesellschaft GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	11/98
Eurofins GeneScan Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	07/03
Eurofins Analytik GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/98
Eurofins Dr. Specht GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	04/05
Eurofins GeneScan GmbH	DE	Eurofins GeneScan Holding GmbH	100	07/03 [3]
Eurofins Sofia GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/06
Eurofins GfA GmbH	DE	Eurofins Air Monitoring Germany Holding GmbH	100	01/01
Eurofins Ökometric GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	12/02
Eurofins NDSC Umweltanalytik GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	03/05
Eurofins Umwelt West GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100	04/05 [3]
Eurofins Umwelt Ost GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	01/06 [3]
Eurofins Institut Jäger GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	04/06
Eurofins Genomics Europe Applied Genomics GmbH	DE	Eurofins Genomics LUX Holding SARL	100	07/01
Eurofins Agroscience Services EcoChem GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	01/06
Eurofins BioPharma Product Testing Munich GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	10/06 [3]
Eurofins MWG Holding GmbH	DE	Eurofins Genomics BV	100	01/05
Eurofins Genomics Germany GmbH	DE	Eurofins MWG Holding GmbH	100	01/07

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Food Testing Pesticides Germany Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/06
Eurofins Dr. Specht Laboratorien GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/07 [3]
Eurofins Genomics Europe Synthesis GmbH	DE	Eurofins MWG Holding GmbH	100	01/07
Eurofins Food Testing General Chemistry Germany Holding GmbH	DE	Eurofins Laborservices GmbH	100	04/07
Eurofins Institut Dr. Rothe GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	04/07
Eurofins Product Testing Verwaltungs GmbH	DE	Eurofins Product Service GmbH	100	03/07
Eurofins Environment Testing Germany Holding West GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	12/07
Eurofins Agroscience Services Germany Holding GmbH	DE	Eurofins Agrosciences Services LUX Holding SARL	100	04/07
FP Friedrichsdorf Professor-Wagner-Strasse Real Estate GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	04/07
Eurofins Umwelt Nord GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	05/07
Eurofins Laborservices GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins NSC IT Infrastructure Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins INLAB GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	12/07
Eurofins Product Service GmbH	DE	Eurofins Scientific S.E.	100	01/08
Eurofins Information Systems GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/07
Eurofins NSC Finance Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Consumer Product Testing GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	100	01/08
Eurofins Food Testing Germany East Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	01/08
Eurofins Agroscience Services Chem GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	02/08
Eurofins Food Control Services GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/08
Eurofins WEJ Contaminants GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins BioTesting Services Nord GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
HS Hamburg Stenzelring Real Estate GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	06/08
Eurofins Global Control GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/09
Eurofins Institut Dr. Appelt Leipzig GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Cyber Security Germany GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	100	08/09
Eurofins BioPharma Product Testing Hamburg GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	07/09
Eurofins Food Integrity Control Services GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Institut Dr. Appelt Hilter GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Dr. Appelt Beteiligungs GmbH	DE	Eurofins Food Testing Germany East Holding GmbH	100	05/09
Eurofins GeneScan Technologies GmbH	DE	Eurofins GeneScan Holding GmbH	100	05/09
Eurofins GfA Lab Service GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	10/10
Eurofins NDSC Food Testing Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/11
Eurofins Agroscience Services GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	07/11 [3]
Eurofins Facility Management Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/11
Eurofins Labor Vogt GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100	06/12
Eurofins Medigenomix Forensik GmbH	DE	Eurofins MWG Holding GmbH	100	08/12
Eurofins 7. Verwaltungsgesellschaft mbH	DE	Dr. Appelt Beteiligungs GmbH	100	01/13
Eurofins GSC Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	04/13
Eurofins CLF Specialised Nutrition Testing Services GmbH	DE	Eurofins Special Nutrition Testing LUX Holding SARL	100	08/13 [3]
BLGG Deutschland GmbH	DE	Holding BLGG BV	100	07/13
GE Gelsenkirchen Europastrasse Real Estate GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	07/13
Eurofins Finance Clinical Diagnostics Germany GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100	01/14
Eurofins HT-Analytik GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	03/14
Eurofins Hygiene Institut Berg GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	05/14
Eurofins Agraranalytik Deutschland GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	12/14
Eurofins BioPharma Services Holding Germany	DE	Eurofins MWG Holding GmbH	100	03/15

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
GmbH				
Eurofins Agroscience Services Ecotox GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	08/15 [3]
Eurofins Professional Scientific Services Germany GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	10/15
St. Marien Krankenhaus Lampertheim GmbH	DE	Eurofins Clinical Testing Holding LUX SARL	100	08/16
Eurofins Air Monitoring Germany Holding GmbH	DE	Eurofins Air Monitoring LUX Holding SARL	100	07/16
Eurofins Finance Transactions Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	10/16
Eurofins Dr. Specht Express GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	04/16
MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100	07/17 [3]
Laborbetriebsgesellschaft Dr. Dirkes-Kersting und Dr. Kirchner mit beschränkter Haftung GmbH	DE	MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH	100	07/17 [3]
Eurofins Genomics Europe Sequencing GmbH	DE	Eurofins MWG Holding GmbH	100	07/17
LifeCodexx GmbH	DE	Eurofins Genomics Europe Sequencing GmbH	100	07/17
Eurofins Institut Nehring GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	10/17
IfB Institut für Blutgruppenforschung GmbH	DE	Eurofins MWG Holding GmbH	100	10/17
SAM Sensory and Marketing International GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/17
KKG Holding GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/17
EAG Laboratories GmbH	DE	Evans Analytical Group Holdings GmbH	100	12/17
Evans Analytical Group Holdings GmbH	DE	EAG, Inc.	100	12/17
Eurofins WKS Labservice GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	75	12/17
Eurofins NSC Denmark A/S	DK	Eurofins Support Services LUX Holding SARL	100	12/03 [3]
Eurofins Biopharma Product Testing Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100	03/06 [3]
Eurofins Product Testing Denmark A/S	DK	Eurofins Product Testing LUX Holding SARL	100	08/08 [3]
Eurofins Miljo A/S	DK	Eurofins Environment Denmark Holding A/S	100	06/05 [3]
Eurofins Steins Laboratorium A/S	DK	Eurofins Food Denmark Holding A/S	100	07/06 [3]
Eurofins Environment Denmark Holding A/S	DK	Eurofins Environment Testing LUX Holding SARL	100	04/07 [3]
Eurofins Food Denmark Holding A/S	DK	Eurofins Food Testing LUX Holding SARL	100	04/07 [3]
Eurofins Genomics Holding Denmark A/S	DK	Eurofins Genomics LUX Holding SARL	100	11/13 [3]
Eurofins Genomics Europe Genotyping A/S	DK	Eurofins Genomics Holding Denmark A/S	100	01/13 [3]
Eurofins Miljø Vand A/S	DK	Eurofins Environment Denmark Holding A/S	100	10/13 [3]
Eurofins Agro Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	12/14 [3]
Eurofins Miljø Luft A/S	DK	Eurofins Environment Denmark Holding A/S	100	08/14 [3]
Eurofins Pharma Holding Denmark A/S	DK	Eurofins Pharma Services LUX Holding SARL	100	08/15 [3]
Eurofins Professional Scientific Services Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100	08/15 [3]
Eurofins Genomics Denmark A/S	DK	Eurofins Genomics Holding Denmark A/S	100	12/15 [3]
GenoSkan A/S	DK	Eurofins Genomics Holding Denmark A/S	100	09/16 [3]
Eurofins Milk Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	01/17 [3]
Eurofins Vitamin Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	01/17 [3]
Aabybro Industrivej Real Estate A/S	DK	Eurofins Real Estate LUX Holding SARL	100	03/17 [3]
Eurofins VBM Laboratoriet A/S	DK	Eurofins Environment Denmark Holding A/S	100	03/17 [3]
Eurofins Environment Testing Estonia Holding OÜ	EE	Eurofins Environment Testing LUX Holding SARL	100	04/17
Eurofins Environment Testing Estonia OÜ	EE	Eurofins Environment Testing Estonia Holding OÜ	100	04/17
Eurofins Agroscience Services SL	ES	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins BioPharma Product Testing Spain SLU	ES	Eurofins Pharma Services LUX Holding SARL	100	01/07
Eurofins Latin American Ventures SL	ES	Eurofins International Holdings LUX SARL	100	04/09
Eurofins Sica AgriQ SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	07/13
Eurofins Analisis Alimentario Holding Espana SL	ES	Eurofins Food Testing LUX Holding SARL	100	09/13
Eurofins Product Testing Spain SL	ES	Eurofins Product Testing Holding Spain SL	100	09/13
Eurofins Anàlisis Alimentario SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	05/14
Eurofins Analisis Alimentario Nordeste SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	05/14
Eurofins Agroambiental SA	ES	Eurofins Analisis Alimentario Nordeste SL	90	05/14
Eurofins Product Testing Cosmetic & Personal Care Spain SL	ES	Eurofins Product Testing Holding Spain SL	100	07/15
Trialcamp SL	ES	Eurofins Agrosciences Services LUX Holding SARL	100	06/15
Laboratori Sarro SL	ES	Bio-Access SAS	100	07/15

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins NSC Spain SL	ES	Eurofins Support Services LUX Holding SARL	100	01/16
Histolog SL	ES	France Anapath Holding SAS	100	01/16
Eurofins NDSC Food Testing Spain SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	04/16
Eurofins Product Testing Holding Spain SL	ES	Eurofins Product Testing LUX Holding SARL	100	04/16
Eurofins Professional Scientific Services Spain SL	ES	Eurofins Pharma Services LUX Holding SARL	100	01/17
Megalab SA	ES	Eurofins Clinical Testing Holding LUX SARL	100	09/16 [3]
Alfalab International, SL	ES	Megalab SA	100	09/16 [3]
Cifuentes Fisioclinic, SL	ES	Megalab SA	100	09/16 [3]
Laboratorio Ángel Mendez, SL	ES	Megalab SA	100	09/16 [3]
Laboratorio Calbo, SL	ES	Megalab SA	100	09/16 [3]
Laboratorio Bernad-Munoz, SL	ES	Megalab SA	100	09/16 [3]
Eurofins Análisis Clinicos Canarias, SL	ES	Megalab SA	100	09/16 [3]
Laboratorio Clinico Sanitario, SL	ES	Megalab SA	100	09/16 [3]
Dra. Vicente, SL	ES	Megalab SA	100	09/16 [3]
Laboratorios Doctores Cermeno, SL	ES	Megalab SA	100	09/16 [3]
Laboratorios Garcia Lopez, S.L	ES	Megalab SA	100	09/16 [3]
Laboratorio Pilar Larraz, SL	ES	Megalab SA	99	09/16 [3]
Laboratorios Recio, SL	ES	Megalab SA	100	09/16 [3]
Laboratorios Surlab, SL	ES	Megalab SA	100	09/16 [3]
Megalab Medio Ambiente, SL	ES	Megalab SA	70	09/16 [3]
Laboratorio de Analisis Dr. Valenzuela, SL	ES	Megalab SA	100	09/16 [3]
Lab. San Andres, SL	ES	Laboratorio de Analisis Dr. Valenzuela, S.L.	100	09/16 [3]
Laboratorio Sanchez Castineiras, SL	ES	Laboratorio de Analisis Dr. Valenzuela, S.L.	100	09/16 [3]
Laboratorio Prefasi SL	ES	Megalab SA	100	05/17 [3]
Laboartorio Medicantabria SL	ES	Megalab SA	100	10/17 [3]
Eurofins Villapharma Research SL	ES	Eurofins Pharma Services LUX Holding SARL	100	03/17
Eurofins Laboratorio Virtudes SL	ES	Megalab SA	100	03/17 [3]
Laboratorios de Castilla y Leon Siglo XXI, SL	ES	Megalab SA	100	05/17 [3]
Eurofins Textile Testing Spain SL	ES	Eurofins Product Testing Holding Spain SL	100	04/17
Fuente Alamo de Murcia-El Estrech Real Estate SL	ES	Eurofins Real Estate LUX Holding SARL	100	12/17
Analclinic SA	ES	Megalab SA	100	11/17
Eurofins Scientific Finland Oy	FI	Eurofins Food Testing LUX Holding SARL	100	10/07 [3]
Eurofins Viljavuuspalvelu Oy	FI	Eurofins Food Testing LUX Holding SARL	100	12/12 [3]
Eurofins Environment Testing Finland Holding Oy	FI	Eurofins Environment Testing LUX Holding SARL	100	01/17 [3]
Eurofins Ahma Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	02/17 [3]
Eurofins Environment Testing Finland Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	04/17 [3]
Nab Labs Group Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	06/17 [3]
Eurofins Nab Labs Oy	FI	Nab Labs Group Oy	100	06/17 [3]
Eurofins Hygiène Alimentaire France Holding SAS	FR	Eurofins Hygiène Alimentaire France LUX Holding SARL	100	01/99
Eurofins Analytics France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	07/99 [3]
Eurofins Biosciences SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/99 [3]
Eurofins Certification SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/03
Eurofins Laboratoire de Microbiologie de l'Est SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	01/06
Eurofins ATS SAS	FR	Eurofins Product Testing LUX Holding SARL	100	01/99 [3]
Eurofins Hydrologie France Holding SAS	FR	Eurofins Hydrologie France LUX Holding SARL	100	07/05
Eurofins Analyses pour l'Environnement France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	07/05 [3]
Eurofins Analyses pour le Bâtiment Est SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	01/01 [3]
Eurofins Pharma France Holding SAS	FR	Eurofins Pharma Services France LUX Holding SARL	100	06/06
Eurofins Genomics SAS	FR	Eurofins Genomics LUX Holding SARL	100	07/05
IFEG SAS	FR	Eurofins Forensics LUX Holding SARL	75	11/05
Toxlab SAS	FR	Eurofins Forensics LUX Holding SARL	88	02/05
Eurofins ADME Bioanalyses SAS	FR	Eurofins Pharma France Holding SAS	100	10/04
Eurofins Optimed SAS	FR	Eurofins Pharma France Holding SAS	100	01/06 [3]
Eurofins Pharma Quality Control SAS	FR	Eurofins Pharma France Holding SAS	100	01/06 [3]
Eurofins Agroscience Services France SAS	FR	Eurofins Agrosciences Services France Holding	100	01/06

