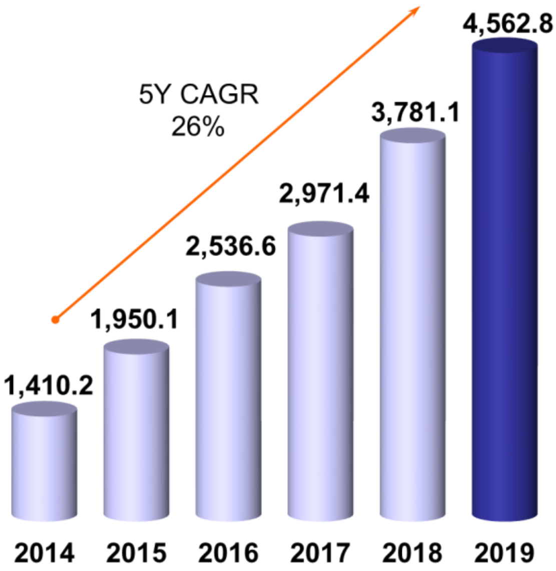
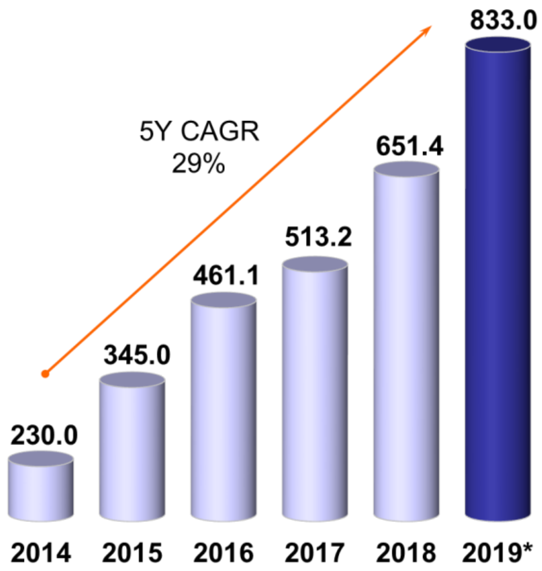
2019 Annual Report

Key Figures – Eurofins Scientific Group

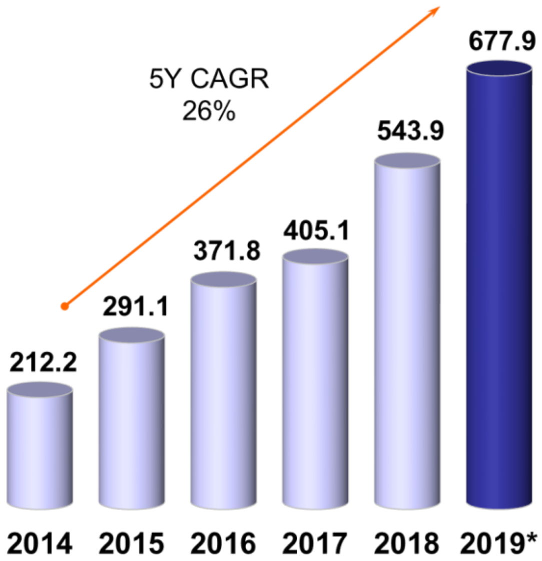
Revenues in EUR million



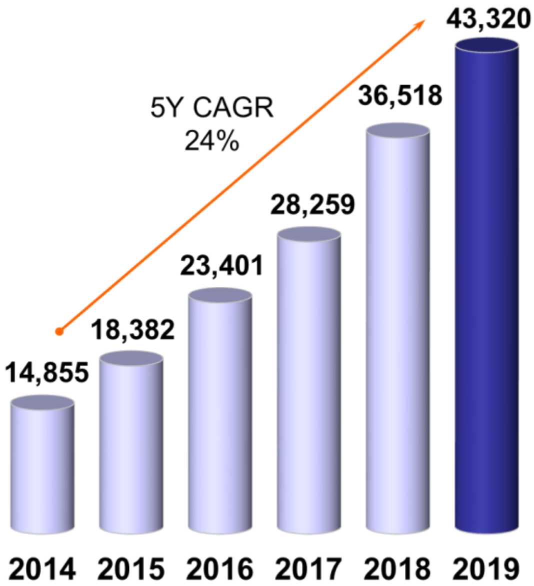
Reported EBITDA in EUR million



Net 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)
*Includes IFRS 16 impact

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Shareholders' information

Listing
Euronext Paris (IPO on 24 October 1997)

Segments/Indexes
Euronext Paris: EURONEXT 100, SBF 120, SBF TOP 80 EW, CAC ALL SHARES, CAC ALL-TRADABLE, CAC HEALTH CARE, CAC MID 60, CAC MID&SMALL, EN FR NEXT 40 EW, EN H C EQ&SER EW.

Euronext Amsterdam: EN EUROPE 500, EN EUROZONE 300.

Other: MSCI Europe, STOXX Europe 600.

Industry Group/Prime Sector
Healthcare/Healthcare Providers

Codes
ISIN: FR0000038259

Tickers
Paris: Euronext ERF, Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (at 31 December 2019)
EUR 1,790,352.50 (17,903,525 x EUR 0.10)

Simplified Ownership Structure
Free Float 64.2%
Martin Family 35.8%

2019 Share Price development
Eurofins Scientific: 51.6%
SBF 120: 25.2%
Next 150 Index: 24.8%
CAC 40 Index: 26.4%
Euro Stoxx 50 Index: 24.8%
Nasdaq Composite Index: 35.2%
Dow Jones Industrial Average Index: 22.3%

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 29% between its IPO on 24 October 1997 at €1.83 and 31 December 2019 at €494.20.

Analyst coverage

AlphaValue	Mohit Rathi
Berenberg	Thomas Burlton
Bryan Garnier	Bruno de La Rochebrochard
Credit Suisse	Andy Grobler
Deutsche Bank	Steven Goulden
Exane BNP Paribas	Allen Wells
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	Suhasini Varanasi
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
MainFirst	Nicolas Tabor
Morgan Stanley	Edward Stanley
Oddo	Christophe-Raphaël Ganet
Société Générale	Jean-Michel Belanger

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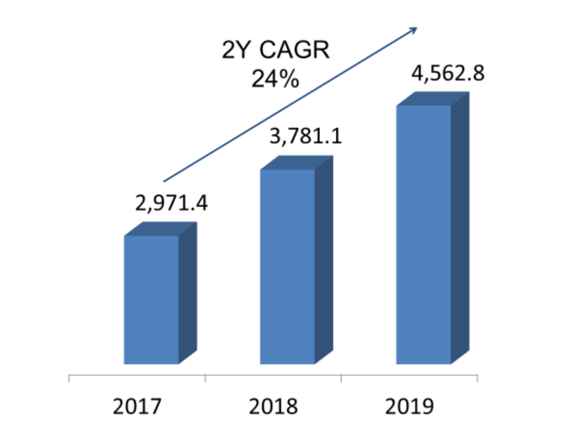
I. MANAGEMENT REPORT as of 31 December 2019

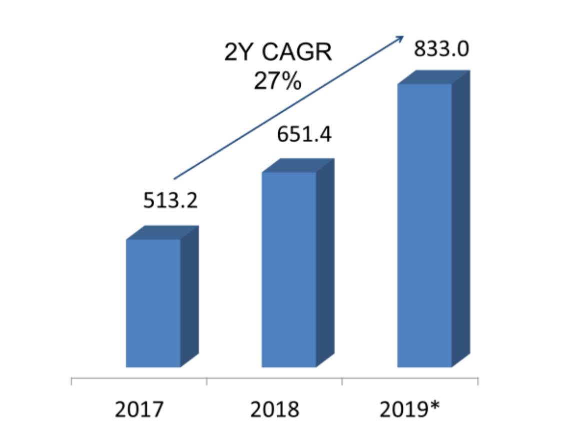
1 Key Performance Indicators (KPIs)

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.

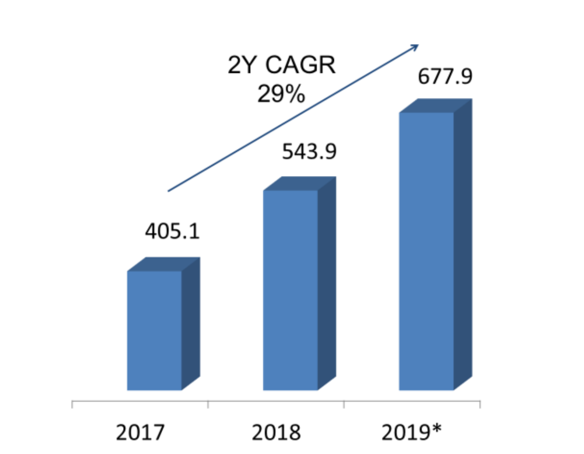
Revenues EUR m



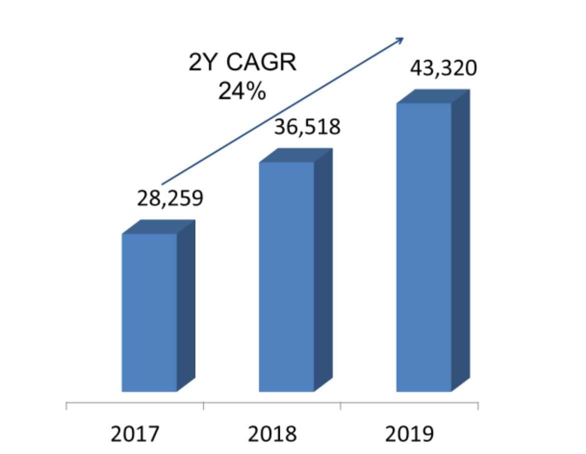
Reported EBITDA EUR m



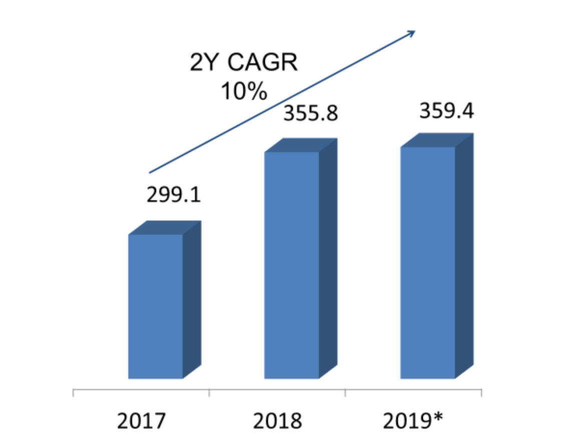
Net Operating Cash Flow EUR m



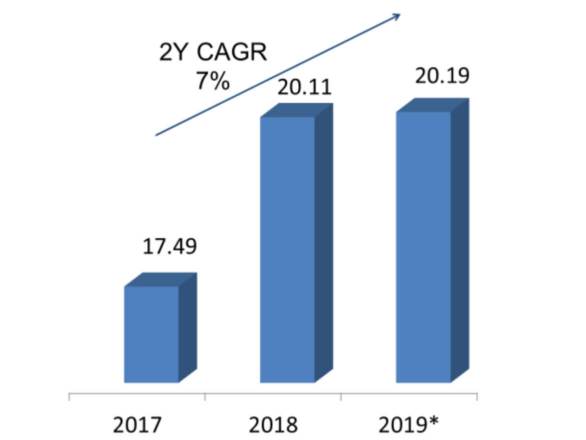
Average Number of Full Time Employees (FTE)



Adj. Net Profit to Equity Holders EUR m



Adj. Earnings Per Share EUR (Basic total)



*Includes IFRS 16 impact

2 Message from the CEO

I am pleased to report another set of strong results for Eurofins in 2019 despite the negative impact of the criminal cyber-attack that hit many Eurofins' laboratories on 02 June 2019.

As a result of both the major impact of this criminal cyber-attack on Eurofins' operations and the first implementation of IFRS 16 on Eurofins' accounts, FY 2019 reported results are not easily comparable with FY 2018 results. Therefore, in addition to reported and adjusted[1] results, this letter also provides estimates on a comparable adjusted[16] basis. The comparable adjusted basis corrects the adjusted results for the estimated impact of the cyber-attack (EUR 75m at the EBITDA level) and of the implementation of IFRS 16 on Eurofins' FY 2019 consolidated accounts. Were it not for these impacts on profits, investments and cash flows, Eurofins believes it would have achieved all its objectives for FY 2019.

Some of the highlights of 2019 include:

- Total revenues grew 20.7% from EUR 3,781m to EUR 4,563m for the full financial year 2019 (FY 2019), not corrected for the lost revenues following the 02 June 2019 criminal cyber-attack (estimated at EUR 69m). In spite of the cyber-attack, this is well above the Group's EUR 4,500m revenue objective for FY 2019. In Q4 2019, revenues increased 13.4% year-on-year to EUR 1,228m from EUR 1,083m in Q4 2018.
- Organic growth[10] was strong at 5.4% in Q4 2019. Due to the lack of comparability with the revenues of the month of June 2018 as a result of the 02 June 2019 cyber-attack on Eurofins servers, like for like organic growth for the full year 2019 unfortunately cannot be determined. However, organic growth (adjusted for calendar working days' effect) showed increased momentum throughout the year (+4.9% in Q1 2019, +5.1% in Q3 2019, and +5.6% in Q4 2019). Excluding Boston Heart Diagnostics ("BHD") which suffered very large reimbursement reductions in 2019, organic growth (adjusted for calendar working days' effect) was +5.7% in Q1 2019, +6.0% in Q3 2019 and +6.5% in Q4 2019.
- Reported EBITDA[3] increased 27.9% year-on-year in FY 2019, representing an 18.3% reported EBITDA margin, a 110bps improvement year-on-year. At constant accounting rules[15] (i.e. excluding the impact of IFRS 16 application of EUR +131m) and corrected for the estimated impact of the cyber-attack (estimated at EUR -75m), reported EBITDA would have increased by 19.3% year-on-year to EUR 777m, resulting in a 16.8% reported EBITDA margin, a moderate 40bps decrease year-on-year, mainly due to BHD losses and the dilutive margin of TestAmerica, consolidated in full in FY 2019, more than offsetting underlying operational improvements.
- The impact of the loss of revenue and profit on FY 2019 results and the additional expenses incurred as a result of the criminal cyber-attack that hit Eurofins on 02 June 2019 is estimated at EUR -69m on revenues and EUR -75m on EBITDA and EBITAS[4] net of a ca. EUR 10m first insurance payment received in Q3 2019. Eurofins insurance coverage exceeds these estimates, but efforts to determine and agree on exact damages reimbursements will be ongoing for a while. The cyber-attack also had a residual impact on Eurofins' ability to collect receivables. Eurofins ended FY 2019 with a 5.3% net working capital to sales ratio vs. its goal of 4.5% (-0.8%), which would have been a 30bps improvement vs. FY 2018.
- Separately Disclosed Items[2] (SDI) remain elevated at EUR 98m reflecting the ongoing efforts to achieve an optimal hub and spoke network of laboratories following the significant acquisitions completed in 2017 and 2018 as well as BHD losses. SDI comprise EUR 48m of one-off costs from integrations, reorganisations and discontinued operations, and other non-recurring income and costs (of which EUR 7m relates to BHD), and EUR 50m of temporary losses and other costs related to network expansion, start-ups and new acquisitions in significant restructuring (of which EUR 12m relates to BHD). Reorganisation costs relate for a significant part to the consolidation of the business in expanded campuses in Lancaster (Pennsylvania), Hamburg (Germany), Montreal Longueuil (Canada), and Wiener Neudorf (Austria), as well as site consolidation costs between historical Eurofins U.S.' Environment and Food testing laboratories and TestAmerica and Covance Food Solutions respectively and of Alpa sites with historical Eurofins' activities in France.
- Comparable adjusted EBITDA (i.e. excluding the impact of IFRS 16 application of EUR +131m, and corrected for the estimated EBITDA impact of the cyber-attack of EUR -75m) increased by 22.6% year-on-year to EUR 883m in FY 2019, representing a 19.1% adj. EBITDA margin (+10bps year-on-year) exceeding the Group's EUR 850m adjusted EBITDA objective for FY 2019 (which was set prior to the implementation of IFRS 16 and the cyber-attack). 2018 acquisitions, especially TestAmerica, continued to have a dilutive effect throughout FY 2019. However that company improved its EBITDA margin to a double-digit level.
- The Group's mature scope[11], representing 93% of the Group's revenues (EUR 4,250m), generated a comparable adjusted EBITDA margin (i.e. excluding the impact of IFRS 16 application, and corrected from the impact from the cyber-attack) of 20.5% in FY 2019, stable year-on-year. The Group saw a continued improvement in the profitability of the mature business created or acquired before 2017, which posted a comparable adjusted EBITDA margin of 21.6% in FY 2019 (+40bps vs. FY 2018). Acquisitions made in 2017 and 2018, though still dilutive as a whole, improved their comparable adjusted EBITDA margin to 18.4% in FY 2019, +80bps year-on-year on a proforma basis, whilst 2019 acquisitions had an average of 14.3% comparable adjusted EBITDA margin for the part included in the mature scope.
- Net Operating Cash Flow[8] at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +130m) stood at EUR 548m, stable year-on-year (+0.7%) despite the large and negative impact of the cyber-attack and the high level of investments in SDIs. Similarly, the Group's net working capital was also impacted by slower

collections following the cyber-attack and stood at 5.3% of Group's revenues in 2019 (+50bps year-on-year).

- Net capex spend was EUR 321m (7.0% of Group's revenues at constant accounting rules vs. 9.6% in FY 2018) including EUR 103m for buildings (EUR -29m vs. EUR 132m in FY 2018), representing a 11% decrease year-on-year (EUR 361m in FY 2018). At the end of 2019, Eurofins purchased two large buildings for a total cost of EUR 29m, one near Los Angeles (California) and another one near Heathrow (UK) where it will install laboratories in 2020 and 2021. This was not planned in the 2019 budget and was brought forward due to competitive pressure in these local real estate markets. In addition, before the implementation of IFRS 16, those buildings would have been leased by Eurofins instead of owned. This is why Net capex was slightly above EUR 300m. As investment in M&A was well below the EUR 300m self-imposed maximum, Eurofins could afford those investments while staying well below its EUR 600m total combined cap on M&A and capex.

- Free Cash Flow to the Firm[9] reached EUR 258m and EUR 379m after correcting for the cyber-attack impact on EBITDA (EUR 55m net of tax) and on net working capital (0.8% for EUR 37m) and EUR 29m for buildings that would previously have been leased or purchased later. At constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +32m), Free Cash Flow to the Firm[9] stood at EUR 226m, a significant increase of 24.0% year-on-year despite the impact from the cyber-attack and those extra investments to own buildings that were purchased ahead of plan in 2019 and where laboratories will start to be set up in 2020 for 2021 delivery only.

- Eurofins closed 26 acquisitions during the year 2019, representing annual revenues of over EUR 130m in FY 2019 and a total investment of EUR 171m, a significant -86% year-on-year decrease as the Group took advantage of exceptional M&A opportunities in 2017 and 2018 and has, at this point, to a large extent already managed to build its desired laboratory platform and geographic footprint.

- Year-end net debt at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +524m) remained stable year-on-year at EUR 2,721m (vs. EUR 2,737m at the end of June 2019 and EUR 2,651m at the end of December 2018). As a result, Eurofins' leverage (net debt excluding IFRS 16 impact divided by comparable adjusted EBITDA) decreased to 3.08x at the end of December 2019, from 3.61x at the end of June 2019.

- Basic reported earnings per share (EPS) at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR -0.3) decreased -11.0% to EUR 11.26 in FY 2019, largely driven by the large cost of the cyber-attack as well as a higher tax rate coupled with the Group not yet benefitting from the integration of recent acquisitions.

- As Eurofins' management is confident in the positive cash flow outlook for the Company and in receiving further insurance reimbursements, it intends to propose, at its upcoming general assembly, to distribute a dividend of EUR 3.45 per share, a 20% increase vs. 2018, corresponding to 42% of FY 2019 basic reported EPS attributable to equity holders.

- In FY 2019, the Group continued to improve its Environmental, Social and Governance (ESG) practices, including a revision of its Group Code of Ethics, the publication of eight Group compliance policies and the introduction of a number of non-financial KPIs covering some significant social and environmental matters. Eurofins is also working on expanding its Board of Directors and intends to propose the appointment of at least one new Independent Non-executive Director at its upcoming AGM scheduled for 23 April 2020.

- Corona virus update: With only slightly over 3% of its revenues derived from China, South Korea and Italy Eurofins revenues have so far not been meaningfully affected by the SARS 2-CoV crisis. Eurofins' Food testing laboratories in China have already developed testing methods for SARS 2-CoV to help manufacturers resume their business activities. After a very slow February, our Chinese Food testing laboratories are seeing a significant pick-up of activity this month. Most of Eurofins' laboratories operate in resilient non-cyclical healthcare-related areas, which have historically been less affected by economic crises. Like any company, Eurofins' laboratories are updating their business continuity plans to attempt to mitigate potential supply chain or other interferences to operations. Until last weekend, in countries where Eurofins operates human clinical pathology laboratories, tests for SARS 2-CoV were generally only carried out by public health laboratories. Testing is now increasingly being opened to highly qualified independent high complexity molecular testing laboratories. Eurofins laboratories are finalising the development of their own tests and sourcing some commercially available ones to support health authorities testing needs for the hopefully unlikely case the epidemy were to expand much more broadly. Eurofins Diatherix is also working to integrate SARS 2-CoV in its broad respiratory syndromic panels detecting 32 viruses and bacteria to help healthcare practitioners identify other pathogens causing similar symptoms. Eurofins Technologies is also working to add CoV to its range of virus testing kits for both laboratories and for on-site use by the industry should this become a question in certain environmental or food samples.

- Outlook: Following a strong set of 2019 results in spite of the cyber-attack and a positive outlook on its non-cyclical health focused markets, Eurofins is setting new objectives for 2020 and 2021 as follows (all below objectives include IFRS 16 and are set at constant average 2019 FX rates):
  - For 2020, Eurofins' objectives are to achieve EUR 5bn of revenues, including 5% from organic growth and EUR 100m from acquisitions (EUR200m annual revenues consolidated at mid-year), EUR 1.1bn adjusted EBITDA and EUR 500m Free Cash Flow to the Firm.
  - For 2021, Eurofins' objectives are to achieve EUR 5.45bn revenues, including 5% from organic growth and EUR 100m from acquisitions (EUR200m annual revenues consolidated at mid-year), EUR 1.25bn adjusted EBITDA and EUR 600m Free Cash Flow to the Firm.

These objectives reflect the continuation of a strong focus on margins and cash flow generation and are accompanied by significantly reduced investments with a self-imposed limit of EUR 700m for Net capex and M&A spend combined in both 2020 and 2021 (i.e. ca. EUR 400m Net capex spend including EUR 100m related to IFRS 16 and ca. EUR 300m M&A spend as previously communicated). In 2020, Eurofins should complete its five year infrastructure development programme and thus Net capex in laboratories and IT solutions, which remain relatively high in 2020, should reduce thereafter towards historical levels as a percentage of revenues. The opening of new start-up laboratories should be limited with majority of focus to be on Asia in 2020 and 2021. Most of Eurofins' capex spend is discretionary and could be delayed should the SARS 2-CoV crises cause significant supply chain or market disruptions. The objective is for SDIs not to exceed EUR 60m at EBITDA level in 2020 and EUR 30m in 2021.

If Q4 2019 trends in Eurofins' markets continue in 2020, it could be that these revenue and profits objectives may also be achieved with higher levels of organic growth than 5% and less acquisitions. The EUR 700m annual investments including IFRS 16 are a self-imposed cap. As in 2019, Eurofins may not reach this total if it does not identify enough high quality acquisition targets at the right price. The Group's priority remains investment discipline and deleveraging.

As a result, by the end of 2021, Eurofins' objective is to bring its leverage (net debt / adjusted EBITDA) back to ca.2.5x. Beyond 2021 and at least in 2022, Eurofins plans to continue to focus on further deleveraging towards the mid-point of its historical 1.5-2.5x net debt to adjusted EBITDA range.