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
		SAS		
Eurofins Agroscience Services SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	01/06
Chemtox SAS	FR	Eurofins Forensics LUX Holding SARL	99	01/08
Eurofins Laboratoires de Microbiologie Ouest SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	10/06 [3]
Eurofins Cervac Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06 [3]
Eurofins NSC Finance France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/06
Eurofins SAM Field France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	01/01
Eurofins Food Chemistry Testing France Holding SAS	FR	Eurofins Food Chemistry Testing France LUX Holding SARL	100	09/07
Eurofins Optimed Lyon SAS	FR	Eurofins Pharma France Holding SAS	100	09/07
Eurofins NSC IT Infrastructure France SAS	FR	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Hydrologie Centre Est SAS	FR	Eurofins Hydrologie France Holding SAS	100	04/08
Eurofins Laboratoire Centre SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Laboratoire Nord SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Consulting Agroalimentaire SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins GSC France SAS	FR	Eurofins Support Services LUX Holding SARL	100	07/10
Eurofins NDSC IT solution Food France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/10
Eurofins NDSC Environnement France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	08/10
Eurofins Analyses pour le Batiment France Holding SAS	FR	Eurofins Analyses pour la Construction France LUX Holding SARL	100	08/10
Eurofins Analyses pour le Bâtiment France SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/10
Eurofins Analyses Environnementales pour les Industriels France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	10/10
Eurofins NSC Développement France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/10
Eurofins Agroscience Services Chem SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ile de France SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Nord SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Sud Est SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses des Matériaux et Combustibles France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins Air à l'Emission France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins Hydrologie Nord SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins IPL Hydrologie SAS	FR	Eurofins Water Testing LUX SARL	100	11/11
LCAM SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	11/11
Eurofins Hydrologie Ile de France SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins Hydrologie Est SAS	FR	Eurofins Hydrologie France SAS	100	11/11 [3]
Eurofins Hydrologie Sud SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins Asbestos Testing Europe SAS	FR	Eurofins Industrial Testing LUX SARL	100	11/11
Eurofins Laboratoire Contaminants Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Laboratoire de Pathologie Végétale SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Hydrologie Ouest SAS	FR	Eurofins Hydrologie France Holding SAS	100	02/12
Eurofins DSC Forensics SAS	FR	Eurofins Forensics LUX Holding SARL	100	02/12
Eurofins Analyses de l’Air Paris SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	02/12
Eurofins Analyses d’Amiante Paris SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	02/12
Eurofins Expertises Environnementales SAS	FR	Eurofins Expertises France Holding SAS	100	04/12
Eurofins NDSC Environnement France Holding	FR	Eurofins Environment Testing LUX Holding	100	05/12

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SAS		SARL		
Eurofins NDSCE Support France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	01/12
Eurofins Agrosciences Services France Holding SAS	FR	Eurofins Agrosciences Services LUX Holding SARL	100	12/12
Eurofins GSC Cadet SAS	FR	Eurofins Support Services LUX Holding SARL	100	11/12
Eurofins Environnement Logistique France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/12
Eurofins Pharma Products Testing France Management SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
Eurofins Pharma Products Engineering SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
EVGS SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	51	12/12
Eurofins CEREP SA	FR	Eurofins Discovery Services LUX Holding SARL	96	03/13 [3]
Mitox Fopse EURL	FR	Eurofins MITOX BV	100	07/13
Eurofins Analyses pour le Bâtiment Sud-Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/13
Eurofins IDmyk SAS	FR	Eurofins Pharma France Holding SAS	100	01/14
Eurofins Prélèvement pour le Bâtiment France Holding SAS	FR	Eurofins Analyses pour l'Environnement France LUX Holding SARL	100	08/14
Eurofins Prélèvement pour le Bâtiment Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins Prélèvement pour le Bâtiment France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	10/14
Eurofins Prélèvement pour le Bâtiment Ouest SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	10/14
Eurofins NSC HR France SAS	FR	Eurofins Support Services LUX Holding SARL	100	07/14
Eurofins Analyses pour le Bâtiment Sud SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	08/14
Eurofins Prélèvement pour le Bâtiment Nord SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins Prélèvement pour le Bâtiment Sud-Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins Prélèvement pour le Bâtiment Île-de-France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins NDSC Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/14
Eurofins Laboratoire de Microbiologie Bretagne SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	12/14
SCI Vennecy Les Esses Galerne	FR	Eurofins Real Estate LUX Holding SARL	100	11/14
Eagle Ventures SAS	FR	Eurofins International Holdings LUX SARL	100	12/14
Eurofins Product Testing France Holding SAS	FR	Eurofins Product Testing LUX Holding SARL	100	12/14
Eurofins Cebat SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	04/15
Eurofins EVIC Product Testing France SAS	FR	Eurofins Product Testing France Holding SAS	100	07/15
Eurofins Technologies France SAS	FR	Eurofins Technology and Supplies LUX Holding SARL	100	07/15
France Biologie de Spécialité Holding SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	06/15
Eurofins Environment Testing France Australia Holding SAS	FR	Eurofins Environment Testing LUX Holding SARL	100	06/15
Bio-Access SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	07/15
Eurofins Labazur Provence SELAS	FR	Laboratori Sarro SL	100	07/15 [3]
Eurofins Labazur Guyane SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Nice SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Rhone-Alpes SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Bretagne SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Armorique SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Alpes-Sud Var SAS	FR	Eurofins Labazur Provence SELAS	100	07/15 [3]
Eurofins Labazur Cornouaille SELAS	FR	Eurofins Labazur Bretagne SELAS	100	07/15 [3]
France Anapath Holding SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	07/15
Bio-Access Services GIE	FR	Bio-Access SAS	100	07/15
Eurofins Analyses pour l'Agronomie SAS	FR	Eurofins Food Chemistry Testing France LUX Holding SARL	100	12/15
Eurofins Hydrologie Sud Ouest SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/15
Biomnis Empreintes Genetiques SAS	FR	Eurofins Forensics LUX Holding SARL	100	10/15
Eurofins Hydrobiologie France SAS	FR	Eurofins Expertises France Holding SARL	100	10/15
Eurofins Prélèvement pour le Bâtiment Sud-	FR	Eurofins Prélèvement pour le Bâtiment France	100	10/15

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry	
Ouest SAS		Holding SAS			
Eurofins Biomnis Holding SAS	FR	France Biologie de Spécialité Holding SAS	100	10/15	
Eurofins Biologie Spécialisée SAS	FR	Eurofins Biomnis Holding SAS	100	10/15	
Socamed SAS	FR	Eurofins Biologie Spécialisée SAS	100	10/15	3
Eurofins Biomnis Sample Library SAS	FR	Socamed SAS	100	10/15	3
SCI du Val d'Ouest	FR	Eurofins Real Estate LUX Holding SARL	100	10/15	
Eurofins Biomnis SELAS	FR	Eurofins Biomnis Ireland Limited	100	10/15	3
Eurofins Laboratoire des Pyramides SELAS	FR	Eurofins Biomnis SELAS	87	10/15	3
Eurofins CBM69 SELAS	FR	Eurofins Biomnis SELAS	100	10/15	3
Eurofins CEF SELAS	FR	Eurofins Biomnis SELAS	100	10/15	3
Eurofins Bioffice SELAS	FR	Eurofins CEF SELAS	100	10/15	3
Biosphere GIE	FR	Eurofins Biomnis SELAS	100	10/15	3
Eurofins Biotech Germande SAS	FR	Eurofins Hydrologie France Holding SAS	100	01/16	
Phyliae SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	11/15	
SCI Garlin Bearn	FR	Eurofins Real Estate LUX Holding SARL	100	12/15	
AgroAnalyses SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	05/16	3
Eurofins LCDI SAS	FR	Eurofins Hydrologie France Holding SAS	100	07/16	
SCI Lentilly Aqueduc	FR	Eurofins Real Estate LUX Holding SARL	100	11/16	
Eurofins Pathologie SELAS	FR	Histolog SL	100	04/17	
Eurofins Labazur Ilab SELAS	FR	Eurofins Labazur Nice SELAS	100	04/17	
GATC Biotech SAS	FR	Eurofins Genomics France SAS	100	07/17	
Eurofins NDSC Alimentaire France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17	
Eurofins NDSC Chimie Alimentaire France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17	
Eurofins Biologie moléculaire France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17	
Eurofins Laboratoire Nutrition Animale France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17	
Eurofins NDSC SAM France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17	
Eurofins analyses pour le batiment Ile de France sud SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/17	
Eurofins Expertises France Holding SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	09/17	
Amatsigroup SAS	FR	Eurofins Pharma France Holding SAS	100	09/17	4
Immobiliere Amatsi SAS	FR	Eurofins Real Estate LUX Holding	100	09/17	
Disposable Lab SAS	FR	Eurofins Pharma France Holding SAS	100	09/17	
Amatsiaquitaine SAS	FR	Eurofins Pharma France Holding SAS	100	09/17	
France Anapath Management SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	09/17	
Eurofins NDSC Pollution France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	09/17	
Eurofins agroscience services seeds France SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	09/17	
Eurofins SAM sensory and marketing France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	09/17	
Eurofins NSC Clinical Diagnostics France GIE	FR	Biomnis SELAS	100	11/17	
Eurofins agroscience services regulatory France SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	10/17	
Eurofins Amatsi Analytics SAS	FR	Eurofins Pharma France Holding SAS	100	10/17	
Eurofins product testing 2 France holding SAS	FR	Eurofins Product Testing LUX Holding	100	10/17	
Evans Analytical Group SAS	FR	EAG, Inc.	100	12/17	3
Eurofins Agroscience Services Kft.	HU	Eurofins Agrosciences Services LUX Holding SARL	100	09/07	
Eurofins ND Service Center Hungary Kft.	HU	Eurofins Food Testing LUX Holding SARL	100	08/16	
Eurofins Technologies Hungary Kft.	HU	Eurofins Technology and Supplies LUX Holding	100	05/17	
Eurofins Food Testing Hungary Holding Kft.	HU	Eurofins Food Testing LUX Holding SARL	100	10/17	
Gyula Henyei 5 utca Real Estate Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	10/17	
Gyula Henyei Miklós utca 52 Real Estate Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17	
BELM Petőfi utca 45 Real Estate Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17	
SZE Keselyűsi 9 Real Estate Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17	
MINERÁG Fejlesztési, Termelési és Kereskedelmi Kft.	HU	Eurofins Food Testing Hungary Holding Kft.	100	12/17	
Eurofins Scientific (Ireland) Limited	IE	Eurofins GSC LUX SARL	100	05/03	3
Eurofins Food Testing Ireland Limited	IE	Eurofins Food Testing LUX Holding SARL	100	04/09	3
Eurofins Pharma Ireland Holding Limited	IE	Eurofins Pharma Services LUX Holding SARL	100	02/11	3