In 2019, following two years of intense M&A activity in 2017 and 2018, the Group moved into the final phase of its five year 2016-2020 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 innovative services to its clients. From a financial perspective, this translated into lower investments, in terms of both M&A and Net capex, as well as continued improvement in the profitability of the mature business created or acquired before 2017, leading to improved free cash flow generation.

Unfortunately, the Group suffered a criminal cyber-attack on 02 June 2019, which severely hit several Group laboratories and temporarily stopped or reduced production. This has significantly impacted the financial performance of the Group in 2019. While operations recovered for the most part within two weeks, many of Eurofins' businesses were still feeling the negative impact of those service interruptions and the ensuing efforts to harden IT systems through H2 2019. Combined with the resulting defocus of management beyond the costs and revenue losses incurred, this cyber-attack has probably delayed progress towards the Group's growth objectives by six months. Any lag should however be neutralised within 2020 and the IT spend normalised. The good performance achieved in Q4 in spite of this incident is encouraging and an indication of the dynamism and resilience of Eurofins' health focused markets as well as Eurofins' strong competitive position in those.

The ongoing integration efforts following the exceptional M&A activity of 2017 and 2018 as well as investments into building an unmatched state-of-the-art laboratory platform (laboratory buildings, start-ups and IT) with significant scale advantages and consolidating businesses therein, continued to weigh on the overall margin and cash flow generation in 2019. In 2020, the Group's focus will continue to be to finalise the internal investments required to complete this five year plan. In particular our focus will be on completing the planned site reorganisations and IT solutions deployment, making progress towards operational excellence, and, as a result, further improving profitability and cash flow generation, with a subsequent continued deleveraging of the balance sheet. Beyond 2020, once the 2016-2020 five year plan shall be completed, the Group expects to benefit from significantly improved competitive advantage and to be ready to enter its next growth cycle, which should be even more innovation led. After having achieved the expansion targets in North America announced in 2011, the Group will be more focused on expansion in Asia and Latin America. We believe that the operational benefits of all investments carried out in the 2016-2020 period should result in significantly improved profitability, cash flow generation and return on investment.

Sincerely,

Dr. Gilles G. Martin
CEO

Dated 26 February 2020

(Please see definitions of the financial terms discussed on page 26).

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 global leader in food, environment, pharmaceutical and cosmetics products testing and in agroscience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and in the support of clinical studies. In addition, Eurofins is one of the leading global emerging players in esoteric clinical diagnostic testing.

With over 47,000 staff across a network of more than 900 independent companies in over 50 countries generally specialised by end client markets operating more than 800 laboratories, Eurofins offers a portfolio of over 200,000 analytical methods to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as providing innovative clinical diagnostic testing services. The Group’s objective is to provide customers with high-quality and innovative services, accurate results on time and, when requested, 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 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 large 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 increasing demands of regulatory authorities and healthcare practitioners around the world.

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

Our Mission: To contribute to a safer and healthier world by providing our customers with innovative and high quality laboratory, research 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 of Eurofins and Strategy of its Member Companies

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 Europe, North and South America and Asia-Pacific employing over 47,000 staff, and offering a portfolio of over 200,000 analytical methods.

Investment 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 it has reached across its end markets around the world. Eurofins has also started to see the benefits from its intensive 2016-2020 investment programmes, reflected in significant growth of its network of state-of-the-art laboratories and Competence Centres, increased efficiency across the Group, and higher market share 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 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 and sustainable competitive advantage:

- 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 position themselves as a first choice provider based on quality, breadth and depth of offering; 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 facilitate access to new customers, geographic markets, technologies, and innovation.

Focus on Scientific Innovation

Eurofins is structured as a network of intrapreneur-led companies. This decentralised structure promotes closer relationships with clients 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 believes that it is an industry leader in innovation. Here are a few examples of Eurofins' innovations achieved in 2019 alone:

Tackling microplastics in food and the environment

The presence of Microplastics (plastic fragments less than 5mm and greater than 1um), is an emerging question in both food and environment with legislation under way. Polluting our environment through multiple exposure channels, Microplastics contain or can carry hazardous chemicals that may have a negative impact on nature and human health. Their ingestion through air, water, or food such as fish or shellfish, is of particular concern. Eurofins has recently expanded its offering in Microplastics testing:

- Eurofins Australia is the first laboratory to offer a commercial service for Microplastic detection using the innovative Laser Direct Infra-Red (LDIR) imaging system. This technique enables the sizing of Microplastic particles to <10 µm and also identifies polymer types against standard published Infra-Red libraries. This technology has significantly reduced the time to obtain results from days, to several hours for complex samples;
- Eurofins Norwegian teams, using Pyrolytic Gas Chromatography Mass Spectrometry (GC-MS) for detection, have developed new methodologies with custom filtration in a polymer-dust-free laboratory environment, increasing processing speeds by up to 60 times;
- Eurofins SF Analytical Laboratories in the U.S. was the first laboratory to make dye imaging and NOAA methodology under Fourier-Transform Infra-Red (FTIR) spectroscopy and microscopy technologies commercially available. The method may become an industry benchmark for Microplastics testing in California where pending legislation is expected to mandate Microplastics testing by the end of 2021.

Other advances in Food Testing

- Eurofins Food Testing France expanded its authenticity offering with recent accreditations for spices (Nuclear Magnetic Resonance NMR), for vanillin (C13 Site-Specific Natural Isotope Fractionation SNIF) and for juice and syrups (oligo-saccharides);
- Eurofins Central Analytical Laboratories in New Orleans (U.S.) developed a new and highly critical Liquid Chromatography Tandem Mass Spectrometry (LC-MSMS) method for the detection of biogenic amines in fish and pet food ingredients. This method, currently the most sensitive offered among North American private laboratories, enables the confirmation of sensory analysis and better resolution of borderline decomposition in fish and other animal proteins. This method is especially important to both seafood processors who are required to comply with FDA regulations, and importers who are subject to import detention testing by sensory analysis;
- Eurofins Food Integrity and Innovation in Madison (U.S.) developed and validated a supercritical fluid chromatography with tandem mass spectrometry methodology to quantify various fat soluble vitamins. This technology offers several advantages, including reduced turnaround time (TAT) from two days to a few hours, a significant reduction in the consumption of hazardous chemicals and lower consumable costs. Eurofins Food Integrity and Innovation were also asked to work with the Association of Official Agricultural Chemists (AOAC) to validate a new method for Aloin analysis in response to new regulation in Europe;
- Eurofins SF Analytical Laboratories partnered with Eurofins DQCI to develop, validate and launch the first commercially available immunoassay for the semi quantitative detection of A1 and A2 beta casein proteins in milk and dairy matrices. Previously, the only means of determining the level of A1 versus A2 protein in a dairy cow was through genetic testing. Eurofins can now perform this test in fluid milk and all other dairy matrices. A1 protein is linked to possible issues in digesting dairy products and many farmers are trying to breed their herds to produce only A2 protein. A more sophisticated Liquid Chromatography

[a] https://www.eurofins.com/scientific-impact/scientific-innovation/examples-of-our-scientific-innovations/
[b] https://cdnmedia.eurofins.com/corporate-eurofins/media/12144648/eurofins_30y_booklet_of_innovations_final.pdf

Tandem Mass Spectrometry (LC-MSMS) method for A1 and A2 beta casein proteins was also developed and launched at the end of 2019. This is a major breakthrough to support the dairy industry;

- Eurofins SF Analytical Laboratories also collaborated with Eurofins Supplement Analysis Center to develop validated methods for trace metals. Combining Inductively Coupled Plasma Mass Spectrometry (ICPMS) and Vitamin D, E, K potency by chromatographic methods in encapsulated microbeads used in pre-natal vitamins, the methods are validated to United States Pharmacopeia (USP) quality standards. This new validated method will allow companies to obtain "USP Seal of Approval";
- In 2018, Eurofins Food Integrity Control Services in Bremen became the first laboratory in the world capable of offering authenticity analysis of honey by Liquid Chromatography High Resolution Mass Spectrometry (LC-HRMS), as an ISO 17025 accredited method.

Other advances in Environment Testing

Development of Per- and Polyfluorinated Alkyl Substances (PFAS) and non-target detection techniques:

- Demand for PFAS analysis continues to expand globally. Whilst much of the focus has been on the regulated PFAS compounds, Perfluorooctane Sulfonate (PFOS) and Perfluorooctannoic Acid (PFOA), there are an estimated 4,000 other PFAS compounds in the environment with minimal toxicological data. Demand for identification of these unknowns is increasing and Eurofins has responded by developing methodologies using state-of-the-art Liquid Chromatography Quadrupole Time-of-Flight instrumentation (LC-QToF) to concurrently enhance regulated compound detection whilst also building a library of non-target compounds for future identification and quantification;
- LC-QToF adopted by Eurofins in Europe, the U.S. and Australia has also provided our scientists with new tools to detect "known unknowns" (emerging target compounds) and "unknown unknowns" (non-target compounds) thereby facilitating the identification of previously unquantified emerging contaminants. This powerful tool can elucidate the presence of compounds that may be of greater toxicological significance than regulated target compounds.

Tackling silent rejection in kidney transplants with patented test - TruGraf®

In H1 2019, Eurofins acquired a start-up called Transplant Genomics, a company which offers kidney transplant recipients TruGraf®, a patented test to determine silent transplant rejection. This test has received financial coverage from the U.S. Medicare healthcare reimbursement body. The acquisition further strengthens Eurofins' position as a market leader in the pre- and post-transplant testing market in the U.S.:

- TruGraf® is the first and only blood test available that allows physicians to reassure kidney transplant patients with stable renal function that their graft is not harbouring silent rejection (approximately 25% of transplant patients suffer from this[c]). The test provides an alternative to performing an invasive, risky and costly surveillance biopsy. As the only non-invasive test reimbursed for use as a surveillance tool, TruGraf® enables early intervention, before indicative signs of kidney damage can be detected;
- TruGraf® is one of Eurofins' first proprietary clinical genetics assays to achieve reimbursement with a significant market potential;
- Separately, in 2020, Eurofins is launching a proprietary cell-free DNA test called TRAC that can help guide physician treatment decisions when acute rejection is suspected.

Eurofins achieved some other significant developments in Clinical Diagnostics, in the areas of non-invasive pre-natal testing and clinical genetics

In the field of Clinical Genetics, Eurofins Biomnis launched new panels for the diagnosis, prognosis and theranostics of oncohematological malignancies. Those panels are based on Next Generation Sequencing (NGS) technology and adhere to the latest World Health Organisation (WHO) Classification from 2017 and other international recommendations (e.g. European Leukemia Net). Those new panels combined with the recognised expertise of Eurofins Biomnis in oncohematology have resulted in greater than expected adoption rates in the market. Exome testing, a genetic test that enables the provision of a diagnosis to patients whose clinical presentation has prevented the clinician from identifying the required gene(s) to be tested, has also experienced a clear increase in adoption rates in France thanks to improved TAT and bioinformatics.

[c] Estimate to the best of Eurofins' knowledge, based on data available to the Group

NTD Eurofins received approval from the New York State Department of Health (NYSDOH) for the addition of Y chromosome assessment to its MaternalFetalScreen℠ | T1 test. This is the only test to combine first-trimester aneuploidy risk assessment with early onset preeclampsia (EOPE) testing in one report, providing patients with a comprehensive, personalised risk assessment at as early as 10 weeks' gestation. Through the measurement of five serum markers, MaternalFetalScreen℠ | T1 casts a wide net from which it can identify maternal and fetal issues, such as aneuploidy, preeclampsia, low birth weight, fetal loss and stillbirth. With this new test, NTD Eurofins has added the category of Genetic Testing (Molecular) to its NYSDOH permit.

Last but not least, in the innovative field of liquid biopsy to support oncologists, Eurofins Genoma continues to develop tailor made solutions for its pharmaceutical customers and to provide educational programmes for oncologists on the clinical utility and use of those tests in personalised medicine. The NGBreast project, currently run in Italy, comprises 80 oncology teams (see NGBreast.it). The ultimate goal of these kinds of educational projects is to make the possibility of liquid biopsy a reality for patients.

Eurofins BioPharma services also remained at the forefront of innovation as demonstrated by its support of ATMPs in BioPharma Product Testing and technological breakthroughs in CDMO and Discovery

Eurofins BioPharma Product Testing supports the development of Advanced Therapy Medicinal Products (ATMPs) both for traditional use as well as for use in personalised medicine with its comprehensive and customisable cell and gene therapy testing offering.

- The development of ATMPs, such as gene and cell therapy products, has resulted in significant progress in the treatment of many diseases, including cancer, genetic and autoimmune disorders. By their nature, these technologies are very complex and vastly different to traditional biopharmaceutical products, especially in terms of their use in personalised medicine. These complexities span the development pipeline, creating challenges in relation to manufacturing, testing requirements, regulatory approval, and commercialisation. The U.S. Food and Drug Administration (FDA) expects more than 200 new investigational drug applications for cell and gene therapies by 2020[d], which has prompted the agency to significantly strengthen its regulatory programme;
- Eurofins provides Good Manufacturing Practice (GMP) compliant Chemistry, Manufacturing and Controls (CMC) testing support to ensure the identity, potency, purity and safety of starting materials, cell and virus banks, intermediate products, vectors and final drug products, as well as supporting manufacturing process development and validation. The Group's broad testing portfolio coupled with its state-of-the-art IT solutions, which ensure standardised best practices across its global network of laboratories, make Eurofins BioPharma Product Testing a supplier of choice for global biopharmaceutical companies requiring support regarding the incredibly complex testing requirements for ATMPs.

GMP readiness of disposable isolators for aseptic processing in CDMO (Contract Development & Manufacturing Organisations):

- In recent years, single-use disposable materials and utensils have become the technology of choice for most biopharma innovators. One of the major advantages is the inherent risk reduction (by risk avoidance) of any potential cross-contamination, as well as making time-consuming cleaning and validation redundant. Even so, isolator (& barrier access) technologies are commonly considered as the current industry standard for use in aseptic processing and filling operations;
- Eurofins CDMO has been able, in close collaboration with the equipment manufacturer, to integrate both approaches at the same time. By engineering GMP compliance into its design, the single-use disposable isolator is now qualifiable for use in aseptic processing and filling operations. As the disposable isolator is decontaminated using a robust and validated gamma irradiation process, it arrives at the Eurofins CDMO manufacturing site ready-to-use.

Injectable long acting drug delivery system in CDMO:

- Patient medication adherence is an important factor in the success rate of therapies. A way to improve adherence is the use of an injectable long acting drug delivery system (DDS). DDS will, after injection, act as a local depot from which drugs are released at a controlled rate for a prolonged period of time, from weeks to even months. DDS could possibly be used to administer aqueous micro- and nanosuspensions;
- Eurofins CDMO has specific expertise in this DDS and has developed a formulation and process to facilitate sterile Intra-Articular Injection. The process was successfully

[d] https://www.fda.gov/news-events/press-announcements/statement-fda-commissioner-scott-gottlieb-md-and-peter-marks-md-phd-director-center-biologics

produced for a phase I study in one of its fill & finish facilities.

In 2019, Eurofins Discovery launched a number of new products and services to support the drug discovery phase and development of novel therapeutics:

- As pharmaceutical and biotech companies continue to innovate and discover new molecular entities which could be used to treat disease, the types of tests they will require at the discovery phase will also need to be developed;
- Eurofins Discovery has adopted cell engineering and gene editing technologies to meet these evolving testing needs. By using advanced gene editing technology and Eurofins' Enzyme Fragment Complementation (EFC) system, in 2019 Eurofins Discovery introduced a new assay platform that robustly and sensitively quantifies the kinetics of endogenous protein turnover which is crucial in the discovery of disease-relevant therapeutic agents. The new assay is specifically designed for a new class of therapeutics known as PROTACs (chimeric molecules that target specific disease-relevant proteins for degradation by the cellular ubiquitin-proteasome system);
- To support the broad and growing range of molecules in drug discovery, Eurofins Discovery has also introduced a novel panel of tests to assess and predict drug induced liver injury (DILI).

Eurofins Technologies development of new tests

Eurofins Technologies is a fast growing provider of diagnostic technologies, in particular industry-leading enzyme-linked immunosorbent assay (ELISA) and polymerase chain reaction (PCR)-based assays in the field of Food and Feed Safety, Environmental Safety and Veterinary Diagnostics. After years of research and development Eurofins Technologies now offers a broad range of test kits for Food Pathogens, Allergens, Genetically Modified Organisms (GMOs), Mycotoxins, Veterinary Drug Residues, Animal Species and infectious diseases in farm and companion animals. It has recently developed the following tests:

- For Food Safety testing, Eurofins Technologies developed a novel PCR Solution to detect noroviruses, called VirSeek, a testing solution for the detection and differentiation of shiga toxin-producing e.coli called BacGene STEC and the ELISA Glyphosate assay to be marketed. Eurofins Technologies also created a U.S. based Culture Media manufacturing start-up serving Eurofins' food safety and clinical diagnostics laboratories;
- For Animal Health testing, Eurofins Technologies, in collaboration with Eurofins laboratories, made an investment in PCR diagnostics. This investment will see a gradual move away from the use of external PCR diagnostics vendors at Eurofins' laboratories carrying out Veterinary testing. Additionally, Eurofins Technologies was one of the main providers of rapid lateral flow test kits to address the global crisis caused by the African swine fever virus.

Industry Overview

Eurofins serves several industries that can be loosely broken down in the following markets:

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 physically) is a relatively new market which began expanding significantly only a few decades ago, particularly for third party service providers. Despite the on-going 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[e]. 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 (Testing, Inspection and Certification Services) companies for their valuation purposes[f]. In the pharmaceutical area, Evotec, Abcam, Albany Molecular Research, PPD, Syneos Health, Quest, Cambrex, Catalent, Covance (LabCorp Group), IQVIA, Icon and Charles River are often cited along with other CROs like PRA Health Sciences and Parexel.

Estimates of the size and growth rates of the TIC 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.

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

[f] 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

According to Market Study Report LLC[9], The global TICS market is projected to grow at 6% CAGR during the period 2018-2024. The TICS market size is estimated to cross US$ 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, given that 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 its network, Eurofins is able to provide the most comprehensive portfolio of tests to clients in the markets it serves with over 200,000 validated analytical methods. The network has the scale and potential to create competitive advantages versus 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 global logistics networks. Since most laboratories specialise in servicing particular customer groups, or offering specific products or analytical methods, Eurofins can optimally leverage the highly scalable nature of these testing activities. Complex analytical testing methods are centralised in competence centres where samples from clients served by a large part of the Group's network are tested 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 often have to be performed within a few hours of the sample being taken.

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

1. Large Global Customers:
   a. Local support at customers' facilities;
   b. Globally harmonised / standardised portfolio of tests and processes;
   c. Market leading testing capacity to respond to crisis cases and related 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 to customers that understand their needs and requirements;
   b. Full offering 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 in outsourcing industry internal laboratories;
   c. Best terms to access state-of-the-art equipment and technology;
   d. Provides significant overflow capacities in its network in case of crisis;
   e. Eliminates additional investments / capital tie-up;
   f. Potentially significant cost savings, material reductions of client's fixed cost base.

Testing for the Biopharmaceutical Market

Eurofins is a first-class biopharmaceutical outsourcing services partner (Contract Research Organisation – CRO - focused on laboratory services and Contract Development & Manufacturing Organization - CDMO), working with clients across the pharmaceutical, chemical, agrosciences, biotechnology, medical device 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 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 on-going investment in technology and scientific expertise leading to greater outsourcing by large pharmaceutical clients.

[9] 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[h]).
- 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 Organisations (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 6bn (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, for the development of Companion Diagnostics and to support Translational Medicine. With multiple specialised 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 its global reach is expanding. It is estimated to grow at a CAGR of 10.2% to reach US$ 23.8bn in 2022 from US$ 14.7bn in 2017[i]. The Next Generation Sequencing market was valued at US$ 5.7bn in 2017 and is estimated to reach US$ 26.5bn by 2025[j].

Some key factors driving 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 including diagnostics, personalised medicine, crop optimisation, 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 its nature non-exhaustive and may evolve over time. It is provided for illustrative purposes only).

Discovery Pharmacology

Eurofins Pharma Discovery Services has supported Drug Discovery research for over 40 years. It is recognised as the industry leader in providing drug discovery researchers with 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,

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

[i] 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

[j] 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

reproducible study performance with few repeats and high client satisfaction. The comprehensive portfolio of services offered by Eurofins Pharma Discovery Services provides clients with the benefit of being able to work with a single outsourcing provider for their drug discovery programmes.

The Drug Discovery market is growing rapidly. It is estimated to grow at a CAGR of 12.1% between 2020 and 2025 to reach US$ 19.1bn by 2025[k].

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

- Increasing research and development expenditures;
- Increasing focus on cost optimisation, 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 recognised 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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

Pre-clinical / Early Development Market

Early and pre-clinical drug development is a complex and 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 to 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 molecules are discarded in the development phase due to an insufficient level of bioavailability[l]. 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 have the advantage of hosting industry leading expertise in pre-clinical and clinical development within the same organisation. This structure allows Eurofins to design the overall strategy for the benefit of its clients' compounds. The coordination of the pre-clinical activity of client projects is designed for successful clinical development outcomes. 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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

Clinical Development / Central Laboratory

Eurofins operates four wholly-owned central laboratories accredited by the College of American Pathologists (CAP). With these laboratories, Eurofins has a global footprint of standardised 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 clients to ensure that any clinical trial sample is collected, transported, managed, analysed, reported and stored to meet the objectives and purposes of client 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

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

[l] Estimate to the best of Eurofins' knowledge, based on data available to the Group

solutions to pharmaceutical and biotech companies, and Contract Research Organisations (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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

Contract Development and Manufacturing

Eurofins CDMO (Contract Development and Manufacturing Organisation) provides integrated, end to end solutions for pre-clinical and clinical outsourcing services of both Drug Substance/Active Pharmaceutical Ingredients (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.

Eurofins CDMO offers a range of 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 U.S., Europe and India and a global network of regulatory expertise, Eurofins CDMO provides high-quality, customised solutions for complex products and unique production processes, specialising 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 programmes, 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 programme to commercialisation 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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

BioPharma Product Testing (BPT)

Eurofins BioPharma Product Testing (BPT) operates the largest network of independent harmonised 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 authorisation, 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, organised 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 2019, Eurofins was recognised for meeting and exceeding customer expectations in five categories - Capabilities, Compatibility, Quality, Reliability and Expertise:

- 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;

- Expertise – Eurofins offers in-depth technical expertise through over fifty years of experience.

With a global capacity of more than 159,000 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 U.S., Eurofins BPT's network of GMP laboratories operates under the same strict quality procedures, LIMS and centralised billing system across 35 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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

The Food and Feed Testing Market

Eurofins is the global leader in Food and Feed testing, 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 almost 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 including:

- Food scares and crises widely covered in the media;
- Globalisation: raw materials sourced from countries with different quality control (QC) practices;
- Consumer demand for safety and quality rises as they become increasingly concerned about choices impacting their health and safety;
- Outsourcing of internal or state-owned laboratories in varying industries; 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 programmes since brands have become more global, with complex supply chains, and thus more vulnerable to contaminations and ultimately reputational damage;
- 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.

The majority 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, beverage 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, SGS and Intertek, as well as the private company Mérieux NutriSciences / Silliker (this list is by its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

Eurofins' addressable testing market for Food and Feed testing is estimated at ca. EUR 4bn (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, the absence of contamination by pollutants and their 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 an 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 its nature non exhaustive and may evolve over time. It is provided for illustrative purposes only).

Eurofins' addressable testing market for environment testing is estimated at ca. EUR 5bn (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 been active in this sector since 2014 with a special focus on innovative specialised diagnostic services with a significant genetic and genomic component. As further detailed below under the paragraph "Global Clinical Diagnostics market growth drivers" this market is expected to grow[m] as effective diagnosis enables the use of more personalised medicine – i.e., allowing healthcare professionals to better diagnose and prescribe more accurate treatment for each patient.

Multiple companies provide either specialised or routine clinical diagnostic testing services, or both, depending on their technologies, or scientific expertise, or the relevant regulations. The competitive landscape is therefore highly localised, and in certain geographies, competition is mainly focused on specialisation or branches of medical science. Financial analysts typically cite LabCorp, Quest Diagnostics, Sonic Healthcare, Myriad Genetics, Exact Sciences, Opko, Genomic Health, NeoGenomics, Natera, Invitae, Guardant Health, Veracyte, CareDx, among others, as comparable peers to Eurofins' clinical diagnostics activities. Some of those companies are larger than Eurofins and may account for 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 bioanalytical testing market. Some of these trends include:

The Broader Bioanalytical Testing Market Growth Drivers

Wealth and 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 for expensive pharmaceuticals enabling people to enjoy better lives grows. As consumers become more aware of the issues that surround them, their aversion to risk in relation to food and consumer products and contamination of the environment also rises.

New Technologies

New technologies open up new perspectives in terms of 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 as there is a need to detect substances that people were not previously aware of or able to measure.

Consumer Protection

Along with the development of new technologies and the rising standard of living in industrialised countries, consumers are becoming increasingly aware of product safety and quality and are averse to any health risks linked to food, pharmaceuticals or the environment. The demand for higher quality goods and services, and the associated requirement for testing, is also driven by increasingly strict regulations introduced by governmental authorities, the European Commission, the US Food and Drug Administration and 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 interlinked with 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 in an increasing number of supply chain locations in South America, Eastern Europe, and Asia among others. 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 these 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 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. The account manager can draw on a large network of Eurofins laboratories, some being very specialised. Eurofins in turn is able to allow each laboratory in the Group to focus on their own area of expertise and yet retain customers by being able to offer the complete range of tests

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

provided by most laboratories in the Group or in one Business Line.

Brand Protection

In times of increased 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

Running in-house or government/public laboratories, as a rule, is rarely 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, while benefitting 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 demand for laboratory diagnostic services. According to a recent market study, the global clinical laboratory services market is estimated to exceed US$ 350bn by 2025[n].

Medical/Scientific Innovations

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

The increased availability of healthcare data, including those resulting from modern sequencing technologies frequently referred to as "next generation DNA sequencing", and the continuous improvements in the ability to analyse such data at patient level is likely to open up 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 funders (governments or insurance agencies) increasingly recognise the value of diagnostics as a means of improving health and reducing 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).

Throughout all sectors served by Eurofins there is no guarantee that the growth trends discussed above will remain or materialise, 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.

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

4 Financial and operating review

02 June 2019 cyber-attack

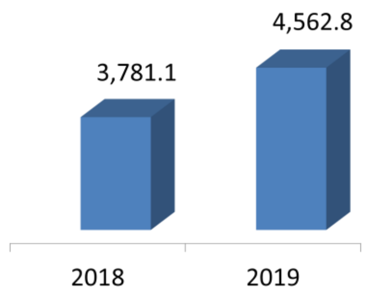
In H2 2019, Eurofins teams worked very hard to fully recover from the 02 June cyber-attack and to further harden IT systems.

The impact of the loss of revenue and profit and the additional expenses resulting from the 02 June 2019 cyber-attack, based on the most current estimates, stands at ca. EUR 69m on revenues and ca. EUR 75m on EBITDA and EBITAS net of a ca. EUR 10m first insurance payment received in Q3 2019. These higher estimates than those shared at the time of the Q3 2019 press release are mainly due to IT incident response costs incurred both locally and centrally in the second half of 2019.

The net financial impact (after insurance compensation) is expected to be much lower, as Eurofins has business interruption insurance coverage for an amount exceeding the above estimates and coverage for this criminal cyber-attack has been confirmed. The first payment was received in Q3 2019. The Group expects efforts to determine and agree on exact damage reimbursement to be ongoing for a while. In line with Eurofins' conservative accounting, no future reimbursement has been booked in 2019 accounts.

Revenues

Revenues EUR m



Revenues increased 13.4% year-on-year to EUR 1,228m in Q4 2019 from EUR 1,083m in Q4 2018. For the full financial year 2019, total revenues grew 20.7% from EUR 3,781m during the same period last year to EUR 4,563m. Revenues were reduced as a result of the cyber-attack (estimated at EUR 69m in revenue lost). In spite of this severe criminal act, Eurofins exceeded its EUR 4,500m revenue objective for FY 2019. Organic growth was strong at 5.4% in Q4 2019 and 6.3% corrected for BHD. Due to the lack of comparability between the revenues of June 2018 and June 2019 as a result of the 02 June 2019 cyber-attack on Eurofins' servers, like for like organic growth for the full year 2019 unfortunately cannot be determined. However, organic growth (adjusted for calendar working days effect) showed increased momentum throughout the year (+4.9% in Q1 2019, +5.1% in Q3 2019, and +5.6% in Q4 2019). Excluding BHD which suffered very large reimbursement reductions in 2019, organic growth (adjusted for calendar working days effect) was +5.7% in Q1 2019, +6.0% in Q3 2019 and +6.5% in Q4 2019.

Revenues : Breakdown

EUR million	**2019**	% of revenues	**2018**	% of revenues
Europe	2,500.6	54.8%	2,209.9	58.4%
North America	1,677.2	36.8%	1,256.7	33.2%
Rest of the World	385.0	8.4%	314.5	8.3%
Total	4,562.8	100.0%	3,781.1	100.0%

In Europe, Eurofins' largest market which accounts for 55% of Group revenues, revenues increased 13.1% to EUR 2,501m in FY 2019. Q4 2019 organic growth was above Group average in Europe with double digit growth in BioPharma services, mid to high single digit organic growth in both Clinical Diagnostics and Environment testing, whilst Food testing organic growth was slightly below Group average. The very strong performance of BioPharma services in Europe in Q4 2019 was driven by a particularly buoyant demand for the Group's services from the BioPharma industry both for R&D-related and quality control testing services. The recent completion of building extensions in Ireland, Germany, Italy, Belgium and Sweden will enable the Group to continue to meet this demand and will provide an increased panel of services to the BioPharma and Medical Device industries. The Clinical Diagnostics business in Europe delivered organic growth above Group average in Q4 2019 thanks to very positive developments in its innovative test portfolio as well as an easy comparable basis and despite the strikes in France which had an adverse effect on the routine laboratories, particularly in the Paris area. Eurofins saw particularly strong growth in non-invasive prenatal testing ("NIPT") across Europe, cementing its leadership position in that segment. In France, the strong performance of NIPT followed the decision made by the French National Healthcare system last year to reimburse such tests. The Environment testing business saw strong momentum in most European countries driven by demand in its main segments, market share gains, as well as innovation, particularly in the areas of PFAS, microplastics and pesticides testing, all delivering double digit organic growth. The Food and Feed testing business experienced low to mid-single digits organic growth in Europe in Q4 2019. The growth remained very robust, above Group average, in several countries including France, Southern Europe and the Nordics, where the Group continued to benefit from its leadership position and very large network of local laboratories and competence centres offering clients an unrivalled portfolio of tests and a unique level of services. The Forensics business also rebounded strongly following the cyber-attack, delivering double digit organic growth in Q4 2019.

In North America, Eurofins' second largest market which accounts for 37% of Group sales, revenues increased 33.5% to EUR 1,677m in FY 2019. The strong increase is partly attributable to the acquisitions of Covance Food Solutions and TestAmerica, which were both acquired in the second half of 2018 and therefore consolidated for a full year in 2019. Organic growth in Q4 2019 was slightly below Group average despite double-digit growth in BioPharma services and a solid performance, in-line with Group average, in Food testing, somewhat tempered by a negative contribution from the Clinical Diagnostics business driven by continued significant reimbursement challenges at BHD. The BioPharma business, which accounted for a third of North America revenues in Q4 2019, continued to benefit from strong R&D spend, high levels of biotech funding and increased levels of strategic outsourcing. In particular, Eurofins' position as a leading player in the fast-growing biologics and gene/cell therapy markets helped fuel growth. Thanks to the expansion of the Lancaster Laboratories campus, significant additional capacity has become available allowing for further expansion of advanced capabilities in both traditional biologics and advanced therapy medicinal products. The expansion of both drug substance and drug product capabilities into an integrated CDMO offering at the Toronto biopharma campus has also enabled Eurofins to optimise its service portfolio in early phase drug development, allowing its clients to accelerate time to clinic and ultimately time to market. The Food and Feed testing business also delivered solid organic growth in North America in Q4 2019, in line with Group average. This business was supported by innovation, for example, through the development of a new method for the detection of microplastic particles in food and water, which is expected to experience good adoption rates in light of increased legislation in environmentally-conscious States in the U.S.. A laboratory in Canada was successfully audited by the European Medicinal Agency for the testing of cannabinoids, a growing market as a result of legislative changes. The integration of Covance Food Solutions continues as planned, with the relocation of the main hub in Madison to a new building scheduled for Q1 2021. In Environment testing, a positive regulatory environment fuelled above target growth in Drinking Water, Specialty Services, and Built Environment (Asbestos, Mold, Legionella and Industrial Hygiene). This growth occurred against a backdrop of laboratory rationalisations (Nashville and Richland) and relocations (Massachusetts/Rhode Island, Specialty Metals and Montreal), setting the business up for a strong 2020. The integration of TestAmerica progressed ahead of schedule and delivered cost savings in excess of USD 10m in FY 2019, leading to significantly improved margins. Eurofins continues to roll out the TestAmerica Laboratory Information Management System ("LIMS") across its U.S. Environment testing sites in order to operate across a unified market leading IT platform. In Quebec, the Environment testing business completed two site integrations in Montreal and Quebec City, consolidated the LIMS on a single system and is well positioned to take market share in 2020. During Q4 2019, the North America Clinical Diagnostics business saw negative organic growth, as continued strong performance in testing for organ transplants and infectious diseases as well as new product launches could not fully offset the revenue losses at BHD. BHD was reorganised during 2019 and its service portfolio refocused on preventive health offerings for patients looking to improve their health and companies willing to invest in the long-term health of their employees. BHD represented less than 1% of Group revenues in 2019. In H1 2019, Eurofins bought Transplant Genomics, a start-up offering TruGraf® a patented, highly-innovative molecular test which detects silent rejection after kidney transplantation. In late November 2019, Eurofins successfully launched the TruGraf® test after receiving reimbursement approval for Medicare patients at a level of $2,840.75 per test performed. TruGraf® is the first and only non-invasive test on the market that can rule out subacute rejection in kidney transplant patients with stable renal function. TruGraf® will benefit from Eurofins' existing relationship with a large number of transplant hospitals in the U.S. This test was launched in November 2019 and since December the number of samples tested is increasing over 30% from one month to the next. In addition, in December 2019, Eurofins successfully worked with AMA/CPT® to secure a Proprietary Laboratory Analyses (PLA) code for TRAC™, a proprietary donor derived cell-free DNA assay for use in transplant rejection monitoring. TRAC™ has been assigned to the gapfill process in 2020 to establish a payment rate for the test under the Medicare Clinical Laboratory Fee Schedule. In April 2019, Eurofins received approval from the New York State Department of Health for MaternalFetalScreenSM, the only test to combine first-trimester aneuploidy risk assessment with early onset preeclampsia (EOPE) in one report, providing patients with a comprehensive, personalised risk assessment as early as 10 weeks gestation.

Eurofins generated EUR 385.0m of revenues in the Rest of the World in FY 2019, an increase of 22.4% versus FY 2018 and representing 8% of Group revenues as Eurofins continues to invest in expanding its reach and service offering in Asia Pacific and emerging markets. The region delivered high single digit organic growth during Q4 2019, with Food and Feed testing, Environment testing and BioPharma services all recording double digit organic growth. The region remains a focus area for organic growth and should continue to benefit from a growing customer demand for Food, Environment and Pharmaceuticals testing, increased regulation and maturing supply chains. In Asia Pacific, the business saw particularly strong growth in Food testing services in China, India, Taiwan and Vietnam and in Environment testing services in Japan, South Korea and Singapore. The year 2019 was marked by the acceleration of a start-up programme in Asia, with the completion of new laboratories in Hanoi (Food, Vietnam), Can Tho (Food & Environment, Vietnam), Dalian (Food, China), Singapore (Food & Clinical Diagnostics) and a major expansion in Hamamatsu, Japan (Asbestos). This programme will continue into 2020 with several other laboratories currently under construction. In Latin America, the Brazilian Food testing business delivered solid growth, well in excess of targets, underpinned by specialty services and key global and regional account activity whilst the Chilean business was resilient to the local civil unrest that took place in the latter part of the year. The Australia and New Zealand Environment testing laboratories delivered double digit organic growth. The business commissioned and relocated into a world-class Lean 5,200 m² full service state-of-the-art laboratory campus in Melbourne, upgraded and expanded two full service laboratories in Sydney and Brisbane, and commissioned express turnaround time laboratories in Perth and Auckland. The business continued to invest in advanced technologies and specialty services. Further major laboratory expansions are expected in 2020. The Australian Biopharma Product testing business completed the acquisition of Melbourne-based Chemical Analysis, further complementing the successfully-performing Sydney-based Eurofins AMS business. The Australia and New Zealand BioPharma Product testing business now offers a full range of services across Microbiological and Chemistry testing.

Profitability

Comparable adjusted results

2019 reported and adjusted results are not easily comparable as a result of the major impact of the 02 June 2019 cyber-attack on Eurofins' operations and of the implementation of IFRS 16 on Eurofins' accounts. The table below attempts to facilitate comparison. Due to the difficulty of determining what results would have been achieved should Eurofins not have been hit by the cyber-attack, the numbers presented are only estimates. In fact several of Eurofins' businesses continued to be impacted in H2 2019 by the reverberation of the attack on quality of service. Neither this, nor the time lost by Eurofins' leadership on remedial actions as opposed to focusing on the growth of the business can be evaluated.

Comparable Adjusted Results excluding IFRS 16 and cyber-attack impacts

	FY 2019					**FY 2018**	
In EUR m except otherwise stated	**Comparable Adjusted Results (excluding IFRS 16 and corrected for estimated cyber-attack impact)**	IFRS 16 impact	Estimated Cyber-attack impact	IFRS 16 and cyber-attack impacts already included in SDI	Adjusted[1] Results*	**Adjusted Results**	**+/- % Comparable Adjusted Results**
Revenues	4,632.1		-69.3	-	4,562.8	3,781.1	*22.5%*
EBITDA[3]	882.7	130.8	-75.2	-7.6	930.7	719.8	*22.6%*
EBITDA Margin (%)	19.1%				20.4%	19.0%	*+10 bps*
Depreciation and amortisation	-256.5	-110.8	-	10.0	-357.2	-199.1	*28.8%*
EBITAS[4]	626.2	20.0	-75.2	2.5	573.5	520.8	*20.3%*
Net Profit[6]	417.4	-5.2	-55.4	2.5	359.4	355.8	*17.3%*
Basic EPS[7] (EUR)	23.45	-3.26			20.19	20.11	*16.6%*

Comparable adjusted EBITDA increased by 22.6% year-on-year to EUR 883m in FY 2019, representing a 19.1% adjusted EBITDA margin (+10bps year-on-year). This is above the Group's EUR 850m adjusted EBITDA objective for FY 2019 (which was set prior to the implementation of IFRS 16 and the cyber-attack).

Separately disclosed items (SDIs) as a proportion of adjusted EBITDA stood at 10.5% in FY 2019 vs. 9.5% in FY 2018 reflecting the effort to align the Group's structure towards its optimal target hub and spoke model. Following the significant acquisitions completed in 2017 and 2018, many sites are being consolidated into larger campuses, for example the chemistry laboratories acquired from Covance Food Solutions in Battle Creek (Missouri) and Boulder (Colorado) were moved to the existing Madison (Wisconsin) campus in 2019 and several TestAmerica sites were or are in the process of being consolidated in other existing sites of the Group or into a new site being built in California. BHD also generated material losses in FY 2019. Indeed BHD remained very dilutive both in terms of revenue growth (90bps headwind to Group organic growth in Q4 2019) and profits, but the settlement reached with the U.S. Department of Justice and previous owners in late 2019 will enable BHD to now start growing a business focused on innovation and preventive cardiovascular tests.

Reported results

Reported EBITDA increased 27.9% year-on-year to EUR 833m in FY 2019, representing an 18.3% reported EBITDA margin, a 110bps improvement year-on-year.

Reported EBITDA : Breakdown

EUR million	FY 2019 (incl. IFRS 16)	% of reve-nues	2018	% of reve-nues
Europe	464.0	18.6%	373.8	16.9%
North America	385.1	23.0%	274.3	21.8%
Rest of the World	74.0	19.2%	46.5	14.8%
Other*	-90.1	-2.0%	-43.2	-1.1%
Total	833.0	18.3%	651.4	17.2%

* Other corresponds to Group Service Centres costs

The reported EBITDA margin in FY19 was significantly impacted by the implementation of IFRS16 accounting standard on leases and the cyber-attack, and therefore is not directly comparable to FY18 reported EBITDA margin. Nevertheless, Europe saw some good progress in its reported EBITDA margin, thanks to a better pricing environment in Clinical diagnostics in France and Spain, as well as a good operating environment in Biopharma services. With regards to North America, where overall EBITDA margin remained accretive for the Group, the full year consolidation of Covance brought significant accretion which largely compensated for dilution resulting from BHD losses, while Test America, though still dilutive, generated a double digit EBITDA margin. Finally, the profitability in the Rest of the world segment, significantly improved, especially in Asia-Pacific, and in FY19 was almost on par with the Group average reported EBITDA margin.

Due to the strong impact of IFRS 16 and the cyber-attack on these reported results, the discussion below is focused on comparable adjusted results.

The Group's mature scope[11], representing 93% of the Group's revenues (EUR 4,250m), generated a comparable adjusted EBITDA margin at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +118.4m) and correcting for the impact of the cyber-attack (estimated at EUR -70.3m for this scope) of 20.5% in FY 2019, stable year-on-year. The Group saw a continued improvement in the profitability of the mature business created or acquired before 2017, which posted a comparable adjusted EBITDA margin of 21.6% in FY 2019 (+40bps vs. FY 2018), whilst acquisitions made in 2017 and 2018, though still dilutive as a whole, improved their profitability to 18.4% comparable adjusted EBITDA margin in FY 2019, or +80bps year-on-year on a proforma basis. 2019 acquisitions averaged a 14.3% comparable adjusted EBITDA margin for the part included in the mature scope.

Depreciation and amortisation at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +110.8m) increased slightly year-on-year to 6.2% of the Group's revenues in FY 2019 vs. 5.9% in FY 2018, reflecting the significant investments made in IT and the Group's network of laboratories in recent years.

Finance costs at constant accounting rules as a percentage of the Group's revenues decreased year-on-year to 1.6% in FY 2019 vs. 1.8% in FY 2018.

Profit before tax at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR -7.2m) decreased slightly from EUR 290m in FY 2018 to EUR 279m in FY 2019, mostly driven by the impact of the cyber-attack.

Income tax rate increased to 28.1% in 2019 from 22.9% in 2018, mainly driven by a differing geographic mix in terms of profit distribution and a higher contribution from the U.S. to the Group's taxable income as well as a conservative approach to deferred tax assets not recognised for tax losses generated by a number of loss making start-ups and recently acquired companies.

Net profit to equity holders at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR -5.2m) decreased to EUR 200.4m in FY 2019 vs. EUR 223.9m in FY 2018, resulting in basic reported earnings per share (EPS) at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR -0.3) to decrease -11.0% to EUR 11.26 in FY 2019, largely impacted by the cyber-attack.

Cash Flow and Financing

Cash Flows Reconciliation (EUR m)	**FY 2019 excluding IFRS 16**	**IFRS 16 impact**	**FY 2019 reported**	**FY 2018 reported**	***Y-o-Y variation*** *FY 2019 excl. IFRS 16 vs. FY 2018*
Net Cash from Operations	548	130	678	544	+4
Net capex (i)	-321	-98	-420	-361	+40
Free Cash Flow to the Firm	226	32	258	183	+44
Acquisitions spend and other investments (ii)	-121	-	-121	-1,196	+1,075
Net Cash from Investing (i) + (ii)	-442	-98	-540	-1,557	+1,115
Net Cash from Financing	-310	-32	-342	691	-1,001
Net decrease in Cash and cash equivalents and bank overdrafts	-200	0	-200	-321	+121
Cash and cash equivalents at end of period and banks overdrafts	295	0	295	495	-200

Net Operating Cash Flow at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +130m) stood at EUR 548m in FY 2019, stable year-on-year (+0.7%) despite the impact of the cyber-attack on EBITDA of EUR -75 m. Net working capital stood at 5.3% of Group's revenues (+50bps year-on-year) impacted by difficulties in collections resulting from disruptions to the billing and dunning systems of several Eurofins companies, as a result of the cyber-attack.

In the second half of 2019, Net Operating Cash Flow at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +69m) increased by 15.7% vs. the same period of 2018. This was achieved despite continued adverse change in net working capital mainly due to collateral cyber-attack effects and higher income tax paid.

In the second half of 2019, Free Cash Flow to the Firm at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +6m) also increased by 30.4% vs. the same period of 2018 to EUR 177m in spite of the cyber-attack impact and still heavy SDI investments.

Net capex spend at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +98m) was EUR 321m (7.0% of Group's revenues vs. 9.6% of Group's revenues in FY 2018), representing a -11.1% decrease year-on-year despite continued investments into large building extensions and construction in 2019 including extensions to its Lancaster campus in the U.S. (adding over 15,000 m^2) and its Hamburg campus in Germany (adding over 14,800 m^2), construction of new buildings like its Wiener Neudorf campus in Austria (3,500 m^2), new campuses in Hungary (over 2,000 m^2) and Romania (ca. 4,000 m^2) and a new Food testing laboratory in Heerenveen in the Netherlands (adding 2,800 m^2) as well as investments to harden Eurofins' IT systems. The Group is now nearing the end of its five year 2016-2020 plan to build a unique global network of state-of-the-art laboratories and, as a result, management expects Eurofins' Net capex to sales ratio to trend below 6% from 2021 onwards (at constant accounting rules).

Free Cash Flow to the Firm at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +32m for FY 2019) increased significantly by 24.0% to EUR 226m for FY 2019 vs. FY 2018. Eurofins has managed to improve its cash flow generation in 2019, despite the substantial headwinds from the cyber-attack on profits and net working capital, and expects ongoing further improvements over the coming years.

M&A spend stood at EUR 171m in FY 2019, representing a significant -86.4% year-on-year decrease as the Group took advantage of exceptional M&A opportunities in 2017 and 2018 and has, to a large extent, now managed to build its desired laboratory platform and geographic footprint. Net capex and M&A spend in 2019 totalled EUR 492m at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +98m on Net capex spend) well below the Group's self-imposed limit of EUR 600m. This is in line with the deleveraging priority Eurofins has set for 2019-2022.

Year-end net debt at constant accounting rules (i.e. excluding the impact of IFRS 16 application of EUR +524m) remained stable year-on-year at EUR 2,721m (vs. EUR 2,737m at the end of June 2019 and EUR 2,651m at the end of December 2018). As a result, Eurofins' leverage (net debt of EUR 2,721m excluding IFRS 16 impact divided by comparable adjusted EBITDA of EUR 883m) decreased to 3.08x at the end of December 2019 from 3.61x at the end of June 2019. This is below the Group's self-imposed limit of 3.5x and on track to revert to the historical range of 1.5-2.5x.

The implementation of IFRS 16 (EUR +524m net debt, EUR +118m adjusted EBITDA) only had a minor impact on leverage, bringing the ratio of net debt to adjusted EBITDA , corrected for the estimated impact of the cyber-attack, to 3.24x at the end of December 2019.

During 2019, 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 potentially rising interest rate environment and giving the Group visibility on its financing structure and costs. In September/October 2019, the Group successfully redeemed its 7% €300m hybrid bond and issued a new 2.875% €300m hybrid bond, bringing the average cost of dividend coupons on Hybrid capital from 4.86% to below 3.7%. This had a negative impact of EUR 19.8m on the FY 2019 cash flow statement as the January 2020 coupon was included in the redemption costs of 2019.

The Group closed the year with a solid liquidity position, with EUR 297m of cash on its balance sheet, and over EUR 500m of undrawn and available committed bank credit lines, with an average remaining life greater than three years, in addition to those used to back the commercial paper issued by Eurofins.