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Eurofins BioPharma Product Testing Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100	04/11	3
Eurofins Cork Limited	IE	Eurofins Food Testing LUX Holding SARL	100	10/15	3
Clogherane Real Estate Investment Limited	IE	Eurofins Real Estate LUX Holding SARL	100	11/15	3
Eurofins Biomnis Ireland Limited	IE	Socamed SAS	100	10/15	3
Eurofins Lablink Limited	IE	Eurofins Biomnis Ireland Limited	100	10/15	3
Eurofins Professional Scientific Services Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100	07/16	3
Medical Consultants Pathology Holdings Limited	IE	Eurofins Biomnis Ireland Limited	100	01/17	3
Eurofins MC Pathology Limited	IE	Medical Consultants Pathology Holdings Limited	100	01/17	3
Environmental Laboratory Services Limited	IE	Eurofins Environment Testing LUX Holding SARL	100	07/17	3
Eurofins Scientific Services Ireland Limited	IE	Eurofins GSC LUX SARL	100	10/17	3
Eurofins Genomics India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	01/05	
Eurofins Analytical Services India Pvt Ltd.	IN	Eurofins Food Testing LUX Holding SARL	100	05/09	
Eurofins Pharma Services India Pvt Ltd.	IN	Eurofins Pharma Services LUX Holding SARL	100	01/11	
Eurofins IT Solutions India Pvt Ltd.	IN	Eurofins Support Services LUX Holding SARL	100	02/12	
Eurofins Resources India Pvt Ltd.	IN	Eurofins International Holdings LUX SARL	100	03/12	
Eurofins AgroScience Services Ltd.	IN	Eurofins Agrosciences Services LUX Holding SARL	100	10/13	
Eurofins Clinical Genetics India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	12/15	
Eurofins Product Testing India Pvt Ltd.	IN	Eurofins Product Testing LUX Holding SARL	100	10/16	
Eurofins Advinus Limited Ltd.	IN	Eurofins Pharma Services LUX Holding SARL	100	10/17	3
Spectro Analytical Labs Ltd.	IN	Eurofins Environment Testing LUX Holding SARL	60	11/17	3
Eurofins Agroscience Services Srl	IT	Eurofins Agrosciences Services LUX Holding SARL	100	02/04	
Eurofins Food & Feed Testing Italia Holding Srl	IT	Eurofins Food Testing LUX Holding SARL	100	07/06	
Eurofins Chemical Control Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	09/06	
Eurofins Biolab Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	01/07	
Eurofins SAM sensory and marketing Italy Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	06/07	
Eurofins Environment Testing Italy Srl	IT	Eurofins Environment Testing LUX Holding SARL	100	06/08	
Eurofins Product Testing Italy Srl	IT	Eurofins Product Testing Italia Holding Srl	100	10/08	
Eurofins NSC Italia Srl	IT	Eurofins Support Services LUX Holding SARL	100	01/12	
Eurofins Product Testing Italia Holding Srl	IT	Eurofins Product Testing LUX Holding SARL	100	10/12	
Eurofins Clinical Testing Italia Holding Srl	IT	Eurofins Clinical Testing Holding LUX SARL	100	10/12	
Eurofins Genomics Srl	IT	Eurofins Genomics LUX Holding SARL	100	09/12	
Eurofins Pivetti Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	11/12	
Eurofins Pharma Services Italia Holding Srl	IT	Eurofins Pharma Services LUX Holding SARL	100	01/13	
Eurofins Modulo Uno Srl	IT	Eurofins Product Testing Italia Holding Srl	100	07/12	
CTP Laboratories Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	01/13	
Padova Via Austria Real Estate Invest Srl	IT	Eurofins Real Estate LUX Holding SARL	100	04/14	
Torino Via Cuorgnè Real Estate Invest Srl	IT	Eurofins Real Estate LUX Holding SARL	100	03/15	
Kalibios Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	07/15	
Eurofins Consulting Italy Srl	IT	Eurofins Clinical Testing Italia Holding Srl	100	09/15	
Tecna Srl	IT	Eurofins Technology and Supplies LUX Holding SARL	100	06/16	
Eurofins Professional Scientific Services Italy Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	12/16	
Eurofins Genoma Group Srl	IT	Eurofins Clinical Testing Italia Holding Srl	100	07/17	4
Eurofins NSC Japan KK	JP	Eurofins Support Services LUX Holding SARL	100	03/06	
Eurofins Genomics KK	JP	Eurofins Genomics LUX Holding SARL	100	12/07	3
Eurofins Food and Product Testing Japan KK	JP	Eurofins Food Testing LUX Holding SARL	100	01/09	
Eurofins DNA Synthesis KK	JP	Eurofins Genomics LUX Holding SARL	66	07/11	
Eurofins Nihon Kankyo KK	JP	Eurofins Environment Testing LUX Holding SARL	100	04/12	3
Eurofins Nihon Soken KK	JP	Eurofins Environment Testing LUX Holding SARL	100	07/15	
Eurofins Kankyo Sogo Kenkyu Kiko KK	JP	Eurofins Nihon Soken KK	100	07/15	
Eurofins Clinical Genetics KK	JP	Eurofins Genomics KK	100	12/15	
Eurofins NDSC Food and Environment Testing Japan KK	JP	Eurofins Nihon Kankyo KK	100	04/16	
Eurofins Ecopro Research K.K.	JP	Eurofins Food Testing LUX Holding SARL	67	08/17	
Eurofins Japan Analytical Chemistry Consultants Co., Ltd.	JP	Eurofins Food Testing LUX Holding SARL	100	08/17	
Nano Science KK	JP	EAG, Inc.	100	12/17	
Saitama Kankyo Service KK	JP	Eurofins Environment Testing LUX Holding SARL	67	12/17	
Eurofins Labtarna Lietuva UAB	LT	Eurofins Food Testing LUX Holding SARL	100	11/17	

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Food Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06 [3]
Eurofins Environment Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06 [3]
Eurofins Pharma Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06 [3]
Eurofins GSC LUX SARL	LU	Eurofins International Holdings LUX SARL	100	10/06 [3]
Eurofins Agrosciences Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/07 [3]
Eurofins Product Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	04/08 [3]
Eurofins Real Estate LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	05/10 [3]
Eurofins Genomics LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/10 [3]
Eurofins Forensics LUX Holding SARL	LU	Eurofins Scientific S.E.	100	07/10 [3]
Eurofins Industrial Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	09/10 [3]
Eurofins International Holdings LUX SARL	LU	Eurofins Scientific S.E.	100	12/10 [3]
Eurofins Water Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	10/11 [3]
Eurofins Pharma Services France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Food Chemistry Testing France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Hygiène Alimentaire France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Analyses pour la Construction France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Analyses pour l'Environnement France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Analyses Environnementales pour les Industriels France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Hydrologie France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	12/11 [3]
Eurofins Discovery Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	11/12 [3]
Eurofins International Support Services LUX SARL	LU	Eurofins Scientific S.E.	100	11/12 [3]
Eurofins Special Nutrition Testing LUX Holding SARL	LU	Eurofins Food Testing LUX Holding SARL	100	12/12 [3]
Eurofins Clinical Testing Holding LUX SARL	LU	Eurofins International Holdings LUX SARL	100	11/14 [3]
Eurofins Clinical Testing Services France LUX Holding SARL	LU	Eurofins Scientific S.E.	100	05/15 [3]
Eurofins Air Monitoring LUX Holding SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	02/16 [3]
Eurofins Support Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	04/16 [3]
Eurofins Technology and Supplies LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	05/16 [3]
Eurofins Digital Testing International LUX Holding SARL	LU	Eurofins Product Testing LUX Holding SARL	91	05/17 [3]
Equipment Leasing Corporation LUX SARL	LU	Eurofins Scientific S.E.	100	09/17 [3]
Alpha Services LUX SA	LU	Eurofins Scientific S.E.	100	12/17 [3]
AgriQ Maroc S.A.R.L.	MA	Eurofins Sica AgriQ SL	100	07/13
Eurofins NM Laboratory Sdn Bhd	MY	Eurofins Environment Testing LUX Holding SARL	75	11/15
Eurofins North Malaya Laboratory Sdn Bhd	MY	Eurofins Environment Testing LUX Holding SARL	75	11/15
Eurofins Environment Testing Netherlands Holding BV	NL	Eurofins Environment Testing LUX Holding SARL	100	04/01
Eurofins Food Testing Netherlands BV	NL	Eurofins Food Testing Netherlands Holding BV	100	10/00 [3]
Eurofins Analytico BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/01 [3]
Eurofins Central Laboratory BV	NL	Eurofins Pharma Services LUX Holding SARL	100	04/01 [3]
Eurofins Genomics BV	NL	Eurofins Scientific S.E.	100	06/06 [3]
C-Mark BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/11
Eurofins NSC Netherlands BV	NL	Eurofins Support Services LUX Holding SARL	100	05/11
Eurofins Food Testing Netherlands Holding BV	NL	Eurofins Food Testing LUX Holding SARL	100	05/11
Eurofins Food Testing Rotterdam BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/12
Zandbergsestraat Graauw RE Invest BV	NL	Eurofins Real Estate LUX Holding SARL	100	01/13
Eurofins Lab Zeeuws-Vlaanderen (LZV) BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/13 [3]
Eurofins OSO Benelux BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/13
Eurofins MITOX BV	NL	Eurofins Agrosciences Services LUX Holding SARL	100	07/13
Eurofins Agro Testing Benelux Holding BV	NL	Eurofins Food Testing Netherlands Holding BV	100	07/13 [3]

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AgriQ Group BV	NL	Eurofins Agro Testing Benelux Holding BV	100	07/13
Holding BLGG BV	NL	Eurofins Agro Testing Benelux Holding BV	100	07/13 [3]
Eurofins Agro Testing Wageningen BV	NL	Holding BLGG BV	100	07/13 [3]
Eurofins KBBL BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/14
Eurofins Food Safety Solutions BV	NL	Eurofins Food Testing Netherlands Holding BV	100	02/14
Eurofins Omegam BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	01/14 [3]
Duivendrecht Real Estate Invest BV	NL	Eurofins Real Estate LUX Holding SARL	100	07/14
Eurofins Professional Scientific Services Netherlands BV	NL	Eurofins Pharma Services LUX Holding SARL	100	09/14
Eurofins NDSC Environment Testing Benelux BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	09/14
Heerenveen Leeuwarderstraatweg Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	03/15
Eagle Ventures Netherlands BV	NL	Eurofins International Holdings LUX SARL	100	08/15
Proefbedrijf Gewasbescherming De Bredelaar BV	NL	Eurofins Agrosciences Services LUX Holding SARL	100	07/15
Nieuw Biesterveld BV	NL	Eurofins Real Estate LUX Holding SARL	100	07/15
Eurofins BioPharma Product Testing Netherlands Holding BV	NL	Eurofins Pharma Services LUX Holding SARL	100	01/16
Eurofins Bactimm BV	NL	Eurofins BioPharma Product Testing Netherlands Holding BV	100	01/16
Eurofins Prolepha Labs BV	NL	Eurofins BioPharma Product Testing Netherlands Holding BV	100	01/16
Eurofins PROXY Laboratories BV	NL	Eurofins BioPharma Product Testing Netherlands Holding BV	100	01/16
Eurofins Spinnovation Analytical BV	NL	Eurofins BioPharma Product Testing Netherlands Holding BV	100	01/16
Bureau de Wit BV	NL	Eurofins Food Testing Netherlands Holding BV	100	06/16
Barneveld Gildeweg Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	08/16
Eurofins Asbest Inspecties BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	02/17
Eurofins Survey Netherlands BV	NL	Eurofins Food Testing Netherlands Holding BV	100	06/17
Heerenveen Hermes Icarus Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	09/17
Eurofins Sanitas Inspections BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	11/17
Sanitas Milieukundig Adviesbureau BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	11/17
Eurofins Sanitas Testing BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	11/17
Eurofins Environment Testing Norway AS	NO	Eurofins Environment Testing Norway Holding AS	100	05/06 [3]
Eurofins Environment Testing Norway Holding AS	NO	Eurofins Environment Testing LUX Holding SARL	100	09/07 [3]
Eurofins Food & Feed Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100	09/07 [3]
Eurofins Food Testing Norway Holding AS	NO	Eurofins Food Testing LUX Holding SARL	100	08/07 [3]
Eurofins Norge NSC AS	NO	Eurofins Support Services LUX Holding SARL	100	12/07 [3]
Eurofins Agro Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100	08/14 [3]
Moss Property Invest AS	NO	Eurofins Real Estate LUX Holding SARL	100	08/14 [3]
Eurofins Radonlab AS	NO	Eurofins Environment Testing Norway Holding AS	100	12/15 [3]
Penrose NZ Limited	NZ	Eurofins Real Estate LUX Holding SARL	100	04/12
Eurofins Food Analytics NZ Limited	NZ	Eurofins Food Testing LUX Holding SARL	100	06/12
Eurofins ELS Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	11/12
Eurofins Agroscience Services NZ Limited	NZ	Eurofins Agroscience Services Pty Ltd.	100	07/13
Eurofins Agroscience Testing NZ Limited	NZ	Eurofins Agroscience Testing Pty Ltd.	100	07/13
Eurofins Bay Of Plenty Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	06/16
Eurofins Environment Testing NZ Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	03/17
Eurofins BioPharma Product Testing NZ Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	10/17
Eurofins Agroscience Services Sp. z.o.o.	PL	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins Polska Sp. z.o.o.	PL	Eurofins Food Testing LUX Holding SARL	100	07/06
Eurofins Environment Testing Polska Sp. z.o.o.	PL	Eurofins Industrial Testing LUX SARL	100	07/15
Eurofins GSC Poland Sp. z.o.o.	PL	Eurofins International Holdings LUX SARL	100	02/16
Eurofins Digital Testing Polska Sp. z.o.o.	PL	Eurofins Digital Testing Belgium Holding	91	06/16
Eurofins Environment Services Polska Sp. z o.o.	PL	Eurofins Environment Testing LUX Holding SARL	100	12/16
Eurofins Lab Environment Testing Portugal, Unipessoal Lda.	PT	Eurofins Industrial Testing LUX SARL	100	06/15