Acquisitions

During 2019, the Group completed 26 acquisitions, representing annual revenues of over EUR 130m in FY 2019 for a total investment of EUR 171m.

In June 2019, Eurofins closed the acquisition of Transplant Genomics Inc. ("TGI"), a molecular diagnostics company committed to improving organ transplant outcomes with non-invasive serial monitoring guided by genomics. The initial acquisition price paid was USD 27.5m with a preliminary deferred element (related to expected reimbursement price per test and future revenues during the period between 2020 and 2024) recorded for USD 44m. This "pre-revenue" company generated USD 0.6m of revenues and a negative EBITDA of USD 3.7m with 11 employees in 2018.

Infrastructure Programme

As of the end of 2019, Eurofins occupied more than 1,400 sites throughout the world (laboratories, offices, phlebotomy sites, storage/warehouses, etc.). The total net floor area of these sites amounted to about 1.35 million m^2, of which more than 1.0 million m^2 is laboratory space.

Between 2005 and 2019, Eurofins has added or brought to the most modern standards close to 815,000 m^2 of laboratory and office surface (including space used by companies acquired during this period). 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 2020 and 2021, Eurofins has planned an additional ca. 100,000 m^2 expansion and modernisation of its laboratory network. These investments represent the final stage of Eurofins' exceptional 2016-2020 infrastructure and IT solutions investment programme.

In 2019, over 40 real estate projects were delivered to build, expand, renovate, relocate or acquire new state-of-the-art laboratories and offices. At the same time, in an effort to rationalise and consolidate Eurofins' footprint, a significant number of buildings were vacated and leases terminated in order to move into new or expanded existing sites. In total, ca. 65,000 m^2 of new or renovated laboratory and office space was added in 2019.

Following the acquisition of TestAmerica in the U.S. in 2018, site rationalisations and reorganisations are progressing according to plan. TestAmerica sites in Richland (Washington) and Nashville (Tennessee) have been exited with workload redistributed throughout the network. The Eurofins Frontier Specialty metals laboratory located in Bothell (Washington) has been relocated to the TestAmerica Seattle (Washington) site and a number of Eurofins and TestAmerica service centres have been co-located. In Tustin (California), a new site has been purchased, with the design phase in progress to facilitate the co-location of the TestAmerica Irvine and Eurofins (Garden Grove) Calscience sites. This project is expected to be completed in 2021.

Following the acquisition of Covance Food Solutions in the U.S. in 2018, Eurofins has started to organise its U.S. Food testing laboratory network around larger Centres of Excellence where customers can be better served with shorter testing times, personalised service and innovative testing offerings. The chemistry laboratories from Battle Creek (Missouri) and Boulder (Colorado) were moved to the existing Madison (Wisconsin) laboratory. In Madison, Eurofins purchased a new site and the construction of a new 10,000 m^2 state-of-the art laboratory is fully underway in order to move the existing operations to the new laboratory early 2021. This new site will become the Centre of Excellence for much of the Group's U.S. specialty food chemistry departments serving the nutritional supplements market and other large food industry clients.

In Q4 2019, Eurofins purchased a new building located close to Heathrow (U.K.) in order to consolidate Eurofins' major Forensic DNA, drugs, toxicology, food and water testing laboratories away from rented premises into new 5,500 m^2 owned facilities by 2021. Eurofins Environment testing Canada also consolidated its footprint and moved its Pointe Claire (Quebec) operations to the expanded 3,600 m^2 facilities in Longueuil (Quebec), previously occupied by EnvironeX.

In October 2019, Eurofins Food Testing Singapore has expanded and moved its business location to a new 1,000 m^2 laboratory in Singapore.

Earlier in 2019, several strategic new laboratories and extensions to existing campuses were delivered and are now operational. Among these were a 15,000 m^2 extension to the Lancaster (Pennsylvania) campus, a 15,000 m^2 extension to the Hamburg (Germany) campus, and the delivery of the new campus in Wiener Neudorf (Austria) (3,500 m^2). Further building, expansion and renovation projects were successfully completed in 2019, of which the most significant are the new 2,800 m^2 building in Heerenveen (The Netherlands) for Food testing, the renovation and expansion of 1,200 m^2 in Nazareth (Belgium) for Food testing, and the new Clinical Diagnostics presence at Médipôle in Lyon (France). In China, Eurofins EAG Laboratories have also moved into a newly renovated 3,400 m^2 facility in Shanghai significantly increasing capacity to serve its customers in the area.

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 in terms of acquisitions or in developed markets where Eurofins transfers technology developed by its R&D and Competence Centres abroad or expands geographically.

In 2019, the Group opened 15 new start-up laboratories, bringing the total number of start-ups created since 2000 to 160. The 160 start-up laboratories opened since the year 2000 had a 90bps contribution to Group organic growth for the period January–May 2019, 120bps in Q3 2019 and 90bps in Q4 2019.

Of these 160 start-ups, over 40% are located in Europe, ca. 20% in North America and close to 40% in the Rest of the World. By business line, ca. 40% are in Food & Feed testing, ca. 20% are in Pharma/Biotech/Agroscience services, ca. 20% in Environment testing, and ca. 6% in Clinical Diagnostics.

Of the 15 start-ups opened in 2019, a large majority (60%) are located in the Rest of the World, over 25% in North America and over 10% in Europe, as the Group has, to a large extent, now built its desired laboratory platform and geographical footprint in its two home markets (Europe and North America) and is on track to deliver the Group's plan to rebalance business towards Asia Pacific over the coming years. By business line, close to 50% of start-ups are in Food & Feed testing, ca. 40% in Clinical Diagnostics and over 5% in Pharma/Biotech/Agroscience services.

Post-closing events

Change of scope:

Since the beginning of 2020, Eurofins has completed the acquisition of three small companies / asset deals: one in Norway, one in the U.S. and one in India. The total annual revenues of these acquisitions were ca. EUR 5m in 2019.

In February 2020, TestAmerica Air Emission Corporation divested its stack emission testing business Metco in the U.S. (annual revenues of ca. EUR 5m in 2019).

[1]Adjusted - reflects the ongoing performance of the mature[11] and recurring activities excluding "separately disclosed items[2]".

[2]Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations[12] 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[5], 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 – EBITDA less depreciation and amortisation.

[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]Net Operating Cash Flow – Net cash provided by operating activities.

[9]Free Cash Flow to the Firm – Net cash provided by operating activities, 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 01 January Y-1. All revenues from businesses acquired since 01 January Y are excluded from the calculation.

[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 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.

[12]Discontinued activities / disposals: discontinued operations are a component of the Group's core business or product lines that have 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 3.18 of the Consolidated Financial Statements for the year ended 31 December 2019.

[13]Net capex – Purchase of intangible assets (incl. capitalisation) property, plant and equipment, less proceeds on sale of same assets.

[14]Net debt – Borrowings, less cash and cash equivalents.

[15]Constant accounting rules – reported figures excluding IFRS 16.

[16]Comparable adjusted figures – reported figures, less separately disclosed items, excluding IFRS 16 and corrected for the estimated cyber-attack impact.

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 close and 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 our competitors. 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 2019 in Notes 1.27 and 1.28.

Dated 26 February 2020

5 Environment, Social and Governance Reporting

Throughout 2019, Eurofins has continued to enhance the way its business is conducted and governed. A particular focus has been placed on further improving Eurofins' governance structure to meet best practice standards on as many levels as possible. Eurofins' governing bodies have approved a number of policies that clarify and formalise the conduct of business within the organisation and with external stakeholders.

Many governance improvements extend to social aspects, such as the Eurofins Group Health and Safety Policy and the Eurofins Group Equal Opportunities and Fair Employment Policy, which are outlined later in this section.

In addition, Eurofins has started to support a significant number of environmental and social efforts through the establishment of the Eurofins Foundation. The Eurofins Foundation is a recognised charitable organisation (*« Fondation d'Utilité Publique »*) and was established in 2019 with funds from Eurofins' operations. The Eurofins Foundation will support charitable projects and academic research aligned with Eurofins' mission of contributing to protecting health and the environment. More information on the Eurofins Foundation and other environmental, social and governance improvements can be found in the section below.

At Eurofins, we are committed to conducting our business to the highest ethical standards and operating in a responsible and sustainable manner. Eurofins has also started to make significant efforts to support a number of the 17 UN Sustainable Development Goals ("UN SDGs", https://www.un.org/sustainabledevelopment/) and will continue to further improve its alignment with the UN SDGs. In this report, Eurofins introduces how it supports specific UN SDGs.

At Eurofins we believe that we are supporting, directly or indirectly, the following 15 UN SDG's:

The core of our business is to help all our clients to ensure the safety of their products and services, which in turn benefit consumers' access to even healthier food products, more innovative pharmaceutical products and a clean environment. A strong reputation for quality is core to the success of our business, and integrity in how we conduct business and maintain our relationships with all our stakeholders is central to our corporate principles.

For more information on Eurofins' governing framework and an overview of its corporate governance practices, please refer to Eurofins Corporate Governance Charter on the Eurofins website (https://www.eurofins.com/investor-relations/corporate-governance/).

5.1 Governance

Eurofins believes that it is the global leader in testing a range of products, the quality of which potentially positively impacts the life of people and in testing for protecting the environment. Our vision drives us to contribute to a world where natural resources are better used, where people benefit from safe and nutritious food and a clean environment and where the patients for which we carry out clinical pathology testing benefit from the technological advancements in science and our contributions to these.

5.1.1 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 a safer and healthier world by providing our customers with innovative and high quality laboratory, research 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

5.1.2 Eurofins Group Code of Ethics

In the hierarchy of governing documents, our "Eurofins Group Code of Ethics" (https://www.eurofins.com/investor-relations/corporate-governance/code-of-ethics-and-values/) is the most senior Eurofins compliance document. It describes the essential building blocks of the Eurofins compliance programme and provides short, yet, precise high-level instructions for every Eurofins employee, including information on how to seek guidance on and report breaches of the principles laid out in the Code (via an anonymous and easily accessible whistleblowing procedure if necessary).

As a core element of the Eurofins compliance programme, the Eurofins Group Code of Ethics covers the most relevant compliance related topics for the entities forming the Eurofins Group.

The Eurofins Group Code of Ethics addresses a variety of audiences. First and foremost, it provides guidance for Eurofins leaders and employees. In addition, it provides Eurofins suppliers, customers and shareholders with an overview as to how Eurofins interprets compliance and how it affects the way in which business is done with Eurofins. The Eurofins Group Code of Ethics and the Core Compliance Documents (as defined below) are reviewed periodically. During such regular reviews, these documents are compared against similar policies from Eurofins' peers and companies in other industries renowned for high ethical and compliance standards. Broader international frameworks, such as the UN Sustainable Development Goals, are also taken into account. In a Board meeting held on 24 October 2019, Eurofins' Board of Directors approved a fully revised version of the Eurofins Group Code of Ethics. Subsequently, each and every member of the Group Operating Council ("GOC") signed the Eurofins Group Code of Ethics in a demonstration of their full and unrestricted approval and commitment.

In a continuous effort to improve Eurofins' governance framework, we have also introduced a set of policies (the "Core Compliance Documents") that were developed and/or revised in collaboration with reputable law firms in the course of 2019. These policies provide further details on some of the essential building blocks that make up the Eurofins Group Code of Ethics. Core Compliance Documents are approved by all members of the Group Operating Council.

These new policies are listed below and further outlined in subsequent sections 5.1.3 to 5.1.9:

- Eurofins Group Anti-Bribery Policy
- Eurofins Group Fair Competition Policy
- Eurofins Modern Slavery Statement
- Eurofins Group Equal Opportunities and Fair Employment Policy
- Eurofins Group Health and Safety Policy
- Eurofins Group Whistleblowing Policy
- Eurofins Group Supplier Code of Ethics
- Eurofins Group Privacy Policy

Eurofins expects its business leaders to introduce and implement the Eurofins Group Code of Ethics and all other Core Compliance Documents in their respective countries, companies and regions. Compliance concepts and requirements outlined in the Core Compliance Documents serve as the minimum standard expected of Eurofins employees irrespective of local or national provisions which may be less strict. Eurofins will also monitor the implementation of the Code of Ethics and Core Compliance Policies, and the training of its employees and leaders in relation to same, across its subsidiaries, to ensure a thorough understanding of their underlying principles and recommendations.

An eLearning module for the Eurofins Group Code of Ethics has been developed and rolled-out in key countries.

5.1.3 Eurofins Group Anti-Bribery Policy

The Eurofins Group Anti-Bribery Policy is derived from the relevant provisions of the Eurofins Group Code of Ethics and lays out, in greater detail, the Group's stance towards bribery and corruption. The Policy establishes the principles and standards that every Eurofins leader, employee as well as any other person working for, on behalf of or with any Eurofins Company must adhere to when interacting with customers, business partners, stakeholders or government officials. The Eurofins Group Supplier Code of Ethics, explained in section 5.1.10 below, also refers to this Policy to emphasise Eurofins' expectations of ethical conduct on the part of its business partners.

The Policy explains the concept of a bribe, provides information about anti-bribery laws across the world, such as U.S. Foreign Corrupt Practices Act (FCPA), UK Bribery Act and Loi Sapin II as well as possible consequences of their violation. Separate sections of the Policy are devoted to gifts and hospitality, charitable gifts and contributions, and prohibition of political contributions. It is considered that the Eurofins Group Anti-Bribery Policy contains only minimum requirements to be complied with. Positive local deviations (towards stricter rules) are allowed.

Being part of Eurofins' decentralised approach, prevention of bribery and corruption is predominantly a task to be managed at local level, with the responsibility vesting materially with the local leaders of each Eurofins Company. The amount of focus on the prevention of corruption depends on the nature of business carried out by each Company. Companies doing part(s) or all of their business with public or government clients may potentially be more susceptible to corruption risks. The geographic factor is equally important: the more a country/region is prone to corruption, the more focus needs to be put on avoiding any unethical or illegal behaviour.

A suitable anti-bribery training programme is being developed and will be mandatory for all Eurofins leaders and most employees. As a general rule, Eurofins Scientific SE, its subsidiaries and affiliates are required to comply with all applicable local, national and international anti-bribery laws and regulations wherever they do business. The same applies to every leader and employee in the Group, and any third party acting for, or on behalf of, Eurofins.

5.1.4 Eurofins Group Fair Competition Policy

Compliance with competition and anti-trust laws and regulations is vital for a Group of entities like Eurofins. Violation of those laws and regulations can lead to severe sanctions and penalties, as competition authorities have increasingly developed and established doctrines under which such sanctions and penalties are imposed. Breaches and resulting consequences may put material parts of any business at risk.

Eurofins has committed at all levels to fair competition and compliance with competition and anti-trust laws applicable in the countries in which it operates. All leaders and employees of all Eurofins Companies within the Group are bound by this commitment. It is each and everyone's responsibility at Eurofins to compete for and do business in a fair, lawful and ethical manner.

To support this commitment, the Eurofins Group Fair Competition Policy has been adopted. The Policy is derived from the relevant provisions of the Eurofins Group Code of Ethics and lays out, in greater detail, the Group's stance towards competition and market.

Two main competition rules are the basis of fair competition and at the core of Eurofins' business ethics:

- It is prohibited to enter into agreements or engage in concerted practices between companies, with the object or effect of restricting competition; and
- It is prohibited to abuse a dominant position in any relevant market.

The Eurofins Group Fair Competition Policy establishes general rules and recommendations on how to avoid such situations. A DO's and DON'Ts section analysing specific situations provides best-practice advice as to how to handle the most frequently-occurring situations.

As compliance with competition and anti-trust laws is determined to a significant extent by local laws and their interpretation, it remains the responsibility of the local leaders to make sure that – in addition to adhering to the rules established in the Eurofins Group Fair Competition Policy – all applicable local laws and regulations are complied with.

5.1.5 Eurofins Modern Slavery Statement

The Eurofins Modern Slavery Statement lays out, in greater detail, the Group's stance towards slavery, forced labour, human trafficking and child labour, as set out in the Eurofins Group Code of Ethics. The issuing of the Statement is compulsory for any entity, which carries out business, or operates part of a business, in any part of the United Kingdom, in accordance with section 54 of the UK Modern Slavery Act 2015. Local implementation will respect similar applicable standards in other jurisdictions.

The Board of Directors of Eurofins Scientific SE took the position that a Modern Slavery Statement should be made for the entire Group and, moreover, should be adopted by all the subsidiaries. Local Modern Slavery Statements can and should be amended to outline local measures taken to achieve the objective of the Statement.

5.1.6 Eurofins Group Equal Opportunities and Fair Employment Policy

The Eurofins Group promotes equal opportunities and believes that a diverse workforce, representing a range of perspectives and experiences, is best for everyone. To support those values, the Eurofins Group Equal Opportunities and Fair Employment Policy has been adopted to lay out, in greater detail, the Group's general commitment to providing working environments with equal opportunities for all, free from harassment, bullying and discrimination, as set out in the Eurofins Group Code of Ethics.

As a global leader in Testing for Life with a workforce of more than 47,000 employees working at sites located in more than 50 countries worldwide, Eurofins is fortunate to have an incredibly diverse workforce. Eurofins values and promotes a workplace that is inclusive and fair and which fosters respect for all employees, customers and business partners. The Eurofins Group Equal Opportunities and Fair Employment Policy lays out Group-wide global minimum standards for equal treatment which works to combat any form of threats, acts of violence, abusive behaviour or intimidation.

Where standards defined in the Eurofins Group Equal Opportunities and Fair Employment Policy are more stringent than applicable local law, the global standards of the Policy shall apply. Eurofins' Board of Directors believes that any person working for any Eurofins Company deserves the same basic level of protection against discrimination, harassment or abusive behaviour, irrespective of where she or he is working.

Where local law requires stricter standards, it remains the responsibility of the local leaders to make sure that – in addition to adhering to the rules established in the Eurofins Group Equal Opportunities and Fair Employment Policy – all applicable local laws and regulations are complied with.

5.1.7 Eurofins Group Health and Safety Policy

The Eurofins Group is committed to providing a safe working environment, and providing a safe and suitable environment for all those present at Eurofins' premises. The Eurofins Group Health and Safety Policy has been adopted to that end to extend the relevant high-level provisions of the Eurofins Group Code of Ethics.

The Eurofins Group Health and Safety Policy addresses an array of important health- and safety-related topics, such as safe use of laboratory and office equipment, fire safety, accidents in the work place, sickness as well as national health alerts. We promote and encourage a culture where health and safety issues will be addressed immediately, and work will be stopped when it is unsafe. Eurofins Companies are responsible for implementing the Policy locally and establishing operational processes necessary to maintain on-going compliance with locally applicable laws.

Adequate communication of the Policy, training and supervision to perform work competently and safely is required, and the responsibility for this vests materially with the local leaders of each Eurofins Company. The health and safety of employees is a key concern of every Eurofins leader, and as such, is considered in every decision that may affect employees.

5.1.8 Eurofins Group Whistleblowing Policy and Report on Whistleblowing Processes

Eurofins has established a point of contact for reporting concerns about any form of malpractice or wrongdoing in any Eurofins Company ("Whistleblowing Contact") (https://www.eurofins.com/investor-relations/corporate-governance/whistleblowing/). The Whistleblowing Contact is monitored by an independent external legal counsel and is available for all Eurofins employees and contractors as well as external stakeholders, such as customers, suppliers or other third parties on a 24/7 basis. It can be reached both via Eurofins' intranet and its website.

Eurofins encourages any individual, who has genuine concerns about any form of malpractice or wrongdoing in any Eurofins Company, to raise those concerns, at the earliest stage possible, to maximise the opportunity for addressing and correcting inappropriate conduct and actions that are not in line with Eurofins' values or the Group Code of Ethics or applicable laws. The Eurofins Group Whistleblowing Guidelines have been adopted to provide more specific guidance on the scope of reporting, alternative reporting lines, core investigation principles, including confidentiality and, where possible, anonymity as well as other topics. Eurofins is committed to providing protection against any detrimental treatment by Eurofins leaders on the grounds that an individual has disclosed a concern in accordance with these Guidelines.

Eurofins takes whistleblowers' reports very seriously and has established robust procedures that ensure the independent assessment of, and response to, such reports. In order to safeguard confidentiality and to operate at the highest level of trust, external attorneys have been commissioned to serve the Whistleblowing Contact.

5.1.9 Eurofins Group Privacy Policy

Eurofins respects the privacy of its employees, customers and other individuals whose personal information it processes in the course of its business activities. We take steps to ensure that personal information is collected, used and shared lawfully, in accordance with applicable data protection and privacy laws, and that the confidentiality and integrity of personal information is upheld.

The Eurofins Group Privacy Policy has been adopted to safeguard this commitment. The Policy explains common obligations imposed by data protection and privacy laws globally (such as fair, lawful and transparent manner of processing personal data, incident reporting and investigation of data breaches), and sets out common standards adopted by the Eurofins Group to manage its overall adherence to these laws. The Policy takes into account the rules under the General Data Protection Regulation (GDPR), which is the governing law for Eurofins Scientific SE, but is not specific to any jurisdiction or legal regime. Eurofins Companies are responsible for implementing the Policy locally and establishing operational processes necessary to maintain on-going compliance with locally applicable laws.

A suitable training programme on data protection and privacy matters is being developed and will be mandatory for all leaders and employees. As a general rule, Eurofins Scientific SE, its subsidiaries and affiliates are required to comply with all applicable laws and regulations on data protection and privacy matters wherever they do business. The same applies to leaders and employees in the Group and any third party acting for, or on behalf of, Eurofins.

5.1.10 Eurofins Group Supplier Code of Ethics

Eurofins has adopted the Group Supplier Code of Ethics which summarises the core elements of the Group Code of Ethics in a format that specifically addresses and binds all Eurofins' suppliers. It provides the suppliers with an overview of how Eurofins understands compliance and how this affects doing business with Eurofins.

The Eurofins Group Supplier Code of Ethics will be incorporated into the General Terms of Purchasing by reference, and every supplier shall commit to complying with the principles laid out in this Code in each business relationship with a company belonging to the Eurofins Group. Eurofins' direct suppliers must ensure that any sub-contractors, agents or third parties engaged by them in support of Eurofins' business also comply with the principles set out in the Eurofins Group Supplier Code of Ethics.

5.1.11 External Governance Compliance

Eurofins' food and environmental testing 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. Additionally, several sites in the Nordic Region, Spain and South America are voluntarily accredited by ISO 14001, the international standard for effective environmental management systems (EMS). Other sites have begun preparatory work to achieve ISO 14001 accreditation, for example laboratories in Italy and most of our environmental testing laboratories in France. Some laboratories are also voluntarily accredited against ISO 9001, the international standard for quality management systems, 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 in its Genomics division provide products and services to biotechnology and pharmaceutical clients and are typically accredited by ISO 13485 (Oligonucleotides according to medical devices standard). Genomics and pharmaceutical laboratories also follow applicable medical standards, such as GLP (Good Laboratory Practices - the gold standard to conduct non-clinical safety studies), GCP (Good Clinical Practices – standard for clinical services for clinical studies) and cGMP (Current Good Manufacturing Practices – manufacturing of products and testing according to pharma and biotech requirements). In addition, Eurofins' clinical trials operations respect and follow the ethical principles as laid out in the World Medical Association's Declaration of Helsinki, the scientific guidelines on human medicines by the International Council for Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH), as well as the guidelines issued by the U.S. Food and Drug Administration (FDA) and European Medicines Agency (EMA), as applicable.

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

5.2 Social

5.2.1 Corporate Social Responsibility

Eurofins is determined to further align its compliance efforts with the requirements defined in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. In its fourth version issued in December 2017, the 9th Principle was dedicated to Corporate Social Responsibility as follows:

"The company shall define its corporate social responsibility with respect, including to 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."

5.2.2 Diversity and Equality

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 employee individual.

To support this, Eurofins is committed to 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 realise their personal potential regardless of their sex, age, race, colour, religion, origin and disability.

We are honoured to have been named by the *Financial Times* as one of the top 700 *FT Diversity Leaders 2020* out of 10,000 privately held and publicly listed companies analysed, across 10 European countries.

At Eurofins, we believe that equality for all of our employees makes us stronger together and drives excellence in our business.