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Agroscience Services SRL	RO	Eurofins Agrosciences Services LUX Holding SARL	100	08/09
Eurofins Evic Product Testing Romania SRL	RO	Eurofins Product Testing LUX Holding SARL	100	07/15
Eurofins Food Testing SRL	RO	Eurofins Food Testing LUX Holding SARL	100	11/16
Eurofins NDSC South Eastern Europe SRL	RO	Eurofins Support Services LUX Holding SARL	100	11/16
Bucharest Preciziei Real Estate SRL	RO	Eurofins Real Estate LUX Holding SARL	100	03/17
Eurofins Food Testing Laboratories SRL	RO	Eurofins Food Testing LUX Holdin SARL	100	11/17
Eurofins Asbestos Testing SRL	RO	Eurofins Industrial Testing LUX SARL	100	12/17
Eurofins Food Testing Holding d.o.o.	RS	Eurofins Digital Testing International LUX Holding SARL	91	10/17
Eurofins Agro Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	01/04 [3]
Eurofins Milk Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	07/06 [3]
Eurofins Food Testing Sweden Holding AB	SE	Eurofins Food Testing LUX Holding SARL	100	09/07 [3]
Eurofins Environment Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	10/07 [3]
Eurofins Environment Testing Sweden Holding AB	SE	Eurofins Environment Testing LUX Holding SARL	100	09/07 [3]
Eurofins Food & Feed Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	10/07 [3]
Eurofins NSC Sweden AB	SE	Eurofins Support Services LUX Holding SARL	100	01/08 [3]
Eurofins Biopharma Product Testing Sweden AB	SE	Eurofins Pharma Services LUX Holding SARL	100	04/11 [3]
Eurofins Pegasuslab AB	SE	Eurofins Environment Testing Sweden Holding AB	100	06/12 [3]
Uppsala Property Invest AB	SE	Eurofins Real Estate LUX Holding SARL	100	03/14 [3]
Eurofins Digital Testing Sweden AB	SE	Eurofins Digital Testing International LUX Holding SARL	91	07/16 [3]
Eurofins Radon Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	09/16 [3]
Eurofins Water Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	08/17 [3]
Eurofins Genomics Sweden AB	SE	Eurofins Genomics Europe Sequencing GmbH	100	07/17 [3]
Lidköping Sjöhagsgatan Real Estate AB	SE	Eurofins Real Estate LUX Holding SARL	100	12/17 [3]
Mejseln 24 AB	SE	Lidköping Sjöhagsgatan Real Estate AB	100	12/17 [3]
PharmaControl MQL AB	SE	Eurofins Biopharma Product Testing Sweden AB	100	11/17 [3]
Eurofins Central Laboratory PTE. Ltd.	SG	Eurofins Pharma Services LUX Holding SARL	100	12/06
Eurofins Technologies Singapore Pte Ltd.	SG	Eurofins Technology and Supplies LUX Holding SARL	100	12/15
Eurofins Mechem Pte Ltd.	SG	Eurofins Environment Testing LUX Holding SARL	100	03/17
EAG Laboratories Pte. Ltd	SG	EAG, Inc.	100	12/17
Eurofins Holding za okoljske raziskave d.o.o.	SI	Eurofins Environment Testing LUX Holding SARL	100	06/17
Velenje nepremičnine d.o.o., poslovanje z nepremičninami	SI	Eurofins Real Estate LUX Holding SARL	100	07/17
Eurofins ERICo Slovenia d.o.o.	SI	Eurofins Holding za okoljske raziskave d.o.o.	100	07/17
Eurofins Bel/Novamann s.r.o.	SK	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins NSC Central and Eastern Europe s.r.o.	SK	Eurofins Support Services LUX Holding SARL	100	06/15
Nové Zámky Komjatická Real Estate s.r.o.	SK	Eurofins Real Estate LUX Holding SARL	100	10/16
Eurofins Product Service (Thailand) Co., Ltd.	TH	Eurofins Product Testing LUX Holding SARL	100	07/08
Eurofins Agroscience Services Thailand Co. Ltd.	TH	Eurofins Agrosciences Services LUX Holding SARL	100	05/16
Eurofins Turkey Analiz Hizmetleri Limited Şirketi	TR	Eurofins Food Testing LUX Holding SARL	100	05/12
Eurofins İstanbul Gıda Kontrol Laboratuvarları A.S.	TR	Eurofins Food Testing LUX Holding SARL	100	03/17
Denet Endustriyel Hizmetler Anonim Şirket A.S.	TR	Eurofins İstanbul Gıda Kontrol Laboratuvarları A.S.	100	03/17
Eurofıns Tuketıcı Urunlerı Test Hızmetlerı A.S.	TR	Eurofins Product Testing LUX Holding SARL	100	08/17
Eurofins Panlabs Taiwan Ltd.	TW	Eurofins Discovery Services LUX Holding SARL	100	10/12
Eurofins Food and Environment Testing Holding Taiwan, Ltd.	TW	Eurofins Food Testing LUX Holding SARL	100	03/15
Pharmacology Discovery Services Taiwan, Ltd.	TW	Eurofins Discovery Services LUX Holding SARL	100	08/16
Eurofins Panlabs Discovery Services Taiwan, Ltd.	TW	Eurofins Discovery Services LUX Holding SARL	100	08/16
Eurofins Food Testing Taiwan, Ltd.	TW	Eurofins Food and Environment Testing Holding Taiwan, Ltd.	100	08/17
Evans Taiwan, LLC	TW	Evans Analytical Group, LLC	100	12/17
Eurofins Agro Testing Ukraine LLC	UA	Eurofins Food Testing LUX Holding SARL	100	08/14
Eurofins NSC UK Limited	UK	Eurofins Support Services LUX Holding SARL	100	01/06
Eurofins Food Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	01/04 [3]
Eurofins Genomics UK Limited	UK	Eurofins Genomics LUX Holding SARL	100	07/05

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry	
Water Utility Testing Services Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/06	
Eurofins Food Testing UK Holding Limited	UK	Eurofins Food Testing LUX Holding SARL	100	04/07	
Eurofins Agroscience Services Limited	UK	Eurofins Agrosciences Services LUX Holding SARL	100	04/07	3
Eurofins Product Testing Services Limited	UK	Eurofins Product Testing LUX Holding SARL	100	10/10	
Public Analyst Scientific Services Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/11	
Wolverhampton i54 Real Estate Limited	UK	Eurofins Real Estate LUX Holding SARL	100	07/12	
Eurofins Agroscience Services Chem Limited	UK	Eurofins Agrosciences Services LUX Holding SARL	100	12/12	
Eurofins Newtec Laboratories Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/13	
Eurofins Pharma Bioanalysis Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARL	100	09/13	
Eurofins Pharma Discovery Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARL	100	09/13	
Eurofins Digital Product Testing UK Limited	UK	Eurofins Digital Testing International LUX Holding SARL	91	11/14	
Eurofins Water Hygiene Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	10/15	
Eurofins Biomnis UK Limited	UK	Socamed SAS	100	10/15	
Eurofins Agro Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	03/16	
Eurofins Biopharma Product Testing UK Limited	UK	Eurofins Pharma Services LUX Holding	100	07/16	
NDSM Limited	UK	Eurofins Agroscience Services UK Holding	100	07/16	
Eurofins Agroscience Services UK Holding Limited	UK	Eurofins Agrosciences Services LUX Holding SARL	100	07/16	
Livingston Cochrane Square Real Estate Limited	UK	Eurofins Real Estate LUX Holding SARL	100	08/16	
ILS Limited	UK	Eurofins Food Testing UK Holding Limited	100	10/16	
Eurofins Food Safety Solutions Limited	UK	Eurofins Food Testing UK Holding Limited	100	11/16	
Eurofins York Limited	UK	Eurofins Product Testing LUX Holding SARL	100	07/17	
GATC Biotech Limited	UK	Eurofins Genomics Europe Sequencing GmbH	100	07/17	
Discoverx Corporation, Limited	UK	DiscoverX Corporation	100	09/17	
Eurofins Forensic Services Limited	UK	Eurofins Forensics LUX Holding SARL	100	10/17	3
Selcia Holdings Limited	UK	Eurofins Agroscience Services UK Holding Limited	100	12/17	
Eurofins Professional Scientific Services UK Limited	UK	Eurofins Pharma Services LUX Holding SARL	100	09/17	
Eurofins Product Testing UK Holding Limited	UK	Eurofins Product Testing LUX Holding SARL	100	12/17	
Selcia Limited	UK	Selcia Holdings Limited	100	12/17	
Ashwood UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	12/17	
Eurofins Scientific Inc.	US	Eurofins Food Testing US Holdings Inc.	100	01/92	4
Eurofins Central Laboratory LLC	US	Eurofins Lancaster Laboratories Inc.	100	06/06	4
Eurofins Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	04/07	4
Eurofins Genomics LLC	US	Eurofins Viracor, Inc.	100	12/07	
Eurofins Food Testing US Holdings Inc.	US	Eurofins Food Testing LUX Holding SARL	100	04/07	
Eurofins Agroscience Services Inc.	US	Eurofins EAG Agroscience, LLC	100	01/07	
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	06/09	4
Eurofins NSC US Inc.	US	Eurofins Support Services LUX Holding SARL	100	10/10	
Eurofins Pharma US Holdings II Inc.	US	Eurofins Pharma Services LUX Holding SARL	100	01/11	
Eurofins Lancaster Laboratories Inc.	US	Eurofins Pharma US Holdings II Inc.	100	04/11	3
Eurofins DQCI LLC	US	Eurofins Food Testing US Holdings Inc.	100	10/11	
Eurofins Air Toxics, Inc.	US	Eurofins Lancaster Laboratories Inc.	100	01/12	
Eurofins QTA Inc.	US	Eurofins Food Testing US Holdings Inc.	100	02/12	
Eurofins Eaton Analytical Inc.	US	Eurofins Lancaster Laboratories Inc.	100	07/12	4
Eurofins Frontier Global Sciences Inc.	US	Eurofins Lancaster Laboratories Inc.	100	09/12	
Eurofins Panlabs Inc.	US	Eurofins Pharma US Holdings II Inc.	100	10/12	
Eurofins Lancaster Laboratories Environmental LLC	US	Eurofins Lancaster Laboratories Inc.	100	01/13	4
Eurofins Pharma BioAnalytics Services US, Inc.	US	Eurofins Discovery Services LUX Holding SARL	100	01/13	
South Bend Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	05/14	
Eurofins Calscience, Inc.	US	Eurofins Lancaster Laboratories Inc.	100	05/14	
Eurofins Viracor, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	07/14	4
Eurofins SF Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	11/14	
Eurofins Clinical Testing US Holdings, Inc.	US	Eurofins Clinical Testing Holding LUX SARL	100	11/14	
Boston Heart Diagnostics Inc.	US	Eurofins Clinical Testing US Holdings, Inc.	100	01/15	3
Eurofins Lancaster Laboratories Professional Scientific Services LLC	US	Eurofins Lancaster Laboratories Inc.	100	02/15	3
Eurofins Product Testing US Inc.	US	Eurofins Product Testing LUX Holding SARL	100	02/15	
Eurofins BioDiagnostics Inc.	US	Eurofins Food Testing US Holdings Inc.	100	02/15	
Eurofins QC Inc.	US	Eurofins Lancaster Laboratories Inc.	100	04/15	
Diatherix Laboratories, LLC	US	Eurofins Viracor, Inc.	100	05/15	4
EGL Genetic Diagnostics LLC	US	Eurofins Viracor, Inc.	91	06/15	
Eurofins Spectrum Analytical Inc.	US	Eurofins Lancaster Laboratories Inc.	100	07/15	

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Clinical Molecular Testing Services Inc.	US	Eurofins Viracor, Inc.	100	09/15
Pomona 900 Corporate Drive Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	01/16
Eurofins NTD, LLC	US	Eurofins Viracor, Inc.	100	04/16
Advantar Laboratories, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	04/16
North Kingstown (R.I.) Camp Avenue Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	05/16
Eurofins VRL, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	09/16 [4]
DeSoto Falcon Drive Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	09/16
Lafayette Horizon Avenue Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	09/16
Eurofins Clinical Diagnostic US NDSC, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	09/16
Agawam Silver Street Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	11/16
New Berlin 170th Street Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	11/16
Eurofins ANA Laboratories, Inc.	US	Eurofins Lancaster Laboratories Inc.	100	07/17
Eurofins Technologies North America, Inc.	US	Eurofins Technology and Supplies LUX Holding SARL	100	05/17
Eurofins Craft Technologies, Inc.	US	Eurofins Food Testing US Holdings Inc.	100	12/17
DiscoverX Corporation	US	Eurofins Pharma US Holdings II Inc.	100	09/17 [4]
Abraxis, Inc.	US	Eurofins Technologies US Holdings, Inc.	100	10/17
Eurofins Technologies US Holdings, Inc.	US	Eurofins Technology and Supplies LUX Holding SARL	100	09/17
Eurofins Product Testing US Holdings, Inc.	US	Eurofins Product Testing LUX Holding SARL	100	09/17
Eurofins Digital Media Services, LLC	US	Eurofins Product Testing US Holdings, Inc.	100	10/17
EAG, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	12/17 [3]
EAG Holdings, Inc.	US	EAG, Inc.	100	12/17 [3]
Evans Analytical Group, LLC	US	EAG Holdings, Inc.	100	12/17 [3]
Analytical Bio-Chemistry Laboratories, Inc.	US	EAG, Inc.	100	12/17 [3]
Lab Facilities Leasing Co, LLC	US	Eurofins BioPharma Product Testing Columbia, Inc.	100	12/17 [3]
MET Laboratories, Inc.	US	Eurofins Product Testing US Holdings, Inc.	100	12/17
Eurofins Sac Ky Hai Dang Company Ltd.	VN	Eurofins Food Testing LUX Holding SARL	100	05/15
Eurofins Consumer Product Testing Vietnam Co. Ltd.	VN	Eurofins Product Testing LUX Holding SARL	100	08/17

* Please note that for commercial confidentiality and security reasons the information provided above is not comprehensive.

[3] Companies for which 2018 statutory accounts are or will be audited by PwC.
[4] Companies for which local auditors work papers have been reviewed by PwC for consolidation purposes.

5.3 Other subsidiaries undertakings

The following companies are not fully consolidated:

Company	Country ISO Code	Subsidiary of :	% of ownership	Method of consolidation
Fasmac Co. Ltd.	JP	Eurofins Genomics LUX Holding S.à.r.l.	41	Equity method
Eurofins Laboratoire Coeur de France SAEML	FR	Eurofins Hygiène Alimentaire France Holding SAS	49	Equity method
Z.F.D. GmbH	DE	Eurofins Ökometric GmbH	33	Equity method
Dermscan Asia co. Ltd.	TH	Laboratoire Dermscan SAS	34	Equity method

There are no quoted prices available for the companies consolidated by equity method (in annual revenues and assets). These four companies are not considered to be material (see Note 3.4).

2 Auditor's Report on Eurofins Scientific SE's Consolidated Financial Statements

Audit report

To the Shareholders of
Eurofins Scientific SE

Report on the audit of the Consolidated Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Eurofins Scientific SE (the "Company") and its subsidiaries (the "Group") as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Group's consolidated financial statements comprise:

- the Consolidated Balance Sheet as at 31 December 2018;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the Consolidated Financial Statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 4.11 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Business combinations	
The Group acquired approximately 50 companies in 2018 for a total consideration of 1,212MEUR, including amounts payable for these transactions and deferred consideration. All these acquisitions qualify as business combinations under IFRS 3 "Business Combination". Management determined that the aggregated fair value of the net identifiable assets acquired is 385MEUR of which 274MEUR relating to intangible assets, such as customer relationships and brands. The valuation of these intangible assets was determined as part of the Purchase Price Allocation which has been provisionally determined pending final completion of the valuation exercise within the 12-month window as permitted by IFRS 3.	For material acquisitions we assessed the existence, completeness and valuation of the identifiable assets acquired and liabilities assumed at the acquisition date by analysing the clauses laid out in Share or Assets Purchase Agreements. We also evaluated management's process for determining the fair value of the net identifiable assets acquired. We evaluated the independence, objectivity and competence of the valuation experts that management uses from time to time to assist them in the valuation process. We involved our own valuation specialists to independently assess the models and assumptions, such as discount rates, royalty rates, attrition rates,

Key audit matter	How our audit addressed the Key audit matter
As described in the Note 1.5 to the consolidated financial statements, customer relationships are valued under the discounted cash flow method, using several assumptions. Customer relationships are amortised over their estimated useful lives. Due to the large number of acquisitions and the sometimes limited availability of information of acquired companies, the identification and valuation of the acquired assets and liabilities require significant judgement and estimates from management. Significant judgements and estimates are also required to assess amounts due from acquisitions as these amounts may depend on future results of the acquired companies. This matter was of particular significance to our audit as the accounting for business combinations, in particular the related valuation of intangibles acquired, involve significant judgement and estimates.	projection periods, etc. used by management in valuing intangible assets. We assessed the estimated useful lives of the intangible assets acquired (other than goodwill). We assessed the adequacy of the disclosures in the consolidated financial statements.
Impairment test of goodwill	
The Group's Consolidated Balance Sheet includes 3,418MEUR of goodwill representing 47% of the Group's total assets as at 31 December 2018. In accordance with IFRSs, management performs at least annually, an impairment test of the cash generating units to which the goodwill is allocated to assess whether its recoverable amount is at least equal to its carrying value. The recoverable amount can be determined through different valuation techniques; the most regularly used by management being the discounted cash flow (DCF) model. This matter was of particular significance to our audit as goodwill balances are very significant and management's determination of cash flow	We assessed the Group's process for the determination of the cash generating units, the impairment test method and model and the discounted cash flow forecasts. We satisfied ourselves of the reasonability of the future cashflows used by comparing them with the actual results and forecasts prepared by management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations. We involved our own valuation specialists and independantly validated the assumptions used in the DCF models, such as the weighted average cost of capital, the long term growth rates, capital expenditures and tax rates and also assessed the reasonability of the terminal values.

Key audit matter	How our audit addressed the Key audit matter
forecasts, discount rates and growth rates used in the calculation of the recoverable amount involves significant judgment and estimates.	We tested management sensitivity analysis of the cash-generating units. We assessed the adequacy of the disclosures in the consolidated financial statements.
Separately Disclosed Items (SDI)	
The Group discloses "Adjusted Results", in the Consolidated Income Statement, after the exclusion of "Separately Disclosed Items" (SDI). SDI include expenses or income that management has elected to disclose separately in order to present the performance of the mature and recurring activities of the Group under the column "Adjusted Results". The Group considers that these items, due to their nature, have an impact on the analysis of the underlying business performance and trends. SDI are defined in a footnote at the bottom of the consolidated income statement and are detailed in the Notes 1.28 and 2.3 of the consolidated financial statements. They are not defined nor addressed by any IFRSs. This matter was of particular significance to our audit as the consistency of classification between "Adjusted Results" and "Separately Disclosed Items" is important in understanding the financial performance of the Group and is a matter of significant judgement.	We assessed the appropriateness of the definition of SDI and its consistency compared to prior year. We assessed whether the material items included within SDI were appropriately classified. We checked the completeness of items to be classified as SDI by obtaining the details of the significant non-recurring transactions and assessing their proper classification either as SDI or "Adjusted Results". We reperformed the calculation of SDI. We assessed the adequacy of the disclosures in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the EU Regulation No 537/2014,
the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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 Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated 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 audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The Management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” of the Group by the General Meeting of the Shareholders on 26 April 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

Other matter

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 4 March 2019

Gilles Vanderweyen

3 Annual accounts - EUROFINS SCIENTIFIC S.E.

Profit and Loss Account

January 1, 2018 to December 31, 2018

EUR Thousands	Notes	2018	2017
Net turnover	4.1	**757**	**560**
Other operating income	4.1	356	602
Raw materials and consumables		-395	-144
Other external expenses	4.1	-1,696	-1,834
Wages and salaries		-149	-199
Social security costs		-64	-88
Staff costs	5.2	-213	-286
Value adjustments	2.2 / 2.3		
a) in respect of tangible and intangible fixed assets	3.1 / 3.2	-	-
Other operating expenses		-152	-183
Income from participating interests			
a) derived from affiliated undertakings	4.2 / 3.3	11,342	71,000
Other interest receivable and similar income	4.3		
a) derived from affiliated undertakings		133,826	11,010
b) other interest and similar income	2.13 / 2.16 / 3.12	55,414	4,464
Value adjustments in respect of financial assets and of investments held as current assets	2.4 / 2.6 3.3 / 3.4 / 4.4	1,006	-
Interest payable and similar expenses			
a) concerning affiliated undertakings	4.5	-	-7,437
b) other interest and similar expenses	2.16 / 4.5	-106,225	-83,038
Tax on profit or loss	2.17 / 4.6	788	1,631
Profit or loss for the financial year		**94,808**	**-3,656**

The accompanying notes form an integral part of the annual accounts.

Balance Sheet

As of December 31, 2018

EUR Thousands	Notes	2018	2017
Fixed assets			
Intangible assets	2.2 / 3.1	-	-
Tangible assets	2.3 / 3.2	-	-
Shares in affiliated undertakings		4,319,360	3,482,245
Other loans		20	20
Financial assets	2.4 / 3.3	4,319,380	3,482,265
		4,319,380	**3,482,266**
Current assets			
Debtors			
Trade debtors			
a) becoming due and payable within one year	2.5	574	413
Amounts owed by affiliated undertakings	2.6 / 3.4		
a) becoming due and payable within one year		483,708	290,460
b) becoming due and payable after more than one year		2,248,790	235,269
Other debtors			
a) becoming due and payable within one year	2.5	23,975	20,072
Financial instruments	2.13 / 3.12	1,731	-
Cash at bank and in hand / Transferable securities	2.7 / 3.5	120,340	491,564
		2,879,119	**1,037,778**
Prepayments	2.8 / 3.6	**14,433**	**16,769**
Total Assets		**7,212,932**	**4,536,813**
Capital and reserves	2.9 / 3.7		
Subscribed Capital		1,775	1,765
Share premium account		958,888	938,857
Reserves			
1. Legal reserve		154	154
2. Other reserves		631	631
Profit or loss brought forward		67,535	113,536
Profit or loss for the financial year		**94,808**	**-3,656**
		1,123,791	**1,051,287**
Provisions	2.10 / 3.8		
Provisions for pensions and similar obligations		53	62
Other provisions		-	-
		53	62
Creditors			
Non convertible loans	2.11 / 3.9 / 3.11		
a) becoming due and payable within one year		62,869	363,800
b) becoming due and payable after more than one year		2,650,000	2,650,000
Amounts owed to credit institutions	2.12 / 3.10 / 3.11		
a) becoming due and payable within one year		364,109	230,552
b) becoming due and payable after more than one year		1,040,000	-
Financial instruments	2.13 / 3.12	-	239
Trade creditors	2.14 / 3.11		
a) becoming due and payable within one year		1,054	684
Amounts owed to affiliated undertakings	3.11 / 3.13		
a) becoming due and payable within one year		1,966,993	233,671
Other creditors	3.11		
a) Tax authorities		130	62
b) Social security authorities		35	83
c) Other creditors (becoming due and payable within one year)		911	954
		6,086,102	**3,480,045**
Deferred income	2.15 / 3.14	**2,986**	**5,419**
Total Capital, Reserves and Liabilities		**7,212,932**	**4,536,813**

The accompanying notes form an integral part of the annual accounts.

Notes to the annual accounts

NOTE 1 – GENERAL INFORMATION

In the statutory financial statements and the notes all amounts are shown in EUR thousands or millions and differences of EUR +/- 1 thousand are due to rounding.

Eurofins Scientific S.E. ("Eurofins" or the "Company") is the ultimate parent company of the Eurofins Group (the "Group") which owns and finances, either directly or indirectly, its subsidiaries throughout the world.

Eurofins and its subsidiaries operate more than 800 laboratories across 47 countries in Europe, North and South America and Asia-Pacific.

Eurofins believes it is a scientific leader in food, environment and pharmaceutical products testing and in agroscience CRO services. It is also one of the independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

The Company has a French branch located in Nantes, France, registered with the French Register of Commerce under the number RCS B 350 807 947. The main purpose of the branch is the management and administration of French subsidiaries.

The notes below are part of the annual accounts for the year closed the December 31, 2018 for a period of twelve months, from January 1, 2018 to December 31, 2018.

These annual accounts have been adopted for issue by the Board of Directors on March 1, 2019 and will be submitted to the Shareholder's Annual General Meeting for approval.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The main valuation rules applied by the Company are set out below.

2.1 – Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements (Luxembourg GAAPs) under the historical cost convention, in particular the law of December 19, 2002 as amended.

The principal accounting policies and valuation rules applied in the preparation of these statutory annual accounts are set out below. These policies have been consistently applied to all fiscal years presented, unless otherwise stated.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in the assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial years. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations and future events that are believed to be reasonable under the circumstances.

2.2 – Intangible assets

Software and patents

All capitalised software licenses are purchased externally are booked at acquisition cost including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Amortisation on intangibles is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Software licenses	1-3 years
Patents	5 years

Goodwill

The goodwill corresponds to the value generated by the merger of Eurofins S.A. with Eurofins Scientific S.E. on July 28, 1997 with retroactive effect to January 1, 1997. Following the first application of the Luxembourg GAAPs, goodwill is amortised over an estimated useful life of five years.
This goodwill has been rented to the French subsidiary Eurofins Analytics France SAS as from January 1, 2001.

2.3 – Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost. They are depreciated over their estimated useful economic lives.