As a diverse organisation spreading across more than 50 countries with more than 47,000 employees throughout the world, we set the advancement of equality as a priority in all aspects of our business. Seeing the imperative both from a social and business standpoint, Eurofins has formally launched the *Eurofins Equality Driving Excellence* programme. To drive this initiative an executive sponsorship has been set up to lead and hire dedicated resources to progress the programme globally. A dedicated global Equality Ambassador Council, nominated by senior business unit leaders, works in collaboration with business leadership and HR business partners globally to drive equality, celebrate diversity and foster inclusion across Eurofins. The Council's main objective is to not only ensure compliance with the Eurofins Group Equal Opportunities and Fair Employment Policy, but also to expand, embrace, and celebrate Eurofins' diversity culture. Realising that there are many forms of equality, the Council is prioritising gender equality as its first social action.

This initiative reaches farther than mere legal compliance, and is rather a social imperative. Eurofins is aligning and calibrating its endeavours, using the Women's Empowerment Principles established by UN Women and the United Nations Global Compact as guidance.

Eurofins currently has an excellent balance of male and female employees with about 55% of our workforce female. Believing in the strength, innovation, and business performance gained through equality, empowering our female leaders is a priority at Eurofins. Women currently account for over 40% of all leaders (at any level of leadership, from entry level leader with at least one direct report up to GOC level). Eurofins is committed to advancing women further into top level leadership. Currently, women comprise on average over 25% of level four (business unit manager level) and above leadership globally with several business units and geographies representing over 50% female leaders at all levels of leadership (i.e. from entry level leader with at least one direct report up to GOC level).

Eurofins recognises the strength of female leadership performance and the biennial Eurofins Best Performing Business award was awarded to female senior leaders twice out of the last four times.

Targeted recruitment to attract both equally qualified female and male candidates is in place and will help improve our gender equality further with regard to external recruitment.

Internally, the Eurofins Equality Driving Excellence initiative is sharing best practices throughout the Eurofins network and putting a programme in place to develop, mentor, and formalise succession to advance both qualified women and men equally.

The Eurofins Group Equal Opportunities and Fair Employment Policy reinforces Eurofins' stance towards Equal Opportunities and Fair Employment for all diversity.

> *"We value all of our people for their contributions to our business. The relationships with and between them must be respectful, honest, safe, and professional."*

Many outreach and networking efforts are being fostered and focused on women including STEM (Science, Technology, Engineering and Mathematics) and STEAM (Science, Technology, Engineering, Art and Mathematics) community outreach. In addition, the Eurofins Foundation (see section 5.2.10 below) is aligned with the Equality driving Excellence initiative and is committed to promoting equality and diversity to ensure inclusive processes, practices and culture are fostered throughout all of the Foundation's activities and outreach.

Eurofins' Board of Directors is currently composed of three women and three men (50% women).

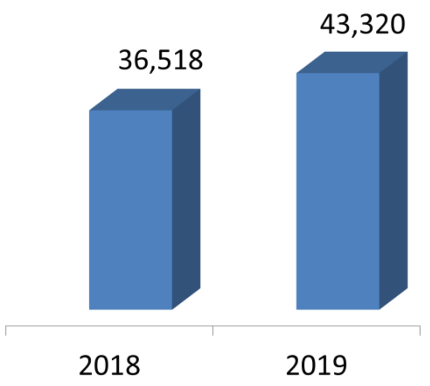
The Board of Directors diversity not only relates to gender, but also to the experience and nationality of its members. As laid out in our Group Code of Ethics, Eurofins is supporting equal opportunities and diversity. In most of its laboratories, women make up the majority of the workforce. In many entities, workers must sign a commitment to anti-discrimination as part of their employment contract.

5.2.3 Employees

We trust the leaders of Eurofins' companies to ensure that the relationships with and between their employees are respectful, honest, safe and professional and aligned with the Group's governing Core Compliance Documents. Our businesses and all their employees should respect the different cultures, traditions, laws and employment practices of the communities in which they operate. 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 ensure that we act in compliance with national regulatory requirements and our obligations under the relevant national/international laws.

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

Average Number of Full Time Employees



The Group's total headcount at the end of 2019 was 47,427, with more than 85% on permanent contracts. The average weighted number of employees, expressed as full time equivalent (FTE), was 43,320, a 19% increase from 2018, primarily due to the increase in the total size of the Group as well as some acquisitions completed during the course of the year. The geographical distribution of Eurofins' FTEs is as follows:

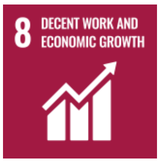
FTE by Region

	2019	2018
Europe	20,409	18,124
North America	11,777	8,978
Rest of the World	11,133	9,416
Total	**43,320**	**36,518**

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 relation to employment and occupation. To this effect, the Group's Code of Ethics specifically commits to supporting the four fundamental principles of the International Labour Organisation (ILO) Declaration.

An internal study showed that, in line with local rules and regulations, typically most of the larger Eurofins companies have employee representation or a workers' council.

5.2.4 Talent Recruitment and Development



The ability to attract and retain talent is key for a fast growing company, such as Eurofins. In 2018, Eurofins appointed a dedicated Group Executive Vice President Human Resources (HR), who is a member of the Group Operating Council. In the last couple of years, Eurofins has introduced a worldwide applicant management platform for both external applicants and employees to foster equal opportunities in the job application process and facilitate a standardised applicant evaluation and recruitment process. The organisation and administration of the application and recruitment is conducted by HR colleagues locally in most countries where Eurofins operates.

Eurofins offers employment opportunities to workers of all educational backgrounds and skill levels. There are a number of roles in the laboratory that do not require an educational qualification, but which support in the analytical process and where employees make a meaningful contribution to business operations.

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

5.2.5 Training

Eurofins invests significantly in the internal training and education of its staff. In addition, most laboratories will also facilitate external trainings for their employees for further education.

Among its new recruits, every year the Group welcomes new experienced leaders in 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 Eurofins. Eurofins also launched its High Potential (HP) and Top Graduate (TG) programmes in 2010, designed to attract, train and develop the management skills of young talented individuals who may become future top leaders at Eurofins. As a mid-term target, Eurofins aims to recruit 1% to 2% of its employees through this dedicated Top Graduate programme.

In 2019, Eurofins initiated a Group campus team that begins the process of engaging with future potential employees even earlier. Eurofins offers students a variety of internship opportunities across its different divisions and departments, in various countries. From Malaysia to Poland, from France to Brazil, Eurofins offers opportunities to work within the organisation and experience the Eurofins culture in locations around the world. The aim is to establish a sustained programme of active engagement with students through both universities close to laboratory locations and alumni now working for Eurofins. For more information, please visit: careers.eurofins.com.

5.2.6 Best Practices Sharing

Eurofins' commitment to efficiency in its processes and differentiation on the basis of technical leadership is best represented through the globally coordinated Operations Best Practice (OBP) functional group. Eurofins OBP coordinates and facilitates the activities of a fast array of globally distributed technical peer groups and method optimisation teams. Communicating via a dedicated online portal, regional conferences, global peer groups, and periodic bulletins, Eurofins OBP facilitates standardisation, optimisation, agility and expedites go-to-market opportunities. One of the internal communications tools used in the food and environment testing laboratories and part of the pharmaceutical and consumer products testing laboratories, ComLIMS, is continually upgraded, in order to give employees access to, and speed up the process of dissemination of, scientific, technical and commercial information about the Group's portfolio of services. ComLIMS now has more than 5,600 trained users with regular access within the Group. Eurofins also operates various other electronic document management systems to disseminate information to targeted internal audiences. All those activities and tools offer permanent learning opportunities to our team members.

5.2.7 Eurofins Academy

In 2018, Eurofins founded the Eurofins Academy with the aim of raising the knowledge of Eurofins' technologies, methods and processes among all employees by delivering high quality training programmes. The Eurofins Academy has an international team of dedicated staff, who established an eLearning platform for efficient knowledge dissemination to our employees.

The IT Security Training was one of the main eLearning modules launched during in 2019 and was mandatory for all employees across the Group. With almost 40,000 employees having successfully conducted the training, the completion rate of this eLearning module is above 90%. The Eurofins Academy contributes to ensuring that central governing standards are successfully enforced and constantly monitored.

In addition, the Eurofins Academy has prepared several dozens of training courses on a range of topics including Corporate Policies and Governance, Information Technology and Commercial and Operational Excellence.

In December 2019, the cloud-based eLearning platform SAP SuccessFactors was purchased, which is designed to host trainings in different formats. The rollout is on-going and will make the trainings technically available for all employees of the Group.

5.2.8 Workers Safety

A growing number of laboratories within the Eurofins network are monitoring incidents. For example, the Eurofins U.S. business monitors Total Recordable Incident Rate (TRIR). Per end of 2019, Eurofins U.S. recorded a rolling TRIR of 1.5[r] (unchanged versus 2018). The TRIR is tracked for more than 10,000 Eurofins employees across all business lines in the U.S..

In the UK, for example, management requests voluntary audit of sites every three months in some laboratories to maintain high safety standards. Eurofins employs over 50 professionals who perform internal audits and also on behalf of the respective national laboratory accreditation bodies. In addition to regular statutory audits by accreditation bodies as well as announced internal audits, Eurofins performed unannounced audits on over 5% of its laboratories with a particular focus on Europe. With this additional layer of quality assurance Eurofins believes it is at the forefront of quality assurance practices typical in the laboratory testing industry serving similar end markets.

Eurofins operates several laboratories that have opted for voluntary accreditation according to OSHAS 18001, a standard for occupational health and safety and/or ISO 45001, an ISO standard for management systems of occupational health and safety. For example, some laboratories in France and Ireland have been accredited according to OSHAS 18001 to reflect their commitment to workers' health and safety.

By the end of 2019, more than 20 laboratories in the Eurofins network with ca.1,000 FTEs (or ca.2% of total FTEs) were operating under ISO 45001 / OHSAS 18001 accreditation.

In Environment testing in France in particular, 11 of Eurofins laboratories can pride themselves of holding an HSE (Health Safety & Environment) certification. These laboratories hold one or several of the following certifications: ISO45001 (International Standard for occupational health and safety), OHSAS18001 (British Standard for occupational health and safety), MASE (HSE management system) and ISO14001 (environmental management international standard). The safety of our employees will always come first, and we aim at conducting our business in compliance with responsible environmental policies

[r] Number of Incidents Requiring Medical Treatment per 200,000 hours worked (equivalent to 100 workers) for 12 months rolling per end of December 2019

5.2.9 Human Rights

We strive to support human rights as per the stipulations of the Universal Declaration of Human Rights, and we are committed to upholding these principles throughout our business conduct and activities throughout the world.

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

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 https://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted) and expects local implementation under applicable regulations in every country in which Eurofins operates.

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 global health and society.

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 (https://www.progreffe.com/), an organisation dedicated to research to improve organ transplants. Eurofins is also a supporter of Unicef (https://www.unicef.org/index.php), whose mission is to enhance children's rights, their development and survival. Eurofins has also supported the Red Cross (https://www.icrc.org/eng/), an organisation focused on providing humanitarian aid to 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/.

5.2.10 The Eurofins Foundation

I – Organisational Background

In 2017, we celebrated three decades of Eurofins. On this occasion we decided to share some of the fruits of our success with those less fortunate. An amount of one million euro was donated to charitable organisations around the world and today we can look back on how this support has been distributed.

National Eurofins committees suggested charities, non-governmental organisations (NGOs), volunteer-run organisations, social entrepreneurs and local communities deserving of support. 41 organisations and projects were selected: 40 were successfully supported and one project was cancelled.

In addition to the monetary donations made to these many worthwhile causes, several Eurofins laboratories provided a large number of pro bono tests to selected organisations. For example, in the area of food testing, Eurofins worked to test for food banks, food waste reduction projects and meals in school distribution programmes addressing food security and child malnutrition without remuneration.

In terms of environment testing, we supported land conservation and ocean protection projects and in the healthcare area, we contributed to projects addressing allergies, cancer research, organ transplants and access to clean water and sanitation.

Our donations also supported local community initiatives helping young people, families and veterans to overcome socioeconomic hardship. Education played a major role in many of the projects supported by Eurofins, from educating young people on nutrition concepts and food harvesting, to educating communities on good hygiene and sanitation practices and educational projects in schools focusing on STEM (Science, Technology, Engineering and Maths).

Following the success of the donations made to mark Eurofins' 30th anniversary, several leaders and team members of Group companies and the Group's founders have decided to commit to a programme of more significant, long-term societal impact. As a result, the Eurofins Foundation was born.

The Eurofins Foundation is a Public Interest Foundation, which was legally established in Belgium in September 2019.

The objectives of the Eurofins Foundation have been proposed based on existing commitments of the global Eurofins community: contributing to global health and safety and protecting the environment.

The objective of the Eurofins Foundation will be to support initiatives, across different fields, which share these same goals. Planned actions include supporting initiatives aimed at protecting the environment and improving nutrition and health, supporting start-up ventures or NGOs focussed on sustainable development, supporting students who study or carry out research in fields aimed at contributing to safer and healthier lives, but who lack sufficient financial resources, and helping charities active in the local communities where Eurofins laboratories operate and our colleagues live and work.

The Eurofins Foundation also plans to develop a network of Doctorate and Post Doctorate researchers, students and experts in these fields, who may work with employees and leaders of Eurofins companies as a network, benefitting from extensive cumulative practical experience and knowledge to both support existing initiatives and develop innovative projects.

The Eurofins Foundation is also committed to promoting equality and diversity in all of its activities.

A Steering Committee has been set up, comprised of 17 Eurofins employees representing Eurofins' major business lines and its geographic footprint. The Steering Committee selects the projects which are supported by the Eurofins Foundation.

II – The first donations

A call for projects has been launched internally to Eurofins employees worldwide and a total of 61 complete and valid proposals have been processed and reviewed by the Steering Committee.

The proposals span from non-profit associations to NGOs, social businesses and scientific research projects, in the fields of environment protection, sanitation, health protection (organ transplant, oncology, genetics, etc.) and sustainable development.

Grants, awards and research prizes have been distributed, together with the SENSE Foundation Brussels, a private Foundation established in Belgium, to The University of Oxford (UK), Université Catholique de Louvain (BE), Université Libre de Bruxelles (BE), Agro Paris Tech (FR) and Centrale Supélec (FR),

Additional universities in the UK and Belgium have been selected to receive support from the Eurofins Foundation in 2020.

The Eurofins Foundation has also committed to supporting a total of 38 non-profit organisations and NGOs in the Democratic Republic of Congo, Nigeria, Peru, Costa Rica, Bolivia, Brazil, Haiti, India, Vietnam and Nepal, as well as in the USA and in a number of European countries.

In addition, 5 research projects, tackling research on the microbiome, neurological disorders, antibiotic resistance and micro plastics, will be supported by the Foundation.

5.3 Environment

5.3.1 Environmental Assessment

We strive to meet the challenges presented by environmental impact. Wherever possible we will prevent, or otherwise minimise, mitigate and remediate, the 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 in 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 dedicated training programmes in relation 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.). Moreover, Eurofins operates several laboratories that have opted for voluntary accreditation according to ISO 14001, a standard for environmental management. For example, some laboratories in France, Sweden, Spain and Ireland have been accredited according to ISO 14001 to reflect Eurofins' commitment to safeguarding the environment. By the end of 2019, almost 40 laboratories in the Eurofins network with more than 2,000 FTEs (or ca.5% of total FTEs) were operating under ISO 14001 accreditation.

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 the protection of the environment.

The principal risks related to environmental matters and Eurofins' operations are described in detail in section I.6. Risk Factors – Industrial risks" including an outline as to how Eurofins manages these risks.

As a result of the decentralised structure of the Group, there is no central monitoring or measurements in place to determine the outcome of our environmental 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 key performance indicators (KPIs) so that it can report and monitor such measures and set meaningful targets for the future. Eurofins is also looking to engage with a specialised consultancy firm to verify such KPIs.

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

- Reduce the carbon footprint by over 25,000 pounds of CO2 annually;
- Convert 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 lighting, such as sites in the Netherlands and Ireland.

Eurofins' food and environmental testing services directly support the responsible use and minimisation of substances such as pesticides, heavy metals, dioxins, persistent organic pollutants and chemical contaminants that are harmful to humans and the planet. Eurofins environmental testing laboratories support our clients in doing the same and in identifying and remediating past pollution.

All electricity powering some of our laboratories in Switzerland for example is now solely from renewable sources. Some of the Group's companies in Brazil and Northern Europe already use renewable energy, wind, hydro and solar, as part of their energy mix, wherever possible. Several laboratories also use energy created by recycled heat or from waste-fired energy generators.

Examples of local ESG initiatives

Tree planting campaigns by Eurofins Lancaster Laboratories, Pennsylvania and Eurofins Food Testing Germany, Hamburg

Lancaster: As part of a formal land management plan for responsible maintenance of green space, 100 volunteers from the Eurofins Lancaster Laboratories site planted over 1,000 native trees on the Eurofins campus space. The partnership with The Lancaster County Conservancy and The Alliance for the Chesapeake Bay received a grant for the beneficial initiative and provides a valuable contribution to expanding the natural habitat for flora and fauna in the area. For more information: https://www.eurofins.com/biopharma-services/product-testing/news-events/newsletters/fall-2019/sustaining-sustainability/

Hamburg: In a planting campaign « All Around the Bee », 1,200 plants with different flowering times were planted, providing creating new habitat and contribute to the conservation of biodiversity. The initiative was performed in cooperation with NABU Hamburg (« Nature And Biodiversity Conservation Union »), the Hamburg Chamber of Commerce and the Department of Environment and Energy (BUE). For more information: https://www.eurofins.de/food-analysis/food-news/food-testing-news/living-sustainability-at-eurofins/)

Employee Wellness by Eurofins Lancaster Laboratories ("EEL"), Pennsylvania and Eurofins Food Testing Germany, Hamburg

Lancaster: In Lancaster, Eurofins successfully occupied its new building M consisting of over 167,000 square feet and improving the wellness of its employees with a new workout centre and cafeteria ("Flik") to encourage healthy habits and living.

This new space has also enriched ELL's company culture. Flik has F.I.T. menu items that help educate and guide employees to healthy food choices. These programmes are supported through weekly Wellness FIT blog posts that share recipes ideas and wellness tips. Furthermore, Flik shares ELL's mission for sustainability by measuring and reducing food waste, using post-consumer paper products, and buying local food. In particular, Flik has partnered with ELL's garden club to purchase any produce grown at ELL's onsite garden. The new cafeteria has brought our employees closer together to bond over good food and has furthered ELL's mission around wellness and sustainability.

In August 2019, Eurofins Lancaster Laboratories, Inc. (ELLI) opened a Wellness Center on the 5th floor of the newly constructed Building M. The Wellness Center is designed for fitness classes and individual workouts for all employees to use at the Lancaster and NSC site. ELLI has partnered with I Am Limitless, a small, women-owned, fitness boutique to provide onsite fitness classes to improve employee health and enhance company culture. The Wellness Center is equipped with 16 Schwinn AC Performance Plus spin bikes, yoga mats, kettlebells, pull up bars, and much more to support a wide variety of workouts. I Am Limitless hosts 3 classes a day including Indoor Cycling, Yoga, Barre Fusion, HIIT, and Circuit Training. The Wellness Committee regularly holds challenges to encourage participation in classes and holds a special workshop monthly. Workshops have included outdoor sunrise yoga, handstand workshops, and partner circuits. These programs have encouraged a healthy lifestyle for all employees at the Lancaster site, created opportunities for collaboration, and strengthened employee relationships.

Hamburg: The German colleagues conducted a number of different activities in 2019. Eurofins Food Testing in Hamburg established a parent-child office to allow parents to temporarily work while supervising their child.

Eurofins colleagues are active contributors to «Hamburg Clean Up», a project for collecting waste in the environment.

Eurofins Germany contributed to «Donating Hardware» a German organization collecting used-IT devices for recycling.

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

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

5.3.2 Estimate of and measures to reduce Eurofins' Carbon Emissions

Eurofins' companies are committed to measure and reduce their carbon emissions. As part of Eurofins' continuous effort to improve environment-related disclosures, the Group has mandated a specialised advisory company CO2logic to support Eurofins in the calculation of the Group's CO2 footprint. The project was launched at the end of 2019 with the aim of producing reliable results under a consistent methodology that can be tracked over time. The calculations are conforming to the ISO 14064 standard and the European Emissions Trading Scheme (EU ETS / Directive 2003/87/EC).

Initial preliminary calculations made on a sample of 8 Eurofins laboratories and sites in Europe and North America (employing 4,799 FTEs) that Eurofins thought would be representative led to estimates of Eurofins carbon emissions in 2019 ranging for the total of scopes 1, 2 and 3 between 5.2 and 11.2 metric tonnes of CO2 equivalent per FTE. Many Eurofins laboratories have ongoing programmes to reduce their carbon footprint, for example through better isolation, energy exchange in air handling systems, use of LED lights, replacing travel by teleconferencing, etc. Over time several additional initiatives will be undertaken and existing programmes expanded in order to further reduce Eurofins' carbon emissions.

Based on the range observed on this sample of sites covering over 10% of Eurofins' FTEs, and using the maximum value determined (11.2 metric tonnes of CO2 equivalent per FTE), Eurofins' total current annual emissions for scopes 1, 2 and 3 would be of the order of 500,000 metric tonnes of CO2 equivalent. Broader measurements beyond the sample of sites studied in 2019 will be carried out in the future to narrow the uncertainty on this extrapolation.

5.3.3 Partial Offsetting of Eurofins' Carbon Footprint

In 2019, via the provider EcoAct, Eurofins supported projects managed by NGOs that not only absorb CO2 but also empower local populations through education as well as sustainable economic and social initiatives. Eurofins obtained carbon credits from the following projects (certified against Verra standard), all aligning with several United Nations Sustainable Development Goals (UN SDGs):

- Floresta de Portel (Brazil), aiming to protect and preserve this fragile environment to prevent unscheduled deforestation, allowing the forest to regenerate by itself while helping local communities coexist with nature in a sustainable way by an improved forest management. This project aligns with the:
    - UN SDG 12 (Ensure sustainable consumption and production patterns), as it helps to create and stimulate jobs creations for local communities in the management and monitoring of the forest;
    - UN SDG 13 (Take urgent action to combat climate change) as it supports the preservation of this area of rainforest and contributes to emissions' reductions in order to mitigate climate change; and
    - UN SDG 15 (Protect, restore and promote sustainable use of terrestrial ecosystems and halt biodiversity loss) as it helps avoiding deforestation, protects indigenous flora and fauna, in particular endangered species.
- Gandhi (Gujarat, India), playing a vital part in India's shift towards a low carbon economy by generating electricity from a renewable resource (wind power) and supplying it to the state grid. This project aligns with:
    - UN SDG 7 (Ensure access to affordable, reliable, sustainable modern energy) as it aims to close the supply-demand energy gap that currently exists in India by generating electricity from a renewable source of energy;
    - UN SDG 8 (Promote sustained, inclusive and sustainable economic growth) as it provides opportunities for employment in the local communities, working in maintaining, operating and general running of the sites; and
    - UN SDG 13, as it raises awareness in the local areas of the impacts of climate change and plays an active role in its mitigation by shifting electricity generation away from non-renewable sources.
- Cardamom Forest (Cambodia), aiming to preserve the unique biodiversity on the Cardamom Mountain Range, in Southeast Asia, habitat for many species, and a region on which 28 local communities depend, representing approximately 16.000 people. This project aligns with:
    - UN SDG 8 as it offers job opportunities to local communities in various fields in association with the Cambodian Ministry of the Environment;
    - UN SDG 13 as it enables to avoid the emission in the atmosphere of more than 3.5 million metric tons of CO2 equivalent per year. This forest is a major carbon sink, which must be preserved;
    - UN SDG 15 as it preserves and enhances the restoration of land ecosystems, while ensuring sustainable use of resources, managing

forests, halting and reversing the land degradation process and ending the loss of biodiversity.

Through this initial effort to start compensating Eurofins' unavoidable carbon emissions, 53,000 tonnes of carbon credits were obtained and retired (cancelled) in 2019, equalling to ca. 1.1 tonnes CO2 offset per FTE.