Depreciation on tangible assets is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Leasehold improvements	5-10 years *
Machinery and laboratory equipments	5 years
Office equipment	3 years
Vehicles	5 years
Office furniture	5 years

* with a maximum corresponding to the remaining lease period.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 – Financial assets

Shares in affiliated undertakings

Shares in affiliated undertakings are initially recorded at acquisition cost and are valued at the lower of acquisition cost or the market value.
The market value is determined by the net equity in case of independent operational companies and by a valuation according to the method of discounted cash flows for the holding companies including their subsidiaries.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.5 – Trade debtors and other debtors

Trade debtors and other debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Trade debtors include the income accrued but not invoiced nor received prior to the closing date.

2.6 – Amounts owed by affiliated undertakings

Amount owed by affiliated undertakings held as loans are valued at purchase nominal value including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.7 – Cash at bank and in hand

Cash at bank, cash in postal cheque account, cheques and cash in hand are recorded at nominal value.

Transferable securities are valued at the lower of purchase price, including expenses incidental thereto and market value in case of quoted instruments, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value (final published value in case of quoted instrument) is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The market value corresponds to the latest available quote on the valuation day for transferable securities listed on a stock exchange or traded on another regulated market.

2.8 – Prepayments

Prepayments are mainly related to financing activities.
The costs related to the issuance of the non convertible loans and the amounts owed to credit institutions issued are amortised over the repayment period of each respective loan.

The effective financial costs including these expenses correspond to the normal market conditions for companies with a similar risk.

2.9 – Share-based compensation

The Company operates a number of equity settled, share-based compensation plans. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the rights are exercised. No expense is charged to the profit and loss account over the vesting period.

2.10 – Provisions

Provisions for pensions and similar obligations

The Company participates in a retirement benefit obligation plan for the French branch. The retirement benefit obligations are measured using the aggregate cost method.
The provision recognised in the balance sheet is the present value of the defined benefit obligation at the balance sheet date. The Company recognises actuarial gains and losses in the profit or loss account.

Other provisions

Other provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.11 – Non convertible loans

The non convertible loans correspond to three hybrid instruments and three Eurobonds. They are recorded in the balance sheet at their nominal value increased of interest accruals.

2.12 – Amounts owed to credit institutions

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

2.13 – Financial instruments

The derivative financial instruments are initially recorded at cost. At each balance sheet date, gains and losses are recognised in the profit or loss account when realised. Unrealised losses are recorded in the profit and loss account of the period. Unrealised gains are not recognised in the profit and loss account of the period.

Exposure to currency exchange risk
The Company does not hedge its foreign exchange currency exposure, but covers the foreign exchange currency exposure of Eurofins GSC Finance NV (Note 5.3).

Exposure to other markets risks
The Group uses non-complex or complex derivative instruments in order to hedge its potential exposure to changes in market values of certain underlying assets that may arise in the future. The assets correspond to listed equity derivatives.

The Company does not own directly these instruments, but covers the potential exposure to changes in market values of certain underlying assets owned by one of its subsidiaries (Note 5.3).

Exposure to interest rate risk
In order to hedge the Company's exposure to interest rate fluctuations particularly related to part of its 2018 Schuldschein loan, the Company has concluded hedging contracts in order to cap its floating interest rate against a fixed rate. These contracts are either with immediate or deferred effect.

2.14 – Trade creditors

Trade creditors are valued at their nominal value. Accrued expenses are non-invoiced charges at the closing date but related to the current period.

2.15 – Deferred income

Deferred income includes services invoiced during the period, which have not been delivered at the closing date. They are related to contracts for analysis and consultancy spread over several years or covering both current and next year.

Deferred income also includes the premium paid by the hybrid instrument holders and amortised until the First Call Date of the hybrid instrument concerned (Note 3.14).

2.16 – Foreign currency translation

The Company maintains its books and records in Euro (EUR).

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Cash at bank is translated in Euros at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised losses are recorded in the profit and loss account of the period whereas gains are accounted for when realised.

2.17 – Income tax

The Company Eurofins Scientific S.E. is subject to Luxembourg income taxes.

The French branch of Eurofins Scientific S.E. has opted for a tax unity with the French subsidiaries controlled at more than 95% as authorized by article 223 A of the "Code Général des Impôts" in France. In the French branch, the income tax for the period recorded in the Income Statement is the sum of:

- The income tax expense based on the taxable income of the French tax unity;
- The income tax expense corresponding to the indemnity to be paid at the time of exit from the tax unity of a former subsidiary whose tax losses were used during the period it was part of the tax unity;
- And any adjustments in relation to income taxes related to previous periods.

2.18 – Consolidation

The Company, as the parent company of Eurofins Group, prepares consolidated financial statements, which are published in accordance to the provisions of Luxembourg law and IFRS.

NOTE 3 – NOTES RELATED TO THE BALANCE SHEET

3.1 – Intangible assets

The movements for the year are as follows:

EUR Thousands	Concessions, patents, licences, trademarks and similar right assets	Goodwill acquired for consideration	**Total**
Gross book value - opening balance	176	662	**838**
Additions for the year	-	-	-
Disposals for the year	-	-	-
Transfers for the year	-	-	-
Gross book value - closing balance	176	662	**838**
Accumulated value adjustment - opening balance	176	662	**838**
Allocations for the year	-	-	-
Reversals for the year	-	-	-
Transfers for the year	-	-	-
Accumulated value adjustment - closing balance	176	662	**838**
Net book value - closing balance	**-**	**-**	**-**
Net book value - opening balance	-	-	-

3.2 – Tangible assets

The movements for the year are as follows:

EUR Thousands	Land and buildings and leasehold improvements	Plant and machinery	Other fixtures and fittings tools and equipement	Total
Gross book value – openi18ng balance	51	586	142	**779**
Additions for the year	-	-	-	-
Disposals for the year	-	-	-1	-1
Transfers for the year	-	-	-	-
Gross book value - closing balance	51	586	141	**778**
Accumulated value adjustment - opening balance	51	586	141	**778**
Allocations for the year	-	-	-	**-**
Reversals for the year	-	-	-	-
Transfers for the year	-	-	-	-
Accumulated value adjustment - closing balance	51	586	141	**778**
Net book value - closing balance	**-**	**-**	**-**	**-**
Net book value - opening balance	-	-	-	-

3.3 – Financial assets

EUR Thousands	Opening	Additions	Merger	Disposals	Closing
Cost					
Shares in affiliated undertakings	3,488,899	710,948	266,320	127,064	4,339,103
Other financial assets	20	-	-	-	20
Total	**3,488,919**	**710,948**	**266,320**	**127,064**	**4,339,123**
Value adjustment					
Shares in affiliated undertakings	6,654	-	14,095	1,006	19,743
Total	**6,654**	**-**	**14,095**	**1,006**	**19,743**
Net book value	**3,482,265**	**710,948**	**252,225**	**126,058**	**4,319,380**

Additions

Capital increases were carried out in the following subsidiaries during 2018 by contribution in cash for a total amount of 709,460k:
- Eurofins International Holdings LUX S.à.r.l. for EUR 661,800K;
- Eurofins Genomics BV for EUR 6,200K;
- Eurofins Clinical Testing Services France for EUR 26,812K;
- Alpha Services Lux S.A. for EUR 75K;
- Eurofins Pharma Services France Holding LUX S.à.r.l for EUR 810K;
- Eurofins Food Chemistry Testing France LUX Holding S.à.r.l for EUR 1,760K;
- Eurofins Eurofins Analyses pour les industriels France LUX Holding S.à.r.l for 2,895K;
- Eurofins Hydrologie France LUX Holding S.à.r.l for 9,107K.

Since 2018, the Company also owns 17.5% of Eurofins Biologie Medicale Sud-Ouest SAS for EUR 1,488K (Note 3.7).

Merger

The Company has merged with its subsidiary Eurofins France Holding SAS previously owned for EUR 178,901K. As a result, the shares owned by Eurofins France Holding SAS for an amount of EUR 445,221K have been transferred to the Company:
- Eurofins Developpement France Holding 2 SAS for EUR 5K;
- Eurofins Forensics Holding LUX S.à.r.l for EUR 56,545K;
- Eurofins Pharma Services France LUX Holding S.à.r.l for EUR 148,788K;
- Eurofins Food Chemistry Testing France S.à.r.l for EUR 62,228K;
- Eurofins Hygiène Alimentaire France LUX Holding S.à.r.l for EUR 42,526K;
- Eurofins Analyses pour la Construction France LUX Holding S.à.r.l for 41,673K;
- Eurofins Analyses pour l'Environnement France LUX Holding S.à.r.l for 18,653K;
- Eurofins Analyses pour les industriels France LUX Holding S.à.r.l for 30,243K;
- Eurofins Hydrologie France LUX Holding S.à.r.l for 44,560K.

The total value of the net assets contributed by Eurofins France Holding SAS amounted to EUR 255,298K. The difference between this amount and the carrying value of the investment in Eurofins France Holding SAS (EUR 178,901K) has created a merger gain of EUR 76,397K (Note 4.3).

Disposals

In 2017, the Company acquired the shares of Amatsigroup SAS. In 2018, the shares of Amatsigroup SAS have been sold within the Group for a value of EUR 130,280K with a net book value of EUR 127,059K, resulting in a gain of EUR 3,220K (Note 4.3).

The shares of the company Eurofins Developpement France Holding 2 SAS have been sold within the Group for a value of EUR 5K.

Value adjustment

As of December 31, 2018, depreciation on subsidiaries stands at: Eurofins Product Service GmbH for EUR 5,648K (reversal of EUR 1,006K during the period) and at Eurofins Hydrologie France Lux Holding S.à.r.l for EUR 14,095K (in relation with the assets brought by Eurofins France Holding SAS).

At the balance sheet date, the Board of Directors has assessed the fair value of those financial assets and has reviewed the value adjustment if necessary.

Shares in affiliated undertakings (information based on the Balance Sheet as at December 31, 2018):

EUR Thousands	Registered office	Book value of capital held		% of capital held	Net turnover	Result for the financial year	Net equity	Income from financial fixed assets (parent company)
		Gross	Net		(Unaudited)	(Unaudited)	(Unaudited)	
Eurofins Product Service GmbH	Storkower Str. 38c, DE-15526 Reichenwalde	10,420	4,772	100%	5,860	571	4,772	-
Eurofins GSC Finance NV	Avenue Hermann-Debroux 48, BE-1160 Brussels	1,465,379	1,465,379	100%	-	86,640	1,696,681	-
Eurofins Genomics BV	Bergschot 71, NL-4817PA Breda	61,276	61,276	100%	-	-1,124	81,410	-
Eurofins International Holdings Lux S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	1,962,085	1,962,085	100%	-	-849	2,298,543	-
Eurofins International Support Services Lux S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	13	13	100%	-	3,084	8,719	-
Eurofins Clinical Testing Services France Lux S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	378,454	378,454	100%	-	-357	418,146	-
Equipment Leasing Corporation Lux S.à.r.l	2 rue Heinrich Heine L-7720 Luxembourg	100	100	100%	-	-18	82	-
Alpha Services Lux S.A.	2 rue Heinrich Heine L-7720 Luxembourg	100	100	100%	-	-1,082	-982	-
Eurofins Forensics Lux Holding	23 Val Fleuri, Grand Duchy of Luxembourg	56,545	56,545	100%	-	-41	43,095	860
Eurofins Pharma Services France Lux Holding	23 Val Fleuri, Grand Duchy of Luxembourg	149,599	149,599	100%	-	-10	152,397	-
Eurofins Food Chemistry Testing France Lux Holding	23 Val Fleuri, Grand Duchy of Luxembourg	63,989	63,989	100%	-	-11	63,405	-
Eurofins Hygiène Alimentaire France Lux Holding	23 Val Fleuri, Grand Duchy of Luxembourg	42,527	42,527	100%	-	-9	42,948	-
Eurofins Analyses pour la Construction France Lux Holding S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	41,674	41,674	100%	-	-43	32,793	9,925
Eurofins Analyses pour l'Environnement France Lux Holding S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	18,653	18,653	100%	-	-41	3,477	-
Eurofins Analyses Environnementales pour les Industriels France Lux Holding S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	33,138	33,138	100%	-	-70	35,284	-
Eurofins Hydrologie France Lux Holding S.à.r.l	23 Val Fleuri, Grand Duchy of Luxembourg	53,667	39,571	100%	-	-14	39,557	-
Eurofins Biologie Medicale Sud-Ouest	1 bd Marius Vivier Merle, 69003 LYON	1,488	1,488	17.5%	-	-101	8,404	
		4,339,103	**4,319,360**					**10,785**

In addition to amounts shown in above table, a dividend from Amatsigroup SAS for EUR 557K was received during the period.

Total income from participating interests in 2018: EUR 10,785K + EUR 557K = EUR 11,342K.

3.4 – Amounts owed by affiliated undertakings

EUR Thousands	2018	2017
Eurofins International Holdings LUX S.à.r.l	16,543	74,531
Eurofins GSC Finance NV	325,845	6,321
Eurofins France Holding SAS	-	179,223
Other direct ownership[1]	44,053	19,368
Direct ownership	386,441	279,444
Indirect ownership[1]	75,154	9,802
Interests due on these advances	21,763	658
Debtors	350	556
Total short term advances	**483,708**	**290,460**
Direct ownership[1]	10,518	22,838
Eurofins Pharma US Holdings II Inc.	511,468	-
EAG, Inc.	177,584	-
Eurofins Food Chemistry US, Inc.	102,406	-
France Biologie de Spécialité Holding S.A.S.	77,346	91,823
Eurofins Viracor, Inc.	61,010	-
Eurofins Labazur Provence S.E.L.A.S.	53,491	36,915
TestAmerica Laboratories, Inc.	52,312	-
Eurofins Clinical Testing Italia Holding Srl	43,755	-
Eurofins Labazur Nice S.E.L.A.S.	34,641	29,807
Eurofins Food Testing Netherlands Holding BV	34,150	-
Eurofins BioPharma Services Holding Germany GmbH	32,902	-
St. Marien Krankenhaus Lampertheim GmbH	32,590	-
Alphora Research, Inc.	30,551	-
EAG Materials Science US Holding, Inc.	29,699	-
Eurofins Product Testing US Holdings, Inc	24,663	-
Eurofins Lancaster Laboratories Inc.	24,187	-
Eurofins MWG Holding GmbH	23,900	-
Eurofins Megalab S.A.	23,131	-
Eagle Ventures SAS	21,072	-
Eurofins Labazur Bretagne S.E.L.A.S.	20,584	4,280
Other indirect ownership[1]	826,830	49,607
Indirect ownership	2,238,272	212,432
Total medium term advances	**2,248,790**	**235,269**
Total	**2,732,498**	**525,729**

[1] Other direct and indirect ownership short and medium term advances concerns 317 subsidiaries of the Group as of December 31, 2018 with individual amounts inferior to EUR 20m.

Amounts owed by affiliated undertakings (receivables falling due within one year or less) are mainly related:

- or direct ownership, to cash advances to finance intercompany short and medium term advances to direct or indirect subsidiaries or acquisitions of subsidiaries or dividends to be received;
- or indirect ownership, to cash advances for operating purposes (e.g. capex financing).

The increase of the amounts owed by affiliated undertakings at the end of 2018 is mainly related to the restructuring of the internal financing of the Group as from Q3 2018 onwards centralized by Eurofins Scientific S.E. (Note 3.13).

The medium term advances have a maturity between 5 and 7 years. Interest rates are variable, based on the borrower's currency index (e.g. Euribor, Libor, etc) and a spread based on the credit quality of the borrower (illustrated by its leverage or gearing ratio).
Some intercompany loans related to building acquisitions for an aggregate amount inferior to EUR 20m have a maturity of 10 years and a fixed interest rate based on local real estate financing markets conditions.

3.5 – Cash at bank and in hand / Transferable securites

EUR Thousands	2018	2017
Cash at bank and in hand	97,917	341,348
Short term deposits with banks	22,423	150,216
Total	**120,340**	**491,564**

Cash is owned by Eurofins Scientific S.E. in Luxemburg for EUR 25,828K and by the French branch of Eurofins Scientific S.E.for EUR EUR 94,512K.

The short term deposits with banks consist of money market funds as well as interest bearing accounts and deposit certificates in Euros and USD.

3.6 – Prepayments

3.6.1 – Prepayments

EUR Thousands	2018	2017
Prepayments	17	19

3.6.2 – Deferred charges

EUR Thousands	2018	2017
Deferred charges	14,417	16,750

EUR Thousands	2018	2017
At beginning of the year	16,750	10,215
Issuance costs	1,612	9,569
Amortisation of deferred charges	-3,946	-3,034
At end of the year	**14,417**	**16,750**

Issuance costs are mainly related to Hybrid instruments, Eurobonds and Schuldschein loan outstanding (Notes 3.9 and 3.10).

3.7 – Capital and reserves

The movements for the year are as follows:

EUR Thousands	Subs-cribed capital	Share premium	Legal reserve	Other reserves	Profit brought forward	Profit or loss for the financial year	**Total**
At beginning of the year	**1,765**	**938,857**	**154**	**631**	**113,536**	**-3,656**	**1,051,287**
Allocation of previous year's profit/loss	-	-	-	-	-3,656	3,656	**-**
Dividend	-	-	-	-	-42,345	-	**-42,345**
Share capital and share premium increase	11	20,031	-	-	-	-	**20,042**
Profit or loss for the financial year	-	-	-	-	-	94,808	**94,808**
At end of the year	**1,775**	**958,888**	**154**	**631**	**67,535**	**94,808**	**1,123,791**

Subscribed capital and share premium increased by EUR 20,042K through:

- Exercise of stock options by employees (89,204 new shares have been issued);
- 13,120 new shares issued from the exercice of Eurofins 2014 BSA Leaders warrants;
- 124,460 2018 BSA Leaders warrants;

- On December 5, 2018, reserved capital increase subscribed in cash for an amount of EUR 1,121K with the issuance of 2,711 new shares at a subscription price of EUR 413.57 per share in relation to the acquisition of Nanolab Technologies Inc.
- On December 19, 2018, reserved capital increase by way of contribution in kind of shares in the company Eurofins Biologie Medicale Sud Ouest for an amount of EUR 1,488K (Note 3.3) in exchange of 3,209 new shares at a subscription price of EUR 463.77 per share in relation to the acquisition of Interlab SELAS.

The net loss of FY2017 (EUR 3,656K) has been fully allocated to retained earnings.

Additionally, an amount of EUR 42,345K has been taken out of retained earnings in order to distribute a dividend of EUR 2.40 per share for an amount of EUR 42,345K. Retained earnings stand at EUR 67,535K at the end of December 2018.

Detail of the Company's share capital and total number of shares outstanding:

Date	Number of Shares	Nominal value (in EUR)	Share capital (in EUR)
At beginning of the year	17,643,914	0.10	1,764,391
Shares issued	108,244	0.10	10,824
At end of the year	**17,752,158**	**0.10**	**1,775,216**

Stock option plans
Stock options are granted to directors and employees of the Company and of its direct and indirect subsidiaries.
Movements in the number of share options outstanding are as follows:

Share options	2018	2017
At beginning of the year	828,804	835,876
Options granted *	-	211,085
Options exercised	-89,204	-137,002
Options expired	-57,725	-81,155
At end of the year	**681,875**	**828,804**

* Under conditions (strike price, date of exercise, etc.) of new option plans.

As at December 31, 2018, 681,875 stock options awarded are still outstanding. Further details can be found in the "Management Report".

Free shares
Free shares are granted to directors and employees. The amount of free shares are as December 31, 2018.

Movements in the number of free shares outstanding are as follows:

Free shares	2018	2017
At beginning of the year	24,278	10,481
Free shares granted	-	14,340
Free shares lost	-3,226	-543
At end of the year	**21,052**	**24,278**

2014 BSA Leaders warrants

2014 BSA Leaders Warrants	2018
At beginning of the year	117,820
Warrants exercised	-13,120
Warrants lost	-15,100
At end of the year	**89,600**

In June 2014, the Company issued 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58 between July 1, 2018 and June 30, 2022. The subscription price was set at EUR 18.15 per warrant.

2018 BSA Leaders warrants
In June 2018, Eurofins issued 124,460 capital-providing securities in the form of stock purchase warrants, conferring 2018 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2018 BSA Leaders Warrant at a fixed exercise price of EUR 529.65 between June 1, 2022 and May 31, 2026. The subscription price was set at EUR 34.36 per warrant. This new warrants program brought EUR 4.3m of proceeds to the company (included in the share premium increase).

Partial and optional acquisition price payments in Eurofins shares
At December 31, 2018, the overall number of Eurofins shares potentially deliverable is 0 share.

Class A beneficiary units
Until 30 June 2017 inclusive, Class A beneficiary units, which confer no right to dividends but a right to one vote, were allocated to holders of fully paid-up shares for which proof was provided of registration in the name of the same shareholder for at least three consecutive years.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.
Consequently, the Company's shareholder Analytical Bioventures SCA decided to pay in July 2017 a cash contribution of EUR 640,000 equivalent to EUR 0.10 per Class A beneficiary unit.

The total number of Class A beneficiary units decreased from 6,535,247 as of December 31, 2017 to 6,517,116 as of December 31, 2018.

Class B beneficiary units
Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

In June 2016, March 2017 and June 2018 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (3,000,000 in total) on the equivalent number of shares out of its 6,400,000 shares registered in a registered account for five consecutive years in the name of the Company's shareholder Analytical Bioventures SCA for a cash contribution of EUR 300,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units increased from 2,000,000 as of December 31, 2017 to 3,000,000 as of December 31, 2018.

Voting rights
Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However as mentioned above, class A and class B beneficiary units ("part bénéficiaire de catégorie A" and "part bénéficiaire de catégorie B") carrying an extra voting

right each can be allotted to all fully paid-up shares fulfilling conditions as specified in the last two paragraphs. As at December 31, 2018, a total amount of 9,517,116 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 27,268,874.

Own shares

As at December 31, 2018, the Company does not own any of its shares (same as of December 31, 2017). An indirect subsidiary owns 400 of the Company's shares.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals to 10% of the subscribed share capital. This reserve may not be distributed.

3.8 – Provisions

EUR Thousands	Opening	Changes	Closing
Retirement benefit obligation	62	-10	53
Other provisions	-	-	-
Total provisions	**62**	**-10**	**53**

3.9 – Non convertible loans

The non convertible loans are composed of:

EUR Thousands	2018	2017
Eurobonds – short term	-	300,000
Interest due – Eurobonds and hybrids	62,869	63,800
Total – short term	**62,869**	**363,800**
Eurobonds – more than one year	1,650,000	1,650,000
Hybrid instruments	1,000,000	1,000,000
Total – more than one year	**2,650,000**	**2,650,000**

Hybrid instruments

EUR Thousands	2018	2017
Nominal amount	1,000,000	1,000,000
Interest due	30,823	30,880
Total	**1,030,823**	**1,030,880**

Hybrid instrument with a first call date on 31 January, 2020:

In January 2013, Eurofins issued a EUR 150m hybrid instrument. In July 2014, Eurofins extended the size of its existing hybrid instrument, bringing the overall size of this hybrid instrument to EUR 300m.

The hybrid instrument has a perpetual maturity, but is callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years until first call, and a coupon of Euribor 3m + 818 bps thereafter if not called. The instrument is listed on the Frankfurt open market (ISIN XS 0881803646).

Hybrid instrument with a first call date on 29 April 2023:

In April 2015, Eurofins issued a new EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins in April 2023. This hybrid instrument bears a fixed annual coupon of 4.875% for the first eight years until first call, and a coupon of Euribor 3m + 701 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1224953882).

Hybrid instrument with a first call date on 13 November 2025:

In November 2017, Eurofins raised EUR 400m. The instrument has a perpetual maturity, but is callable at par by Eurofins in November 2025. This hybrid instrument bears a fixed annual coupon of 3.25% for the first eight years until first call, and a coupon of Euribor 3m plus a margin thereafter if not called. This margin may vary between 266.7bps and 516.7bps, depending on the various potential external credit rating scenario assigned to Eurofins by external rating agency/ies by November 2020 (and assessment of equity cont ent given by external rating agency/ies to the instrument). The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1716945586).

On these three hybrid instruments outstanding in 2018, a first coupon of EUR 21m was paid in January (EUR 300m at 7.0%), a second one of EUR 14.6m was paid in April (EUR 300m at 4.875%) and a third one of EUR 13m was paid in November (EUR 400m at 3.25%).

Eurobonds

EUR Thousands	2018	2017
Nominal amount	1,650,000	1,950,000
Interests due	32,046	32,920
Total	**1,682,046**	**1,982,920**

Eurobond due in November 2018:

In November 2013, Eurofins issued an inaugural senior unsecured Eurobond for a nominal value of EUR 300m. The bonds have a five-year maturity (due November 26, 2018), and bore an annual fixed rate of 3.125%. This Eurobond was repaid in full in November 2018 at maturity date.

Eurobond due in January 2022:

In January 2015, Eurofins raised EUR 500m through its second senior unsecured Eurobond public issuance. The bonds have a seven-year maturity (due January 27, 2022) and bear an annual fixed rate of 2.25%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

Eurobond due in January 2023:

In July 2015, Eurofins raised EUR 500m in its third senior unsecured Eurobond public issuance. The bonds have a seven and a half-year maturity (due January 30, 2023) and bear an annual fixed rate of 3.375%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1268496640).

Eurobond due in July 2024:

In July 2017, Eurofins raised EUR 650m in its latest senior unsecured Eurobond public issuance. The bonds have a seven-year maturity (due July 25, 2024) and bear an annual fixed rate of 2.125%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1651444140).

The quoted value of the Company's Eurobonds as at December 31, 2018 is equal to EUR 515m for its Eurobond due in January 2022, to EUR 504m for its Eurobond due in January 2023 and to EUR 619m for its Eurobond due in July 2024.