Based on the preliminary estimates described in this section 5.3.3, this represents a 10% compensation of Eurofins' emissions.

5.3.4 Future Offset Programmes: Investment in Livelihoods Carbon Fund

Launched in 2011, the Livelihoods Carbon Fund (LCF) is an impact investment fund, financed by 10 European corporates to support the restoration and conservation of natural ecosystems in developing countries while improving the lives of the local communities. The fund directly invests in projects that leverage the carbon economy to deliver in 3 main areas:

i) Carbon sequestration and avoidance to help corporates offset their unavoidable carbon emissions;

ii) Restoration and preservation of key natural ecosystems with strong carbon potential; and

iii) The generation of positive social and environmental impacts for the local communities engaged in these projects.

To date, the Livelihoods Carbon Fund has successfully launched 2 sub-funds which directly invest in carbon projects with high environmental and social added value:

- The Livelihoods Carbon Fund 1 ("LCF1") has an investment capacity of EUR 40 million. The funding of LCF1 is today fully invested, managing a portfolio of 9 projects across Africa, Asia and Latin America. The remits of these projects span from agroforestry, to distribution of improved cookstoves and mangrove restoration and conservation. Through its portfolio of projects, LCF1 has financed the plantation of 130 million trees, the distribution of 120,000 efficient cookstoves, and has improved the livelihoods of 1.5 million people. The Fund is expected to deliver a carbon offset of 10 million tons to its investors.

- Launched at the end of 2017, by 8 corporates[s], the Livelihoods Carbon Fund 2 ("LCF2") has an investment capacity of EUR 55 million and is still in the investment phase. Eurofins has committed to invest EUR 3 million in this investment vehicle.

[s] Danone, SAP, Crédit Agricole, Firmenich, Hermès, Michelin, Voyageurs du Monde and Schneider Electric.

Eurofins, through its business activities worldwide and its Foundation, is working to contribute to global health and safety and to the protection of the environment. The Group has committed to reduce its carbon footprint in its core activities and has set ambitious reduction goals. As a global company, Eurofins is aware of its impact on the environment and has decided to invest with Livelihoods Venture, in the Livelihoods Carbon Fund 2 (LCF2), to offset its unavoidable carbon emissions. This investment will allow Eurofins to access carbon credits with strong social and environmental added value.

As a result of this investment, Eurofins' ambition is to reduce its net carbon footprint, acting in line with the UN Sustainable Development Goals, to compensate for CO2 that cannot be eliminated in business operations through the support to projects such as:

- **Araku Valley, India: tree planting for food, biodiversity and economic growth**: Since 2010, the Livelihoods-Araku 1 project has been helping 15,000 farmers develop a high-quality coffee production and food crops through regenerative agriculture and agroforestry, thus improving the lives of 100,000 inhabitants in the remote valley of Araku. Together with Naandi Foundation, a local NGO, Livelihoods has helped rebuild a habitat that had been damaged by deforestation and erosion, thanks to the plantation of 6 million trees, among which 3 million coffee crops. In 2019, the LCF2 decided to launch an even more ambitious project: support 40,000 Adivasi farmers regenerate the entire landscape of the valley through sustainable agriculture and land management practices. These practices are helping restore soil's fertility and improve resilience over the entire valley. The Livelihoods-Araku 2 project will store 2.3 million tons of CO2 in trees and soil over 20 years and help improve the lives of a total of 170,000 inhabitants. (http://www.livelihoods.eu/the-landscape-approach-of-the-livelihoods-araku-2-project/);

- **Mangroves, Indonesia: 10,500 hectares restored to revitalize the coastal villages and create income generating opportunities for the local populations:** Replanting coastal mangroves significantly buffers coastal communities from future tsunamis akin to the one that hit Banda Aceh region in 2004. Mangrove forests also contribute to restore vital agricultural land and generate new sources of economic income. 5,000 hectares have been restored already. The restoration of another 5,500 additional hectares started in 2019. (http://www.livelihoods.eu/projects/yagasu-indonesia/).

Through its investment of EUR 3m in LCF2 SICAV-SIF, over the next 21 years, Eurofins will also support projects directly concerned with addressing the needs of local populations in areas where LCF projects are run through empowerment and education.

Moreover, the fact that the projects are managed by non-profit organisations and NGOs around the world is aligned with the objectives of the Eurofins

Foundation, which aims to support initiatives in local communities. This investment is the first of its kind at Group level and Eurofins is very much looking forward to a successful collaboration with the Livelihoods Carbon Fund.

5.3.5 Midterm Carbon Neutrality Objective

These efforts to compensate part of Eurofins' unavoidable carbon footprint are voluntary on the understanding of the vital importance of contributing to reducing the speed of global warming. There is currently no obligation for our industry to engage in such activity.

Based on preliminary analyses and measures taken so far, it seems an achievable objective for Eurofins through a combination of emission reductions and compensation initiatives to become carbon emission neutral within 5 years. At current CO2 equivalent tonnes costs this seems an affordable objective for Eurofins, especially considering the emission reduction programmes that several Eurofins laboratories are planning to implement.

5.3.6 Customer Loyalty

Eurofins regards customer focus as one of its four key Values (https://www.eurofins.com/investor-relations/corporate-governance/code-of-ethics-and-values/). In many regions, measurement of customer loyalty has been adopted for a long time and performed at least on a yearly basis. Those customer satisfaction surveys are tailored to local market conditions and end customers and, thus, differ in content. Client responses serve as a valuable feedback mechanism to identify areas for service improvement and, thus, customer satisfaction.

In addition to these local customer loyalty trackings, Eurofins has started in 2019 a Group initiative to generate an international business line-wide customer loyalty score in the form of a Net Promoter Score (NPS). The assessment of the score is standardised across business lines and geographies to enable comparison and tracking over time. In 2019, Eurofins has focused on introducing these assessments throughout its food & feed testing and environmental testing business lines and intends to continue to roll out the implementation across the Group.

6 Risk Factors

Eurofins' decisions, plans and objectives for the future take into consideration the risks that its management reasonably expect the business to face.

The risk factors described herein are based on an analysis and evaluation of the existing and reasonably expected future operating environment of the business. Eurofins and its subsidiaries (hereinafter, the "Group") may be significantly affected by risks that cannot be reasonably foreseen or considered material at the time of this annual report. Certain risks, whether foreseen or unforeseen, may also arise from external factors beyond Eurofins' control.

Measures described herein aim at managing or mitigating risks to the extent reasonably possible. They may or may not be effective in any or all circumstances.

Certain specific risks are also mentioned in the notes to the consolidated financial statements.

1. Commercial Risks

Changes in the Market

Eurofins operates mainly in the food, pharmaceutical, environmental and clinical testing markets. The food testing market is relatively less cyclical and less exposed to the full impact of economic downturns than many other sectors due to the constant consumer and governmental demands for safe food products, especially in affluent and developed countries. The pharmaceutical testing business is supported by the growth in pharmaceutical product development and use, as well as 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.

Nevertheless, in 2019 the global economy, especially in Europe, continued to struggle with sluggish growth and persistent uncertainty. Such slower growth and any consequent funding squeezes may negatively impact some of Eurofins' customers, or governments may be forced to suspend or revoke regulations and reduce testing frequency to ease their financial burden, which would directly impact the testing industry. If this were to be the case, the impact on Eurofins' net worth, financial position and operating results could be severe, including the remote possibility of a cessation of the business.

General Regulatory, Political, Economic and Public Health Risks

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 (i) adversely affect the supply of, demand for, and prices of the Group's services; (ii) restrict Eurofins' ability to do business in its existing and target markets; and (iii) adversely affect the Group's revenues and operating results. Eurofins' operating results could be affected by changes in governmental policies and regulations, including monetary, fiscal and environmental policies, as well as other activities of governments, agencies, and similar organisations. These risks include, but are not limited to, changes in local economic or political conditions (e.g. Brexit), changes in local labour conditions and regulations, reduction in the protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, and adverse tax, administrative or judicial outcomes. International risks and uncertainties, including changing social and economic conditions, terrorism, political instability and war, as well as epidemics or pandemics, could limit Eurofins' ability to transact business in individual or multiple markets and adversely affect Eurofins' revenues and operating results.

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, utilisation and delivery of healthcare services. Reductions of reimbursement from these third-party payers, changes in policy regarding coverage of tests or other requirements for payment (such as prior authorisation from a physician, the payer or qualified practitioner's signature on test requisitions) may have a material adverse impact on Eurofins' business.

Service-Specific Regulatory Risk

Specific Group services are subject to stringent legal and regulatory requirements governing their activities, and failure to comply with these requirements may result in Eurofins or its subsidiaries facing substantial fines and penalties. In particular, the Group's medical diagnostic business is subject to extensive and developing healthcare laws and regulations in some of the jurisdictions in which the Group is active, especially in the United States (at both federal and state levels) and in France. While Eurofins seeks to conduct its medical diagnostic business in compliance with all applicable laws regulating such business, many of the rules applicable to such business (especially in the U.S. and France) can be vague or indefinite and have not always been fully or partly interpreted, notably in respect of the following aspects of the business:

- billing and reimbursement of clinical testing;
- certification or licence of clinical laboratories;
- anti-self-referral and anti-kickback laws and regulations;
- laws and regulations administered by the U.S. 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 data;
- handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials; and
- the control of laboratories by medical “biologist” practitioners in France.

These laws and regulations applicable to Eurofins’ activities may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require Eurofins to make changes to its operations, including the pricing and/or billing practices. If Eurofins fails to comply with applicable laws and regulations or to maintain, renew or obtain necessary permits, licenses and approvals required for the operation of its medical diagnostic and other businesses, Eurofins could suffer civil and criminal penalties, including fines, financial claims, exclusion from participation in governmental healthcare programmes and the loss of such licenses, certificates and authorisations. If any of the foregoing were to occur, Eurofins’ reputation could be damaged and important business relationships with third parties could be adversely affected.

Risks of Investigations and Related Litigation

Some of Eurofins’ businesses may, from time to time, receive requests for information from governmental authorities (and occasionally subpoenas in the U.S.). 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 to Eurofins’ ability to continue some of its operations;
- enforcement actions, fines and penalties or the assertion of private litigation claims and damages;
- decreased demand for services; and/or
- damage to reputation.

For example, several companies in the cardiac biomarker laboratory services business, including the Group’s Boston Heart Diagnostics (“Boston Heart”) subsidiary, have been cooperating with investigations on alleged incentives to physicians in connection with blood testing services conducted by the U.S. Department of Health and Human Services, Office of Inspector General in conjunction with the U.S. Department of Justice.

On 26 November 2019, Boston Heart Diagnostics and the U.S. Department of Justice reached an agreement whereby, under the terms of this agreement, Boston Heart, without admitting liability, agreed to pay a civil monetary settlement of USD26.7 million to resolve all civil claims available to the U.S. government under the Federal False Claims Act. Importantly, there were no claims that individual patients were harmed as a result of the alleged conduct. As part of the settlement, the U.S. Office of Inspector General elected not to require a “corporate integrity agreement”, which demonstrates the successful adoption and implementation by Boston Heart of a highly functional and robust corporate compliance program under its new management team. Therefore as of 26 November 2019, the related *qui tam* cases and investigations are now closed.

The Group is subject in the U.S. from time to time to *qui tam* claims brought by former employees or other “whistleblowers”.

The U.S. government and insurance companies are constantly strengthening their scrutiny and enforcement efforts in relation to perceived healthcare fraud. Recent legislative provisions relating to healthcare fraud and abuse provide government enforcement personnel with substantially increased funding and powers to pursue suspected cases of fraud and abuse and impose penalties. In addition, the U.S. government has substantial leverage in negotiating settlements since the amount of potential damages far exceeds the rates at which the Group is reimbursed for its services and the government may exclude a non-compliant provider from participation in the Medicare and Medicaid programmes.

Although Eurofins believes that Group companies are in compliance, in all material respects, with any laws and regulations applicable to the medical diagnostic services in the U.S. and other countries of operation, 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 healthcare costs may also refuse payments to companies of the Group, and threaten to or launch legal actions for alleged violation of laws or their policies.

Changes in applicable laws and regulations with respect to Eurofins’ medical diagnostic business and other services may result in a restraint of existing practices or additional costs and delay, withdrawal from or reconsideration of Eurofins’ activities. Such changes may also require companies of the Group 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 numerous governmental bodies in order to comply with operating and security standards imposed by such bodies. Failure to maintain or renew necessary permits, licenses or approvals or to comply with required standards, could have an adverse effect on

Eurofins' results of operations and financial position. Customers of the Group may require evidence of various professional licensing and accreditation as part of their selection as a provider of bioanalytical services, while various governmental and regulatory authorities may mandate certain accreditations and professional licensing in connection with the performance of various services, especially in relation to the medical diagnostics market. Although Eurofins believes 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 the 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 licenses, approvals or other authorisations could have a material adverse effect on individual operations within the Group or, more broadly, a negative effect on the Group's overall operations.

Deregulation Risk

Regulatory or lobbying efforts to deregulate, limit or prohibit the disclosure of information related to the various bioanalytical testing offered, or that may be offered, by Eurofins may reduce the demand for Eurofins' services. For example, in the U.S., various groups oppose mandatory and/or voluntary labelling of genetically modified (GMO) food products. Likewise various groups and governments have opposed mandatory and/or voluntary labelling of the country of origin for assorted food products, including pursuant to 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, some of Eurofins' services. Likewise, Eurofins' toxicology testing businesses, which currently constitute a very small part of the Group's overall business, could be negatively affected by a ban on or limitations to 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 pharmaceutical or agrochemical products could reduce the need for pharmaceutical or agroscience services of Eurofins. If companies regulated by the FDA, the U.S. Environmental Protection Agency (EPA) and other national regulatory authorities in jurisdictions where Eurofins operates were subject to such deregulation, there may be fewer business opportunities and Eurofins' 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 more stringent regulation and disclosure requirements with respect to products subject to bioanalytical testing.

Customer and Credit Risk

The clients of Eurofins vary in size and location. They range from large global companies (e.g. global food & beverages producers or retailers for the Food & Feed testing activities; 9 out of the top 10 global pharmaceutical companies for the Biopharma testing activities; consulting and sampling companies for the Environmental testing activities) to small, independent companies.

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. Eurofins is currently not dependent on any single supplier or individual customer. Nonetheless, whilst the Eurofins Group is not dependent on any one external entity, certain subsidiaries may rely more heavily on one client or supplier, or a small group of clients or suppliers, relative to the size of those subsidiaries. Eurofins as a whole endeavours not to be dependent on any single customer. The Group's largest customer represents less than 2% of the Group's consolidated revenue and the top 10 customers of the Group together represent less than 10%.

The majority of contracts concluded with customers can be terminated by Eurofins upon short notice. Conversely, customers may terminate or delay contracts for a variety of reasons. The loss, reduction in scope, or delay of a significant contract or the loss or delay of multiple contracts could adversely affect Eurofins' business, although contracts frequently entitle Eurofins to receive the costs of winding down the terminated projects, as well as all fees earned by Eurofins up to the time of termination. Some contracts also entitle Eurofins to a termination fee. Eurofins believes its customer base to be diverse. Furthermore, based on the general credit profile and quality of the Group's customers, Eurofins believes the risk of bad debts or insolvency of its customers to be generally low, as in particular, Eurofins periodically reviews its customer accounts and considers the level of doubtful accounts and bad debts to be acceptable. Severe or long-lasting adverse changes in the global economy could have an adverse effect on Eurofins' 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 utilising equipment and materials from multiple suppliers. Failure to deliver services may lead to a reduction in Eurofins' expected revenue and could impact the Group's credibility among both existing and potential customers. Therefore stability in the business strategies of Eurofins' suppliers is also important to the successful operation of Eurofins.

The Group utilises certain third-party contractors, vendors, and suppliers in the ordinary course of its business. Eurofins subcontracts to individual laboratories 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 categories: laboratory equipment, laboratory consumables (these first two often overlap), information technology (IT), and logistics. In each category, the Group utilises multiple suppliers and does not believe it is dependent on any one major supplier.

The Group believes there are currently additional available subcontractors, vendors, and suppliers for all of its 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 local disruptions could adversely affect its operations for a limited period of time. The Group seeks to minimise 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 its major vendors and assesses their services. Despite these initiatives, plans, and procedures, such measures may not be adequate to prevent business disruption in every instance of major price increases by or dependency on certain suppliers. In addition, 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 and 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 identified for its international growth strategy, the risks in executing the Group's business strategy in new markets could lead to delay or even failure in the 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

Part of Eurofins' business strategy is to acquire companies, new laboratories, and new technologies in order to obtain access to complementary technologies and to expand the Group's market position in Europe, North America, Asia, and other parts of the world. Eurofins' business has experienced substantial expansion in the past and such expansion and any future expansion could strain the Group's operational, human, and financial resources if not properly managed. 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 expansion of its business, such expansion may be less successful than anticipated. Eurofins may be required to allocate existing or future resources to the expanded business that, absent the expansion, the Group would have otherwise allocated to another part of its business.

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

If Eurofins is unable to successfully execute its acquisition strategies and successfully integrate acquired businesses, its business, results of operations and financial position could be adversely impacted. Historically, Eurofins' growth strategy has been based, in part, on its ability to acquire existing businesses, services or technologies. The main expansion and acquisition challenges of Eurofins are to:

- identify suitable businesses or technologies to buy;
- successfully perform business diligence and identify all material risks associated with any 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 necessary finance for an acquisition on commercially acceptable terms; and
- retain key personnel and customers of acquired businesses.

Eurofins generally competes with other potential buyers for the acquisition of existing businesses and technology. Such 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 Eurofins is looking to purchase. Eurofins 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, 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. Such agreements may lead to disputes or litigation. It cannot be excluded that in the future one or more of these disputes could increase costs over those provisioned in the Group accounts. For more information on such risks, please see the notes to the 2019 consolidated financial statements (note 3.13).

Competition

The bioanalytics industry is highly competitive. Eurofins often competes for business not only with other independent bioanalytics companies, but also with the internal analytics departments of some of its customers or of governments. The industry is highly fragmented, with numerous smaller specialised companies and a handful of full-service companies with global capabilities similar to Eurofins.

Increased competition might lead to competition on price and other forms of competition that might adversely affect the operating results. As a result of competitive pressures, the industry has experienced consolidation in recent years and Eurofins expects this trend to continue and produce more competition among significant companies for both customers and acquisition candidates. Bioanalytical 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 optimise 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 its database of methods and test results. Nevertheless, there is no certainty that it will have the necessary resources 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 more business experience, greater financial resources or marketing capacities. Some have a more widely-known name in their market segment and a larger customer base. Eurofins assumes 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 compete with Eurofins in the future 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 markets for food, pharmaceutical, clinical and environmental analysis or other Eurofins' markets. 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 scale and cost efficiency measures, 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.

2. Financial Risks

Liquidity Risk

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

In addition, Eurofins 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 liquidity risk reviews to be able to face its current financial obligations. In regards to the current economic environment, Eurofins and its subsidiaries comply with the terms of the credit agreements they have entered into and at this time do not anticipate any particular liquidity problems.

Optimal cash management within the Group is ensured via cash-pooling structures, allowing concentration of cash at holdings level while maintaining an adequate level of liquidity at a subsidiary level to meet local payment obligations.

The Group's ability to generate sufficient cash flows from operations to make scheduled payments on its debt obligations will depend on its future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of its control. If Eurofins is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur, which could force Eurofins 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, Eurofins and its subsidiaries have entered into several credit facility agreements as described in this report. Such credit facilities are either based on a fixed rate or on a variable rate. The variation risk of some credit facilities, with variable interest rates 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 certain lines of credit are still based on variable rates, it cannot be excluded that the interest rate of these lines will rise in the future. This could have an adverse effect on Eurofins' liquidity, financial position, and operating results.

For more information on financial risk management, please see the notes to the 2019 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 it to be 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 pay-outs or other restrictions.

In light of the current economic uncertainty and the volatility in the capital markets, particularly in Europe, it is 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 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, for example the possible discontinuation of the London Interbank Offered Rate (LIBOR) in the near future. To mitigate the Group's exposure to interest rate changes, Eurofins has, in the past, entered into several hedging contracts and might in the future 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 significant interest rate volatility. Those hedging contracts may have negative consequences on the Group's income statement (paying interest based on higher rates than market rates 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 significant volatility in one or more foreign currencies. Those hedging contracts 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 receivables and derivative instruments), with the maximum exposure being equal to the carrying amount of such assets.

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

For more information on market and counterparty risks, please see the notes to the 2019 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 previous revenues levels. Eurofins' revenues vary from one quarter to another due to the seasonality of its activities (with a traditionally low cycle at the beginning of the year) and it is expected that these fluctuations shall continue. 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, such as the market for existing and future services of the Group, changes in prices of services, changes in terms of staff and employees, increased competition, changes in economic and market conditions, changes in the financial health 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' bonds and stock price.

3. Technological Risks

Rapid Technological Change Risks

The Group's future success depends on its ability to keep pace with rapid technological changes that could make its 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. Eurofins' competitors or others might develop technologies, services or products that are more effective or commercially attractive than its current or future technologies, services or products, or that render its technologies, services or products less competitive or obsolete. If competitors introduce superior technologies, services or products and Eurofins cannot make enhancements to its technology to remain competitive, its competitive position and, in turn, business, revenues, and financial position, would be materially and adversely affected.

Patents

Eurofins' bioanalytics business is dependent, in part, on its ability to obtain patents in various jurisdictions for its current and future technologies and services, to defend its patents and protect its know-how and trade secrets and to operate without infringing on the proprietary rights of others. There can be no assurance that its 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 Eurofins 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. Eurofins also relies 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 result in a negative result for Eurofins. The loss of material patents, material successful infringement claims or the cost of litigation could all 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 could 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 both various potential infringements of its patents and 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 it necessary to take legal action. It cannot be ruled out that these infringements or copies may 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 which 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 Group 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, even though 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.

The most severe risk for Eurofins stems from patent infringement. However, there may also be a litigation risk with regard to other IP rights, such as, for example, know-how, trade secrets, copyrights, trademarks or database rights. The occurrence of such risk may cause negative effects on the net worth, financial position and operating results of Eurofins.

Licenses and Research Contracts

Eurofins' business involves entering into license, collaboration and other agreements with third parties relating to the development of 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 position, operating results and prospects.

Information Security Risks

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

IT systems are used extensively in virtually all aspects of its business, including clinical testing, test reporting, billing, customer service, logistics, management of data and for internal purposes such as HR, accounting, etc. Eurofins' success depends on the continued and uninterrupted performance of its 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. Unauthorised persons may seek to obtain intellectual property and other confidential information like client or patient data that Eurofins houses on its IT systems. Moreover, despite the security measures Eurofins has implemented, its IT systems may be subject to physical or electronic intrusions, computer viruses, unauthorised tampering and similar disruptive problems. A failure of its network or data gathering procedures could impede the processing of data, delivery of databases and services, customer orders and day-to-day management of its business and could result in the corruption or loss of data and ultimately to the failure of its operations.

While Eurofins has disaster recovery plans in place for parts of its operations, and is continuously extending those plans and updating its methodologies and has taken precautionary measures to prevent or minimise vulnerabilities in its IT systems, including the loss or theft of intellectual property and other confidential information that Eurofins houses on its systems, they might not adequately protect its operations. Eurofins continues, on a regular basis, to update and upgrade its IT systems and strengthen precautionary measures to reduce the risk of, and to detect and respond to, future cyber threats through various measures including regular monitoring of its systems and implementation of various "best practices". Since 2017 Eurofins has improved the resilience of its global infrastructure with the introduction of Intrusion Detection Systems (IDS) and Security Information and Event Management systems (SIEM) which covers many of its historic companies and which Eurofins continues to roll out. Monitoring and operation of many of its systems is overseen 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 Eurofins' network or data security could disrupt the security of its internal systems and business applications, impair its ability to provide services to its customers, compromise intellectual property or confidential information or otherwise adversely impact its business. There can be no assurances that its precautionary measures will prevent or successfully defend against cyber threats, human errors or system failures that could have a significant impact on its business. Despite any precautions Eurofins takes, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at its computer facilities could result in interruptions in the flow of data to its servers and from its servers to its customers. In addition, any failure by its IT infrastructure to provide its required data communications capacity could result in interruptions in its service. Long-term disruptions in the infrastructure caused by events such as natural disasters, sabotage, cybercrime, the outbreak of war, the escalation of hostilities and acts of terrorism, particularly involving cities in which Eurofins has offices, could adversely and fatally affect its businesses. Although Eurofins carries cybercrime insurance, its coverage might not be adequate to compensate us for all risks and losses that may occur.

Eurofins is regularly required to implement changes to its systems, software or data in order to keep pace with the rapid technological advances that characterise the market it competes in. While Eurofins generally takes the necessary precautionary measures to ensure a smooth transitioning, there can be no safeguard against the risks inherently stemming from such changes, such as incidents caused by undetected errors or vulnerabilities and unexpected design flaws requiring costly maintenance. Significant delays in the planned delivery of system enhancements, improvements and inadequate performance of the systems once they are completed could damage its reputation and harm its business.

Moreover, Eurofins relies in part on the IT services provided by third parties. Eurofins generally selects its service providers with care and implements the necessary contractual, technical and organisational measures to manage the risks related to the outsourcing of IT services. However, despite such measures, there can be no assurance either for the resilience and security of the third party services nor for the transfer of the services from one service provider to another without impairment. In the event of a delay in the delivery of data, Eurofins could be required to transfer its data collection operations to an alternative provider of server hosting services. Such a transfer could result in delays in its ability to deliver its products and services to its customers.

In rare cases, cyber security risks may materialise into major or critical events disrupting a significant part of the Group operations and business activities worldwide, for an extended period of time. In 2019, Eurofins was targeted by a large scale and thoroughly prepared cyber-attack impacting the availability of a significant amount of data stored on its servers. While the integrity of data suffered a minor loss, no evidence of any confidentiality breach was discovered through internally and externally led investigations (including the collaboration with national and international cybercrime law enforcement agencies).

As these orchestrated malicious activities have become more and more frequent globally, across all markets and industries, Eurofins has decided to respond to this trend in a structural way to improve the long-term viability and security of its IT systems and to protect its assets, including customers' data and proprietary data. As a consequence, the Group has launched a number of initiatives to strengthen its defences against cyber-attacks and make its systems more resilient and hardened and to impede the ability of attackers to spread threats across the company's networks.

Finally, the risk of loss due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data or inability to implement necessary IT changes within a reasonable time and with reasonable costs cannot be ruled out. The occurrence of such risk could have a negative effect on the net worth, financial position and operating results of Eurofins notably due to:

- financial consequences, including but not limited to loss of funds or assets, potential customer compensation, legal and remediation costs, contractual damages, lost revenue;
- business disruption;
- reputational damage;
- fines or other actions taken by the authorities, such as data protection authorities; or
- consequences for Eurofins strategic assets, for instance, if Eurofins' or its clients' intellectual property gets stolen or compromised.

Data protection risk

Failure to implement the requirements of data protection regulation in various jurisdictions, in particular the EU General Data Protection Regulation (GDPR) and the new California Consumer Privacy Act (CCPA), in the Group could result in damage claims from affected individuals as well as enforcement actions from supervisory authorities, such as investigations or fines. Breaches of GDPR can result in the imposition of a fine equivalent to up to 4% of Eurofins' total worldwide annual turnover of the preceding financial year. Despite the high priority Eurofins is giving to data privacy compliance, there is a risk that not all legal requirements have been implemented in all companies of the Group, in particular as all material data protection laws have been implemented quite recently and are still subject to substantial uncertainties as to requirements and interpretation.

Material damage claims for affected individuals, administrative fines or other enforcement actions from supervisory authorities would have adverse effects on Eurofins' financial position and results, as well as on its reputation.

Confidential Information

Eurofins has confidentiality agreements with numerous customers not to disclose the results of analyses or other confidential information. If breach of these agreements or laws concerning patient data privacy were to occur, Eurofins could suffer financial penalties or have to respond to claims for damages.

As a mitigating measure, it is a general rule that new staff members are generally contractually committed not to reveal any technology, confidential data or any results of analysis; access to the whole databases is limited to a small number of staff. Staff in sensitive positions are often contractually bound by post-contractual non-compete clauses in those countries where these agreements are generally practised and permitted by law. Likewise, Eurofins generally imposes on service providers equally binding obligations to preserve the confidentiality of any confidential information they may receive in the context of their relationship with Eurofins, where appropriate.

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

Research and Development Projects

In the past, Eurofins has participated in various research and development (R&D) projects. Currently, there are several ongoing internal and collaborative research and development projects, 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 Eurofins devotes R&D resources might never be successfully developed or commercialised by the Group for numerous reasons, including:

- inability to develop products or services that address its 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 its business, financial condition, prospects and stock price, especially in light of the fact that returns on investment may only be realised 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, genetic, chemical and other analytical fingerprints on products capable of analysis by Eurofins, and which represent an integral part of its technological advances.

If the databases were to be corrupted, damaged, or destroyed, Eurofins' business could be adversely affected. To limit the risk of partial or total destruction, the main databases are generally kept in clusters of high availability datacentres interconnected via high-speed communication lines or increasingly in the cloud. To further ensure availability, Eurofins and its subsidiaries generally apply off-site back-ups of the databases. Nonetheless, despite these measures, financial consequences, business disruption, reputational damage, enforcement actions from the authorities, and other consequences affecting Eurofins' net worth, financial position, operating results or strategic assets as a result of the corruption or other dysfunction of its databases cannot be ruled out.

Environmental Contamination Risks

Its business uses biological and hazardous materials, which could injure people or violate laws, resulting in liability that could adversely impact its financial condition and business. Its activities involve the controlled use of potentially harmful biological materials, as well as hazardous materials, solvents and other chemicals, and various radioactive compounds. While its risk may be mitigated by the relatively small quantities of such materials used, Eurofins 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 its facilities or in the case of the failure of specialised 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, Eurofins could be held liable for damages that result, and any liability could exceed its insurance coverage and ability to pay. Any contamination or injury could also damage its image and reputation, which is critical to obtaining new business. In addition, Eurofins is subject to one or more levels of laws and regulations in the countries in which Eurofins operates governing the use, storage, handling and disposal of these materials and specified waste products as well as the remedial measures 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 its financial position and results of operations.

As some of Eurofins' laboratories work directly with flammable chemicals and/or heat as part of the testing services they offer, Eurofins endeavours to implement measures to mitigate against risks of fire in laboratories, as well as to reduce loss and damage should an incident occur. These measures may not be sufficient to prevent fires or explosions that could create significant damages or even harm to employees or third parties.

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 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 practises 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 U.S. 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 it becomes aware of such facts, Eurofins management immediately takes 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 where 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 contractual clauses when applicable and enforceable by law substantially limit Eurofins' liability in case of an analytical error. However, any professional liability litigation could also have an adverse impact on its 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.

Despite these measures, it cannot be excluded that successful claims for damages could have adverse impact on the net worth, financial position and operating results of Eurofins.

Reputational Risk and Damages to Brand

Reputational risk refers to the potential for damage to the Group's reputation and/or the 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 notably arise as a consequence of errors, fraud or omissions by Eurofins' employees in relation to Eurofins' 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, and liabilities as well as other insurance policies required for its activities. In 2019, 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.

Within the scope 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 and natural peril coverage;
- General, Products and Professional Liability Insurance;
- Environmental Liability Insurance;
- Employment Practices Liability Insurance;
- Directors and Officers Liability Insurance (D&O);
- Cyber Insurance.

The aim 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 local 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 that 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 evolution of the insurance market, historical claims within Eurofins' industry 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.

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 jurisdictions.

Eurofins believes its tax returns, which it prepares in cooperation with its local tax advisers and accountants, are accurate and complete and that the Group has established adequate tax provisions. Accordingly, in the event of an external tax audit, Eurofins does not expect any material changes to its tax assessment 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 as a result of a number of reasons, including a taxable presence of a company of the Group in a taxing jurisdiction, transfer pricing adjustments, a revision of allowable expenses, the 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, net worth, financial position and operating results.

For more information on tax risks and provisions, please see the notes to the 2019 consolidated financial statements (note 4.9).

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

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.

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 II1.1.6 Internal Control and Internal Audit).

If Eurofins is unable to maintain effective internal control over financial reporting or disclosure controls and procedures, the accuracy and timeliness of its financial reporting may be adversely affected. Maintaining effective internal controls over its financial reporting is necessary in order to produce reliable financial statements. Moreover, Eurofins must maintain effective disclosure controls and procedures in order to provide reasonable assurance that the reported information is recorded, processed, summarised in a timely manner and that such information is accumulated and communicated to Eurofins' management to allow timely decisions regarding required disclosure. If Eurofins is unable to maintain effective internal controls over financial reporting or disclosure controls and procedures or to remediate any material weakness, it could result in a material misstatement of its consolidated financial statements that could require a restatement or other disclosures having an adverse impact on investor confidence and the market price of Eurofins' securities.

Fraud/Ethical risks

Eurofins has implemented various systems of quality assurance in the largest part of its laboratories designed to ensure consistent procedures and traceability of results. Additionally, the 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 suspicious situations and facts in a confidential and secure manner. To this effect, a whistleblowing point of contact has been created and is accessible from both within and outside the Group. One of Eurofins' core values is integrity: the Eurofins Group Code of Ethics, a number of derived policies as well as trainings for these policies are in place to safeguard integrity. Attempts to incite customers or partners to commit unethical steps are not permitted in the Group. However, the possibility of employee fraud or corruption may not be ruled out. This could have a very damaging impact on Eurofins and even put its existence at risk.

Environmental Risk and Risk from Climate Change

Eurofins acknowledges that climate change and global warming is a risk to the global economy and to society, as well as a driver for change. Eurofins believes that the direct impact of climate change on its operations is limited. The vast majority of Eurofins' business is performed in stationary, domiciled laboratories that are not particularly exposed to specific climate-related risk factors, such as flooding, draught or fires. Employees and operational equipment may require additional cooling or heating to optimally operate, potentially resulting in increased energy consumption.

Global warming, however, may have a significant negative direct effect on Eurofins' customers as the supply chains of Eurofins' customers may be subject to change. Food production in some regions of the world may be negatively affected, which may force Eurofins' clients to adjust supply chains with potentially negative effects on Eurofins' food testing activities. Climate change may also have a detrimental effect on the building activity in some regions, which may have a negative effect on the environmental testing business of Eurofins.

As a market-leading analytical partner with a worldwide network of laboratories, Eurofins believes it is well-positioned to make potential adjustments in order to meet changing market requirements.

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 media or investment community.

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 Martin family, through direct shareholdings and indirectly through their shareholding in Analytical Bioventures SCA, which is controlled by Dr. Gilles Martin, holds 35.8% of the shares with 59.2% of the voting rights in Eurofins attached as of 31 December 2019.

The free float represents 64.2% of the shares and 40.8% of the voting rights of the Company.

Due to their significant shareholding, the current major shareholders are jointly in a position to control the outcome of important business decisions that require shareholder consent, regardless of votes to the contrary by the other shareholders. This significant shareholding also allows them to further increase their percentage of voting rights in Eurofins through the issuance of additional beneficiary units. These types of decisions could have a material adverse impact on the results and value of Eurofins and the shares owned by others, as well as reduce the liquidity of the shares.

Future sales or issuances of a substantial number of securities in the public markets and the perception of such sales or issuances could depress the trading price of Eurofins' securities. Eurofins cannot predict the effect that such sales or issuances would have on the market price of its securities. Eurofins may need additional funds in the future and issue securities in lieu of incurring indebtedness, which may dilute existing holders of Eurofins' securities. Additionally, Eurofins may issue securities giving a more favourable position to holders of securities than that of its shareholders.

Unforeseen High Impact Risk

Notwithstanding the risks outlined above, Eurofins' operations may be subject to highly improbable, unforeseen events which may have a significant negative impact on its business activities, financial situation and operating performance. Due to the unforeseeable nature of such events, it is not reasonably possible to mitigate their impact or predict the nature or extent of any resulting 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 historical facts 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 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 commits to no obligation or 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 26 February 2020

7 Eurofins Group Remuneration Report 2019

Contents

1. Introduction

Dear Shareholder,

On behalf of the Nomination and Remuneration Committee, I am pleased to present Eurofins' 2019 Remuneration Report ("2019 Remuneration Report").

The Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies has been amended by law of 01 August 2019 (the "2019 Law"). Among other changes, the 2019 Law established additional disclosure requirements in relation to the remuneration of Directors of listed companies and introduced a consultative vote by shareholders.

Eurofins believes that it has been complying with best market practice and the *X Principles of Corporate Governance* in terms of corporate disclosure. As part of Eurofins' continuous effort to improve such corporate disclosure, the Committee has prepared this report in compliance with the provisions of the 2019 Law and is pleased to share it with its shareholders. In addition to disclosure provided in previous years in relation to the remuneration of the Board of Directors and the Chief Executive Officer, the 2019 Remuneration Report introduces a description of the remuneration policy, and applicable principles, for members of the Group Operating Council ("GOC"), Eurofins' most senior executive officers and provides enhanced disclosure on its performance measures and achievements.

Moreover, in light of the requirements of the 2019 Law, the Board of Directors is preparing a non-binding say-on-pay-vote on the 2019 Remuneration Report to receive shareholders' opinion on the remuneration disclosure at the Annual General Meeting to be held in April 2020.

In order to align with best market practices, the Board of Directors has introduced performance conditions for the annual Long-Term Incentive Plan awarded to members of the Group Operating Council for the first time in 2019.

Following the peer benchmark study on the remuneration levels and composition of the Board of Directors' and Chief Executive Officer's remuneration, performed by Willis Towers Watson and disclosed in Eurofins' 2018 Annual Report, the Committee has commissioned an internal benchmark study for the remuneration of members of the Group Operating Council (excluding the Chief Executive Officer). The results show general alignment with the remuneration levels at Eurofins' and those of executives in a comparable peer group in the TIC industry.

In 2019, the Board of Directors appointed four experienced new members to the Group Operating Council. This expansion adds a wealth of management experience and knowledge to Eurofins senior leadership and is in line with the exceptional growth the Group has experienced throughout 2017 and 2018. With the appointment of a dedicated Group Operating Council member for Eurofins operations in the Middle East and Asia, the Board of Directors has added a key leader for the further expansion envisaged in the region.

In the following pages, we provide details on the remuneration policy and principles concerning the Group Operating Council members and the Chief Executive Officer as well as details on the remuneration awarded to the non-executive members of the Board of Directors.

We trust that this additional disclosure provides valuable information and is in line with our shareholders' expectations.

Yours sincerely,

Patrizia Luchetta

Chair of the Nomination and Remuneration Committee

2. Group Remuneration Policy

2.1 Remuneration Principles

2.1.1 General Principles

In compliance with its role as defined by Eurofins' Board of Directors, the Corporate Governance Charter and the rules of the Committee as described in section 1.1.5.a. of the Corporate Governance Charter of Eurofins, Eurofins' Nomination and Remuneration Committee (the "Committee") assisted the Company's Board of Directors in the development of the present Eurofins Group Remuneration Policy (the "Policy"). The Policy was approved by the Board of Directors on 26 February 2020.

The Policy provides clarity and transparency on the principles of Eurofins' Directors and senior executives' remuneration and is in alignment with the long-term strategic interest of the Company. The Policy has been developed with the support of Eurofins' Human Resources and Legal functions. In alignment with the *X Principles of Corporate Governance*[t] and the Luxembourg 2019 Law, the respective sections of the Policy apply to the Board of Directors, to the Chief Executive Officer ("CEO") and to the members of the Group Operating Council (together with the CEO, the "Senior Executives").

In line with the requirements of the 2019 Law, Eurofins' Board of Directors will put the Policy to a consultative vote at the Annual General Meeting 2020 and seek to renew this vote at least every three years, at the latest at the Annual General Meeting 2023. Should material changes to the structure of the Policy occur during the three-year validity of the Policy, Eurofins' Board of Directors will seek renewal of the consultative vote at the relevant Annual General Meeting. This vote is not intended to address any specific item of compensation, but rather the overall compensation of Eurofins' Senior Executives and the executive compensation policies and practices described in the Policy. The Board of Directors and the Committee value the opinions of the Company's shareholders and will take into account the outcome of the vote, in conjunction with such other factors as the Board of Directors and the Committee consider appropriate.

The remuneration of the members of the Board of Directors is set to compensate their contributions and responsibilities as the highest governing body of the Group and to assure their independence in supervising the Group Operating Council.

Eurofins' principles for remuneration of the Senior Executives are the result of careful deliberation and are designed to fulfil a number of important strategic objectives:

- Align the individual's contribution with Eurofins' business strategy and its objective of long-term value creation;
- Attract, motivate and retain the best people available by positioning total remuneration to be competitive with peers and aligned to Eurofins' entrepreneurial roots and long-term focus;
- Reward people based on their responsibilities and performance; and
- Motivate high performers to increase sustainably shareholder value and share in the Group's success.

2.1.2 Remuneration Governance

The following chart provides an overview of the decision making process for the main decisions relating to compensation of the Board of Directors, the Chief Executive Officer and the Group Operating Council. In the evaluation and decision making process, contributions from internal advisory functions are incorporated, in particular from internal experts from the Human Resources department.

[t] https://www.bourse.lu/corporate-governance

Remuneration Element	CEO	Nomination and Remuneration Committee	Board of Directors	AGM
Remuneration Policy		Recommendation	Approval	Consultative vote
Aggregate remuneration of members of the Board of Directors		Recommendation		Binding vote
Setting individual short-term objectives for members of the GOC	Recommendation	Review	Approval	
Establishment of performance level of short-term objectives for members of the GOC		Recommendation	Approval	
Remuneration of the CEO		Recommendation	Approval	
Initiation of long-term incentive plans		Recommendation	Approval	
Setting performance objectives for long-term incentive plans for members of the GOC		Recommendation	Approval	
Establishment of performance level of long-term performance objectives for members of the GOC		Recommendation	Approval	
Establishment of individual remuneration of members of the GOC		Recommendation	Approval	
Remuneration report		Recommendation	Approval	Consultative vote

In order to avoid potential conflicts of interest, members of the Board of Directors are not entitled to cast a vote on a resolution involving their own remuneration.

2.2 Remuneration 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 participation on Board Committees (Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee).

The Board of Directors reviews the Board and Committee membership and chairperson fees annually and may adjust fees.

Members of the Board of Directors do not receive any variable short-term incentives. At the discretion of the Board of Directors, non-executive Board Members may occasionally receive a limited number of long-term incentive instruments such as stock options.

In their role as Directors of Eurofins Scientific SE (the "Company"), executive Directors do not receive any attendance fee *(jetons de presence)* from the Company or for participation in Board committees. Executive Directors only receive compensation for their executive Director position.

The Chairman of the Board is responsible for determining the attendance fee *(jetons de presence)* of the non-executive Board Members, within the limit of the aggregate amount approved by the Annual General Meeting of Shareholders. Unless specific criteria require otherwise, attendance fees should be the same for equal roles (directorship, membership in Committees).

Non-executive members of the Board of Directors may have time-limited advisory contracts and are not entitled to receive termination or severance payments.

2.3 Remuneration for the Senior Executives

The Policy defines a set of remuneration elements that are aligned with best market practices and provide a mix of short-term and long-term incentives. The total remuneration consists of a) fixed remuneration, b) short-term incentives, c) long-term incentives and d) benefits in kind. The following describes the key elements of the Eurofins Group Remuneration Policy:

2.3.1 Fixed Remuneration

The fixed remuneration is set to support the recruitment and retention of Senior Executives that have the skillset and experience required to drive business performance and implement the Group strategy. Fixed remuneration amounts need to be competitive within the external market and with companies of a similar size and complexity.

The fixed remuneration is set by the Board of Directors on the recommendation of the Committee and reflects the skills, experience, performance and responsibilities of the Senior Executive. To set the fixed remuneration, the Committee refers to benchmark and advice from executive search specialists, remuneration statistics of many candidates interviewed as well as usual market practices.

2.3.2 Short-Term Incentives

The short-term incentive rewards the year-on-year performance of a Senior Executive against clear and measurable strategic, financial and operational objectives which support the Company's long-term value creation for the benefit of our shareholders. The short-term incentive is a key element of the Group's pay-for-performance approach to remuneration.

The individual targets are designed to create meaningful, ambitious, achievable and measurable performance objectives for the Senior Executive. At the beginning of each performance year, upon the recommendation of the CEO, the performance objectives and measures are established, based on the business priorities for the year. They comprise a mix of financial and non-financial performance measures and set objectives to incentivise the operational and financial performance of the operational scope the under responsibility of the Senior Executive. The financial objectives are generally focused on the delivery of key financial objectives, such as organic growth, and improvements of operating margins, free cash flow generation and return on investment.

The non-financial objectives should be focused on the delivery of strategic performance objectives such as customer satisfaction and retention, operational excellence, progress on strategic internal projects safety and succession planning.

In the four months following the end of the performance year, achievement of performance targets are reviewed and the respective pay-out is calculated.

The largest part of the short-term incentive is paid out in cash in the month after achievements have been established. In addition for some executives, a percentage of the short-term incentive is awarded but is only paid out two or three years after the performance year, as a recurring incentive for retention.

Only in rare circumstances, where exceptional strategic projects or targets beyond the initially agreed performance scope are requested by the Board of Directors and achieved by the Senior Executive, can the Committee award variable compensation beyond 100% of the on-target objective.

The number and type of financial and non-financial performance objectives are selected and set individually and often include a selection from the following set of performance indicators:

	Strategic objectives	KPI used
Financial objectives	Profitability	EBITAS margin growth or absolute threshold (Group)
	Profitability	EBITAS margin growth or absolute threshold (business line or scope)
Non-financial objectives	Profitability	Delivery of cost optimisation projects
	Various (examples)	Delivery of strategic projects (site moves, IT solutions deployment, etc.)
		Service delivery and other operational KPI's

For operational leaders, financial objectives should typically account for 70% - 80% of their respective performance measures while non-financial objectives should typically account for 20% - 30%.

Functional leaders should typically be assessed through a mix of specific objectives for their scope (scope related metrics, delivery of internal strategic projects, delivery of cost optimisation projects, etc.) and the Group's financial objectives.

2.3.3 Long-Term Incentives

Long-term incentives ("LTI") are designed to link a significant part of the Senior Executive's remuneration opportunity with the long-term performance of the Group. The outcome varies based on Group performance against set objectives which are linked directly to strategic priorities and are in the interest of long-term Eurofins shareholders as well as Eurofins share price performance.

LTI plans provide Senior Executives with the opportunity to receive awards of stock options, free shares, warrants or similar incentive instruments ("Incentive Instruments") based on their achievement of long-term goals. The Board of Directors, taking into account the recommendations of the Committee, sets unified performance objectives to measure the achievement of long-term performance (see "Performance Conditions" below).

LTI plans at Eurofins include a 4 / 5 year vesting period. In addition, the most recent annual LTI plan for Senior Executives stipulates a performance period of three calendar years beginning on 1st January of year N+1 and ending on 31st December of year N+3 ("Performance Period"), whereby N is the calendar year when the LTI plan was initially awarded. After the Performance Period, achievement levels are determined by the Board of Directors with the support of the Committee and the respective Incentive Instrument vests according to achievement levels.

Incentive Instruments are generally subject to a minimum vesting period of four years from the date that the LTI plan is initially awarded.

Rights under Eurofins Incentive Instruments typically expire after 8 (for warrants) or 10 years (for stock option and free share plans) after the initial LTI plan award date.

Eurofins' Board of Directors has the right to initiate one or more LTI plans during the term of the Policy under the shareholder authorisation given by the Company statutes and the Corporate Governance Charter as described under sec. II.2.2.1.b. of the 2019 Annual Report.

Under the terms of the LTI programmes, Senior Executives lose their right to exercise non-vested Incentive Instruments when their underlying employment contract or directorship is terminated for any reason other than death or disability. Only the Board of Directors (or the Chairman upon delegation of the Board of Directors) can decide on exceptions to this condition, in specific and exceptional cases.