3.10 – Amounts owed to credit institutions

The amounts owed to credit institutions are detailed as follows:

EUR Thousands	2018	2017
Borrowings	1,401,000	230,000
Interests and commissions due	3,109	552
Total	**1,404,109**	**230,552**

Commercial paper
In September 2017, Eurofins set up a new Negotiable European Commercial Paper program ("NEU CP") for an initial maximum amount of EUR 500m which was increased in 2018 up to EUR 750m. This program is used to issue short term notes with a minimum size of EUR 200K and maturity of less than one year. At the end of December 2018, notes were outstanding for an amount of EUR 361m under this program.

Schuldschein loan
At the end of July 2018, Eurofins issued a EUR 550m Schuldschein loan ("Certificate of Indebtedness"). The Schuldschein loan was structured in tranches with maturities of 4 and 7 years, with both fixed and floating interest rates. In the 4-year tranches, the fixed rate tranche was priced at a fixed rate of 1.073% per annum and the floating rate tranche at a variable rate of 6-months-Euribor (floored at 0%) plus 95bps per annum. In the 7-year tranches, the fixed rate tranche was priced at a fixed rate of 1.834% per annum and the floating rate tranche at a variable rate of 6-months-Euribor (floored at 0%) plus 130bps.

Bilateral credit lines
At year end 2018, Eurofins had used some of its bilateral credit lines for EUR 490m that are renewable until 2021. In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2018.

3.11 – Maturity of creditors

EUR Thousands	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Hybrid instruments	1,030,823	30,823	-	1,000,000
Eurobonds	1,682,046	32,046	1,000,000	650,000
Borrowings	1,403,837	363,837	853,500	186,500
Loans and interests due	272	272	-	-
Trade creditors	1,054	1,054	-	-
Amounts owed to affiliated undertakings	1,966,993	1,966,993	-	-
Creditors for tax	130	130	-	-
Creditors for social security	35	35	-	-
Other creditors	911	911	-	-
Total	**6,086,102**	**2,396,102**	**1,853,500**	**1,836,500**

3.12 – Financial instruments

EUR Thousands	2018	2017
Financial instruments - caps	2,372	-
Financial instruments - fair value	-641	-
Financial instruments - Assets	1,731	-
Financial instruments - swaps	-	239
Financial instruments - Liabilities	-	239

The derivative financial instruments assets includes caps for the Schuldschein loan for an amount of EUR 1.7m as of December 31, 2018 in order to hedge the Group's exposure to interest rate fluctuations particularly related to the 2018 Schuldschein loan. The Group has concluded hedging contracts in order to cap its floating interest rate against a maximum fixed rate for a total nominal amount of EUR 99m.

The Company concluded interest rate hedging contracts with deferred effective dates for the period December 2017 to July 2018 for a total nominal amount of EUR 10m. These financial instruments are totally repaid at December 31, 2018.

3.13 - Amounts owed to affiliated undertakings

EUR Thousands	2018	2017
Eurofins Pharma France Holding SAS	-	130,280
Eurofins NSC Finance France SAS	84,201	89,153
Eurofins Forensics Lux Holding S.à.r.l	858	-
Eurofins Hygiène Alimentaire France Lux Holding S.à.r.l	18	-
Eurofins Analyses pour la construction France Lux Holding S.à.r.l	9,922	-
Eurofins Analyses pour l'environnement France Lux Holding S.à.r.l	102	-
Luxembourg branch of Eurofins GSC Finance NV	1,848,697	-
Total deposit from affiliates	**1,943,799**	**219,433**
Net amount due under the French Tax unity	22,342	13,875
Creditors	852	363
Total	**1,966,993**	**233,671**

In 2018, the amount owed to the Luxembourg branch of Eurofins GSC Finance NV is mainly related to a short term cash advance to Eurofins Scientific S.E. (Note 3.4) that will be mainly settled in the course of 2019 with the amounts owed by the subsidiary (Note 3.4: EUR 326m) and through capital reduction of the subsidiary (Note 3.3: EUR 1,465m).

Other amounts owed to affiliated undertakings (payable within one year or less) are mainly related to the excess cash of the French cash pool headed by Eurofins NSC Finance France SAS and deposited to Eurofins Scientific S.E.

3.14 – Deferred income

EUR Thousands	2018	2017
Deferred income	217	96
Premium received on hybrid instrument	2,769	5,323
Total	**2,986**	**5,419**

EUR Thousands	2018	2017
Premium received	5,323	7,875
Amortisation	-2,554	-2,552
At end of the year	**2,769**	**5,323**

The premium paid above par value by holders of the hybrid instrument issued in July 2014 is amortised straight-line until the first call date in January 2020.

NOTE 4 - NOTES RELATED TO THE INCOME STATEMENT

4.1 – Net turnover, other operating income and other external expenses

Net turnover is mainly generated by the sale of SNIF-NMR systems (Site-Specific Natural Isotope Fractionation-Nuclear Magnetic Resonance).

Other operating income relates to lease revenues billed to Eurofins Analytics France SAS and invoices for Group Support Services to Eurofins subsidiaries or Group Service Companies.

Other external expenses related mainly to Group Support Services costs invoiced by Group Service Companies, audit, legal and bank fees.

4.2 – Income from participating interests

Income from participating interests comes from dividends received from the Company's subsidiaries and gain on sale of Shares in affiliated undertakings (Note 3.3).

EUR Thousands	2018	2017
Dividends	11,342	71,000
Total	**11,342**	**71,000**

4.3 – Other interest receivable and similar income

EUR Thousands	2018	2017
Interests derived from affiliated undertakings	54,209	11,010
Capital gain on sale of shares in Amatsigroup SAS	3,221	-
Merger gain with Eurofins France Holding SAS (Note 3.3)	76,397	-
Total Interests derived from affiliated undertakings (Note 3.4)	**133,826**	**11,010**

EUR Thousands	2018	2017
Other interests and financial income	55,175	3,044
Financial instruments (Note 3.12)	239	1,420
Total other interest and similar income	**55,414**	**4,464**

Interests derived from affiliated undertakings have been generated by intercompany loans and a realised gain of EUR 8,900K on the intercompany hedge agreement with one of its indirect subsidiaries following the partial sale of the hedged instrument (Note 5.3). Gain on the merger with Eurofins France Holding SAS was EUR 76,397K (see Note 3.3).

Other interests and financial income have been generated by interests and gains from transferable securities for EUR 14K and net foreign exchange gains for EUR 55,161K (foreign exchange losses for EUR 16,544K offset by foreign exchange gains and interests income for EUR 71,705K) in relation with the realisation of the currency hedge agreement with Eurofins GSC Finance NV to Eurofins Scientific S.E. (Notes 3.13 and 5.3.1).

4.4 – Value adjustments in respect of financial assets and of investments held as current assets

Value adjustments in respect of financial assets and of investments held as current assets are composed of:

EUR Thousands	2018	2017
Value adjustments of shares in affiliated undertakings (Note 3.3)	1,006	-
Value adjustments of amounts owed by affiliated undertakings (Note 3.4)	-	-
Total	**1,006**	**-**

4.5 – Interest payable and similar expenses

The interest payable and similar expenses concerning affiliated undertakings are composed of:

EUR Thousands	2018	2017
Merger losses	-	7,076
Loss on disposal (Note 3.3)	-	350
Interest paid to affiliated undertakings	-	11
Total	**-**	**7,437**

In 2017, the merger losses were non-cash and mainly related to the transfer of the shares in some companies of the Amatsigroup (Note 3.3). In 2018, there are no merger losses but a merger gain (Note 4.3).

The other interest payable and similar expenses are composed of:

EUR Thousands	2018	2017
Interest expenses accrued on borrowings	2,336	1,698
Bonds accrued interests	50,447	43,518
Schuldschein accrued interest expense	2,837	-
Hybrid instruments accrued expenses	46,015	34,782
Short term interests	-	4
Fair value loss on Caps Schuldschein (Note 3.12)	641	-
Financial expense on pension	3	1
Amortisation of deferred charges (Note 3.6)	3,946	3,034
Total	**106,225**	**83,038**

4.6 – Tax on profit or loss

In 2018, the tax expense amounts to EUR 788K (income).

In 2018, the taxable income of Eurofins Scientific S.E. in Luxembourg is a profit of EUR 15m. As of December 31, 2018, the Company held a tax loss to be carried forward of over EUR 80m in Luxembourg.

In 2018, the taxable income of the French tax unity which is headed by the French branch of the Company is a loss of EUR 36m. As of December 31, 2018, the French tax unity headed by the French branch of the Company held a tax loss to be carried forward of over EUR 147m.

NOTE 5 – OTHER INFORMATION

5.1 – Related-party transactions

The Company is controlled by the company Analytical Bioventures SCA, the holding company of the Martin family. This company owns 36.1% of the Company's shares and controls 57.9% of its voting rights as of December 31, 2018.

Transactions with subsidiaries or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's top management have significant influence such as "International Assets Finance S.à.r.l.", a subsidiary of Analytical Bioventures SCA, are not significant at the level of Eurofins Scientific S.E, except for the cash contribution mentioned in Note 3.7.

5.2 – Personnel

5.2.1 – Weighted average Full Time Equivalent (FTE)

In 2018, the weighted average FTE decreases to 1:

	2018	2017
Executive *	1	2
Total	**1**	**2**

* Employee numbers are weighted average "Full time equivalents" (FTE) during the period.

5.2.2 – Key management compensation of the Board of Directors

The aggregate compensation (including benefits) granted by the Company to the Board of Directors amounted to EUR 130K for the year 2018 (EUR 113K for the year 2017).

5.3 – Off-balance sheet commitments

5.3.1 – Detail of guarantees given related to financing

EUR Thousands	2018	2017
Guarantees given related to the financing of subsidiaries	31,842	53,424

- The Company has signed an intercompany foreign currency hedge agreement with its indirect subsidiary Eurofins GSC Finance NV to cover any foreign exchange impact relating to granting loans in currencies other than Euro to any Group affiliates.The impact of this agreement is an unrealised exchange gain of EUR 2,743K for Eurofins Scientific S.E. (EUR 13,551K as of December 31, 2017). As of December 31, 2018, it is not recognised in the profit and loss account in accordance with the Company's accounting principles.

- The Company has signed an intercompany hedge agreement with one of its indirect subsidiaries to cover any marked-to-market value fluctuations and foreign exchange impact relating to an equity swap instrument in foreign currency. The impact of this agreement is an unrealised gain of EUR 11,910K for Eurofins Scientific S.E. As at December 31, 2018, it is not recognised in the profit and loss account in accordance with the Company's accounting principles.

- The Company has counter-guaranteed the Swedish insurance company "Försäkringsbolaget Pensionsgaranti" for all amounts due that this company should have to pay to the current and past employees of some Swedish companies that are indirect subsidiaries of Eurofins Scientific S.E., as part of their pension payment obligations, for a maximum amount of EUR 15,989K.

- In the scope of a EUR 1,200K public subsidy grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failing to meet its contingencies related to this grant.

5.3.2 – Detail of guarantees received

None.

5.4 – Audit fees

Art. 65 Paragraph (1) 16° of the law of December 19, 2002 on the register of commerce and companies and the annual accounts of undertakings (the"Law") requires the disclosure of the independent auditor fees.

In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related Management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Fees incurred in connection with non-audit services rendered by independent auditor to the Company and its controlled undertakings as defined by the Regulation (EU) N°537/2014, amounted to EUR 8.2K, and represent the review of the contribution in kind of shares in the company Eurofins Biologie Medicale Sud Ouest (Note 3.7).

5.5 – Post-closing events

None.

4 Auditor's Report on Eurofins Scientific SE's Annual Accounts

Audit report

To the Shareholders of
Eurofins Scientific SE

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Eurofins Scientific SE (the "Company") as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Company's annual accounts comprise:

- the Balance Sheet as at 31 December 2018;
- the Profit and Loss Account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

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To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable for the year-ended, are disclosed in Note 5.4 to the annual accounts.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of shares in affiliated undertakings	
As of 31 December 2018 the net book value of the shares in affiliated undertakings owned by the Company amounts to 4,319MEUR representing 60% of the total assets. As described in the notes to the annual accounts, they are valued at their acquisition cost, unless there are indications that the recoverable value has durably decreased. The recoverable value can be determined through different valuation techniques; the most regularly used by management being the discounted cash flow (DCF) model. This matter was of particular significance to our audit as management's determination of cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable value involves significant judgment and estimates.	We assessed the Company's process for determining and validating the discounted cash flow forecasts of the Company's investments in affiliated undertakings and, when required, of their subsidiaries. We satisfied ourselves of the reasonability of the future cashflows used by comparing them with the actual results and forecasts prepared by management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations. We involved our own valuation specialists to independently validate the models and assumptions, such as discount rates, royalty rates, attrition rates, projection periods, etc. used by management in valuing shares in affiliated undertakings. We tested management sensitivity analysis of the valuation models. We assessed the adequacy of the disclosures in the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting 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 audit report to the related disclosures in the annual accounts 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Company by the General Meeting of the Shareholders on 26 April 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

Other matter

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 4 March 2019

Gilles Vanderweyen

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