Performance Conditions:

The following performance conditions apply since 2019 to recurring annual stock options or free shares awards to all members of the Company's Board of Directors and Eurofins' Group Operating Council.

Under this Policy, the performance conditions of the Long-Term Incentive consist of two financial key performance indicators, equally weighted at 50% for the calculation of achievement:

- Total Shareholder Return (TSR) (Eurofins' relative share price performance including dividends compared with an index or a peer group selection)
- Earnings Per Share (EPS) growth (Eurofins' absolute performance against an internal target)

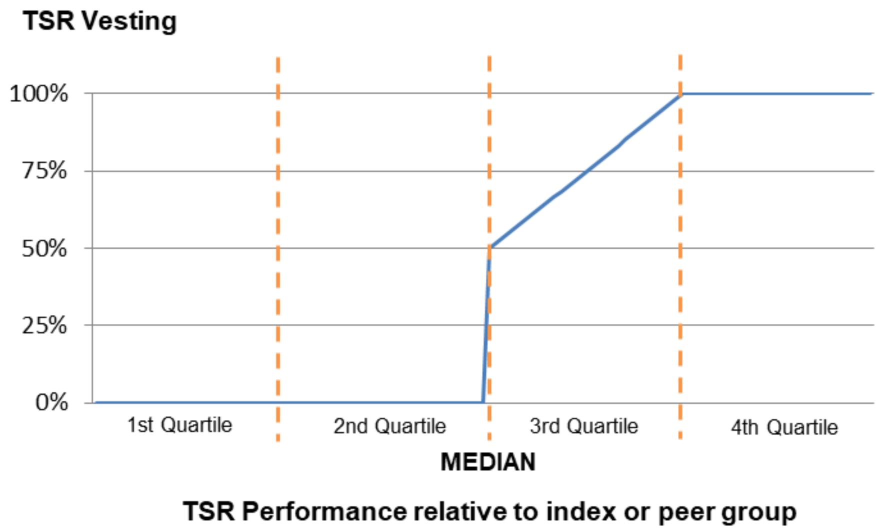
As an example, the following performance conditions apply to some LTI awarded on 24 October 2019:

Performance Condition 1:

The TSR of Eurofins will be compared to the TSR of the other 119 companies composing the SBF120 index on Euronext Paris stock exchange over a three-year reference period. The intention of indexing performance against a peer group of companies is to reward the relative performance of the Company, where market factors that are outside the control of the Senior Executives and the company are neutralised.

The vesting levels for the TSR are defined as follows:

- 100% vesting if Eurofins is ranked in the top quartile ie. among the top 30 of the 120 companies composing the SBF120 index;
- 50% vesting if Eurofins is ranked at median ie. number 60 out of the 120 companies composing the SBF120 index; and
- zero vesting if Eurofins is ranked below the median;
- In between the 30th and the 60th rank, a linear interpolation applies.



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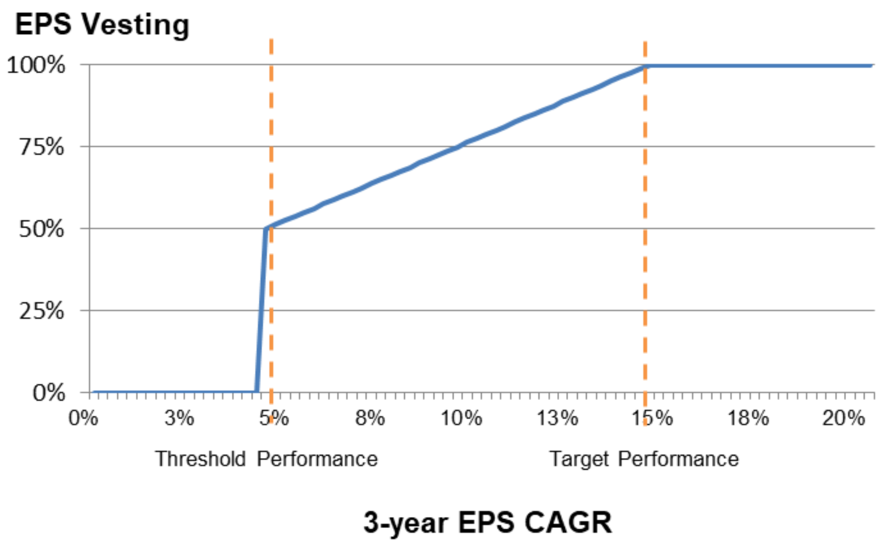
Performance Condition 2:

The compounded annual growth rate of Eurofins' EPS will be assessed against a pre-defined internal target over a three-year reference period ("3-year EPS CAGR").

The vesting levels for the 3-year EPS CAGR are defined as follows:

- 50% vesting applies for a threshold performance set at 5%;
- 100% vesting applies for a target performance set at 15%; and
- zero vesting if Eurofins' 3-year EPS CAGR performance is below the 5% threshold;
- In between 5% and 15%, a linear interpolation applies



Presence condition

The Senior Executive must have kept the status of executive officer/Director in good standing within the Group under a valid written contract, without interruption from the award date until the expiration of the vesting or lockup period, whichever is later. At expiration of the vesting or lockup period, the Senior Executive shall have full ownership of the Incentive Instruments delivered under the LTI plan, subject to fulfilment of share ownership requirements.

Covenants and additional conditions

The entitlement to exercise the Incentive Instrument at the end of the vesting or lockup period is further conditioned by (i) the Senior Executive refraining from engaging in conduct which could adversely affect the economic interests, image or reputation of the Eurofins Group or any of its member companies and (ii) always acting without personal economic conflict with any member of the Eurofins Group. Accordingly, the Senior Executive must comply with the following covenants as a condition to the right to exercise any Incentive Instrument.

(a) to refrain from publishing or making any statement that is critical of, or which adversely affects, the business or reputation of Eurofins, the Group or any of its respective affiliates, executive officers or Directors (except as required in order to comply with legal proceedings or an audit or investigation by a governmental authority);

(b) to refrain from disclosing confidential information, including but not limited to industrial or trade secrets, as defined pursuant to, and in accordance with, any agreement he/she has signed with a company of the Eurofins Group and/or is written in applicable Eurofins corporate policies;

(c) to respect non-competition commitments during or following employment as defined pursuant to and in accordance with any agreement he/she has signed with one or more companies belonging to the Eurofins Group and/or is written in any applicable Eurofins corporate policy and to respect the terms of any agreement he/she has entered into with any company of the Eurofins Group;

(d) not to solicit for employment, hire, contribute to hire or attempt or entice any employee, Director or leader of that company away from a company belonging to the Eurofins Group

(e) to refrain from hedging the shares obtained through exercise of the Incentive Instrument (or using instruments such as covered call options, zero cost collars, exchange funds, etc., that allow the Senior Executive to reduce the risk of a Company's share price fluctuation) as this could create disclosure, monitoring and accounting obligations which might not be compatible with the Company's policies;

(f) to refrain from pledging Eurofins shares or options, i.e. operations involving the grant of an interest in shares obtained through exercises of the respective Incentive Instrument to third parties to secure personal loans or other personal debt;

(g) to respect insider trading restriction measures as implemented by the Group and as referred to in the respective plan rules.

In the event a Senior Executive breaches any of the covenants set forth in this section, while he or she is an executive officer or Director of a company of the Group or during the 24 months immediately following the termination of such employment, consulting or other service provider relationship, such beneficiary shall (I) immediately forfeit any outstanding stock options, (II) be obligated to immediately return to Eurofins any shares resulting from exercises of Incentive Instruments net of acquisition and taxes cost, and (III) in the event such beneficiary has sold any shares resulting from exercises of Incentive Instruments, such Senior Executive shall be required to promptly pay Eurofins an amount equal to the aggregate after-tax proceeds received by the Senior Executive in connection with such sale.

The Board of Directors has the discretion to modify such performance conditions and allow partial or full exercise of Incentive Instruments in cases of exceptional circumstances beyond the control of the Senior Executives, such as the criminal cyber-attack that hit Eurofins on 02 June 2019.

Options or free shares packages awarded to an executive upon joining the Group, often to compensate similar instruments at their previous employer, may be exempt from such performance conditions.

2.3.4 Benefits in Kind

Benefits in kind are awarded to support the long-term health and well-being of Senior Executives and are aligned to market practice for Senior Executives in comparable positions. Recurring benefits in kind awarded typically include car-related benefits, employer contributions to pension insurance, medical benefits, contributions to cover school fees, tax computation and other benefits afforded to Senior Executives in comparable positions, such as personal assistants, or a driver to the Chief Executive Officer.

In circumstances where a Senior Executive is required to relocate for work purposes, the Group may reimburse reasonable related costs, such as relocation, housing costs, tax and social equalisation and education assistance.

2.3.5 Other Employment Conditions

Loss of Office:

The Chief Executive Officer is not entitled to severance or retirement payments by the Group in case of termination of his/her mandate.

No Senior Executive is entitled to any non-market standard severance or retirement payments by the Group in case of termination of their contract other than their fixed compensation and prorated variable compensation for the duration of the termination period and customary severance, health insurance and retirement benefits as typical for their seniority in the country where they are employed. No Senior Executive shall receive non-customary payments triggered in the event of change-of-control, corporate restructuring or spin-off.

Non-Competition:

Employment contracts of Senior Executives foresee protection of the Company's information, client and employee relationships. The Senior Executive may be required to refrain from working directly or indirectly for a competitor in the same business as Eurofins or approach and entice clients or employees away from the Group. The terms of their employment agreements generally stipulate a term for a non-competition provision of 18 to 36 months.

Termination:

The employment of the CEO of Eurofins can be terminated without notice. The termination / notice periods of employment contracts with Senior Executives are typically between three and nine months, unless local law requires a longer termination period. In exceptional cases, where the Company has a particular interest in prolonging the termination period, or local practices or legal requirements warrant a prolongation of the termination period, the contract may exceptionally stipulate a termination period of up to twelve months.

Guidelines on Share Ownership ("SO Guidelines"):

In line with best practice, Eurofins has introduced formal share ownership guidelines for Senior Executives for share-based Long-term incentives awarded from 24 October 2019. Senior Executives should own ordinary shares in the capital of Eurofins Scientific S.E., which may be acquired in the stock market, or through the exercise of stock options or other awarded Incentive Instruments (together the "Shares"). The Chief Executive Officer of the Company is required to hold 200% of his/her net base salary (ie. net after tax fixed remuneration excl. benefits in kind) and the other Senior Executives of the Company are required to hold 100% (ie. net after tax fixed remuneration excl. benefits in kind). Any Shares held or controlled by Senior Executives shall count towards the determination of the amount of Share ownership.
Share ownership does not include any unvested LTI awards other than warrants.

Achievement of Required Share Ownership

Senior Executives will have until the later date of a) five years after effect of this Remuneration Policy or b) five years after appointment as Senior Executive to achieve the share ownership holding. Until a Senior Executive's shareholding has been met, the Senior Executive must retain fifty percent (50%) of the Shares resulting from the vesting of any Incentive Instrument, provided that Senior Executives may sell Shares to pay any applicable withholding tax due and acquisition price in connection with the vesting of Share settled Incentive Instruments.

As long as a Senior Executive remains in office, he/she must own at least the number of Shares of the Company as yearly determined. Once established, the Senior Executive's Required Share Ownership will not change as a result of any fluctuations in the market price of the Shares.

Failure to meet Required Share Ownership

Failure by a Senior Executive to meet or to show sustained progress towards meeting the Required Share Ownership may result in a requirement to retain all Shares obtained through the vesting of Incentive Instruments. The decision of the Board shall be final and binding in all matters relating to these Guidelines. The Senior Executive's obligations under these SO Guidelines are without prejudice to any lock-up or holding periods that apply to the Senior Executive under any Incentive Instrument plan.

Exceptions

There may be rare instances where these SO Guidelines would place a severe financial hardship on a Senior Executive or prevent a Senior Executive from complying with a court order, such as in the case of a divorce settlement. Under these circumstances, the Senior Executive will work with the Board to develop an alternative share ownership plan that reflects the intention of these SO Guidelines. In the event of a change in control of the

Company or other exceptional circumstances as determined by the Board, the Board may waive the Senior Executive's obligations under these SO Guidelines.

3. Report on Remuneration awarded to the Board of Directors

This section sets out the remuneration that was paid to the members of the Board of Directors in 2019.

The number of Directors and composition of the Board was unchanged during 2019. The Board comprised three independent, non-executive Directors and three executive Directors. Eurofins' Chief Executive Officer remained Chairman of the Board of Directors.

Remuneration to the Board of Directors

Since 2017, the compensation of Non-executive Directors is unchanged and comprises of a) an annual fixed fee (EUR 20,000) and b) an annual fee per Committee membership (EUR 10,000 as a member and EUR 15,000 as chairperson).

Given that executive Directors are not entitled to Board Membership Fees, the tables below detail executive remuneration for the Executive Directors.

For the year 2019, the remuneration awarded to the members of the Board of Directors was as follows:

Board of Directors' Remuneration for the year 2019

	EXECUTIVE REMUNERATION					BOARD REMUNERATION				
All amounts in EUR	Fixed compen-sation	Variable compen-sation	Benefits in kind	Supple-mental pension plan	Long-term incentives ("Stock Options")	Board atten-dance fee (jetons de presence)	Com-mittee atten-dance fee (jetons de presence)	Com-mittee chairman-ship fee	Long-term incentives ("Stock Options")	**Total compen-sation**
Gilles Martin	1,154,000	0	11,400	12,000	11,814	0	0	0	0	**1,189,214**
Yves-Loïc Martin	342,000	0	0	12,000	0	0	0	0	0	**354,000**
Valérie Hanote	261,000	0	10,692	22,000	0	0	0	0	0	**293,692**
Stuart Anderson	0	0	0	0	0	20,000	20,000	15,000	23,016	**78,016**
Fereshteh Pouchantchi	0	0	0	0	0	20,000	20,000	15,000	23,016	**78,016**
Patrizia Luchetta	0	0	0	0	0	20,000	20,000	15,000	23,016	**78,016**

For executive members of the Board of Directors, the fixed and variable remuneration awarded in 2019 was unchanged compared with 2018. Dr. Gilles Martin, as Chairman of the Board, was awarded 100 stock options, equalling EUR 11,814, under performance conditions as set out in sec. 2.3.3 of the Remuneration Policy.

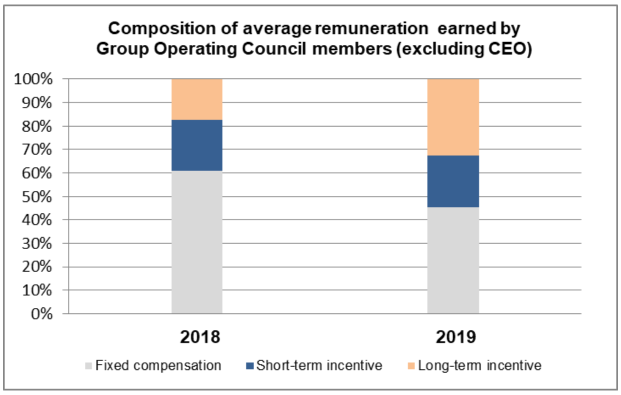
The total fees paid to members of the Board of Directors increased from EUR 130,000 in 2018 to EUR 165,000 in 2019. The increase is a direct result of the creation of the Nomination and Remuneration Committee by the Board of Directors at the end of 2018. The Committee commenced work and held its initial meetings in 2019. The non-executive members of the Board of Directors were awarded 220 stock options each, thereof 100 each under performance conditions, equalling a value of EUR 23,016, thereof EUR 11,814 under performance conditions.

The remuneration awarded to the Board of Directors in 2019 compares with the remuneration awarded in 2018 as follows:

Board of Directors' Remuneration for the year 2018										
	EXECUTIVE REMUNERATION					BOARD REMUNERATION				
All amounts in EUR	Fixed compen-sation	Variable compen-sation	Benefits in kind	Supple-mental pension plan	Long-term incentives ("Stock Options")	Board atten-dance fee (jetons de presence)	Com-mittee atten-dance fee (jetons de presence)	Com-mittee chairman-ship fee	Long-term incentives ("Stock Options")	**Total compen-sation**
Gilles Martin	1,154,000	0	11,400	12,000	0	0	0	0	0	**1,177,400**
Yves-Loïc Martin	342,000	0	0	12,000	0	0	0	0	0	**354,000**
Valérie Hanote	261,000	0	10,692	22,000	0	0	0	0	0	**293,692**
Stuart Anderson	0	0	0	0	0	20,000	10,000	15,000	0	**45,000**
Fereshteh Pouchantchi	0	0	0	0	0	20,000	10,000	15,000	0	**45,000**
Patrizia Luchetta	0	0	0	0	0	20,000	20,000	0	0	**40,000**

4. Report on Remuneration awarded to the Senior Executives

This section sets out the remuneration that was paid to the members of the Group Operating Council as a whole, excluding the CEO, in 2019. From 01 January to 31 December 2019, the number of members of the Group Operating Council excluding the CEO increased from 13 to 17, reflecting the significant growth of Eurofins in recent years. This aligns with an increase in the average number of FTE by 19% from 36,518 FTE in 2018 to 43,320 FTE in 2019. Due to the additions to the Group Operating Council in the course of 2019, the remuneration stated below concerns 14.3 FTE in 2019 versus 12.6 FTE in 2018, and both years exclude the Chief Executive Officer.



Remuneration Mix

In 2019, the members of the Group Operating Council earned a total remuneration of EUR 12,818,892[u] (2018: EUR 8,347,822). The increase in total remuneration is largely attributable to the increase in the number of members of the Group Operating Council in combination with a larger LTI grant[v] for 2019.

There were two long-term incentive plans awarded to members of the Group Operating Council in 2019. The remuneration stated adjusts for the fact that the LTI plan awarded in January 2019 was for the 2018 performance period. For 2019, short-term incentive is stated at target, as performance achievements will be established after preparation of this report. The average part of the remuneration at risk (short-term incentive, long-term incentive) for members of the Group Operating Council (excl. CEO) amounted to 39%[w] in 2018 and to 54% in 2019. The part of the remuneration paid out in equity instruments (stock options or free shares) in 2018 amounted, on average, to 18% in 2018 and 32% in 2019.

[u] 2019 short-term incentive stated at target
[v] The fair value of options/free shares granted during the period is determined using the Black-Scholes (before 2019 awards) or Bermudean valuation model from 2019 onwards
[w] Normalised: Assumes long-term incentive awarded in January 2019 is attributable to 2018 performance period

The following tables break down the remuneration mix of members of the Group Operating Council for 2019 and 2018:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Fixed Remuneration	Short-term Variable Remuneration (target)	Deferred Variable Remuneration (target)	Long-Term Incentive (awarded)	Total 2019 Remuneration	*% of total remuneration*
Cash	5,176,368	2,143,313	676,382	-	7,996,063	*62.4%*
Benefits in Kind	682,798	-	-	-	682,798	*5.3%*
Equity	-	-	-	4,140,031	4,140,031	*32.3%*
TOTAL	**5,859,166**	**2,143,313**	**676,382**	**4,140,031**	**12,818,892**	*100.0%*
In % of total	*45.7%*	*16.7%*	*5.3%*	*32.3%*	*100.0%*	

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Fixed Remuneration	Short-term Variable Remuneration (earned)	Deferred Variable Remuneration (earned)	Long-Term Incentive (awarded)	Total 2018 Remuneration	*% of total remuneration*
Cash	4,471,649	1,586,479	209,808	-	6,267,936	*75.1%*
Benefits in Kind	576,826	-	-	-	576,826	*6.9%*
Equity	-	-	-	1,503,060	1,503,060	*18.0%*
TOTAL	**5,048,475**	**1,586,479**	**209,808**	**1,503,060**	**8,347,822**	*100.0%*
In % of total	*60.5%*	*19.0%*	*2.5%*	*18.0%*	*100.0%*	

4.1 Fixed Remuneration

The following tables summarise the fixed remuneration paid to the members of the Group Operating Council excluding the Chief Executive Officer in 2019 and 2018:

2019

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Fixed Compensation	Pension Benefits	Other Benefits in Kind	Total Fixed Remuneration
Cash	5,176,368	-	-	**5,176,368**
Contribution in Kind	-	282,454	400,344	**682,798**
Equity	-	-	-	**-**
TOTAL	**5,176,368**	**282,454**	**400,344**	**5,859,166**

2018:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Fixed Compensation	Pension Benefits	Other Benefits in Kind	Total Fixed Remuneration
Cash	4,471,649	-	-	**4,471,649**
Contribution in Kind	-	277,223	299,603	**576,826**
Equity	-	-	-	**-**
TOTAL	**4,471,649**	**277,223**	**299,603**	**5,048,475**

From 2018 to 2019, the fixed compensation for the Chief Executive Officer was unchanged and the average salary for members of the Group Operating Council (excl. Chief Executive Officer) increased by 2.5%. The increase in total fixed remuneration is mainly caused by the increased number of executives in the Group Operating Council.

In addition to the fixed compensation and benefits granted to the Chief Executive Officer, Dr. Gilles Martin, as listed in the above tables, 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 incurred for business activities;

- support by 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 in preparation of personal annual tax returns.

4.2 Short-Term Incentives

Short-term Incentive ("cash")

As set out in the Group Remuneration Policy, the short-term incentive ("STI") for the members of the Group Operating Council is determined by the achievement of financial and non-financial objectives and by the successful delivery of strategic projects.

2019:

The target STI opportunity for 2019 increased by 18.4% compared with the target STI opportunity for 2018, mainly due to the increase in members of the Group Operating Council. Achievement levels for short-term incentive 2019 will be determined after publication of this report. The short-term incentive earned in 2019 will be paid out in cash to members of the Group Executive Committee in March and April 2020. The following table summarises the target short-term incentive for 2019 and the actual STI paid in 2019 for 2018:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Minimum STI opportunity 2019	Target STI opportunity 2019	STI Remuneration earned 2019	*% earned vs target*
Cash	-	2,143,313	**TBA**	*TBA*

2018:

The achievement level for the short-term incentive for 2018 paid out in 2019 to members of the Group Operating Council was at 87.6% of target performance compared with 85.3% for the previous period. The following table summarises the target short-term incentive for 2018 and payout:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Minimum STI opportunity 2018	Target STI opportunity 2018	STI Remuneration earned 2018	*% earned vs target*
Cash	-	1,810,235	**1,586,479**	*87.6%*

Short-term Incentive ("deferred cash")

Additionally, a limited number of members of the Group Operating Council were granted a short-term incentive, the payout of which is fully deferred by three years post performance period, e.g. payout in 2023 for performance period 2019. The target deferred short-term incentive for 2019 (payout 2023) amounts to EUR 676,382 versus EUR 243,648 for 2018 (payout in 2022).

2019:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Minimum STI opportunity 2019	Target STI opportunity 2019	STI Remuneration (deferred) earned 2019	*% earned vs target*	Payout (year)
Deferred cash	-	676,382	**TBA**	*TBA*	**2023**

2018:

GROUP OPERATING COUNCIL excl. CEO (in EUR)	Minimum STI opportunity 2018	Target STI opportunity 2018	STI Remuneration (deferred) earned 2018	*% earned vs target*	Payout (year)
Deferred cash	-	243,648	**209,808**	*86.1%*	**2022**

4.3 Long-Term Incentives

Stock-Option Plans ("SOP")

In 2019, the Board of Directors approved three new stock-option plans ("SOP") for the members of the Group Operating Council, members of the Board of Directors and other selected key leaders of the Group[x]. Out of the 374,413 stock options awarded in total during 2019[y], 760 stock options with a value of EUR 80,862 were awarded to members of the Board of Directors and 50,200 stock options with a value of EUR 5,543,731 were awarded to members of the Group Operating Council (excluding the Chief Executive Officer).

21,000 stock options with a value of EUR 2,480,837, which were awarded during 2019 to members of the Board of Directors and Group Operating Council, are subject to a 3-year performance period and performance conditions as detailed in the Group Remuneration Policy and an average 4.5 year vesting period (50% of the stock options vest after 4 years and 50% of the stock options vest after 5 years from initial award date).

29,960 stock options with a value of EUR 3,143,756, which were awarded during 2019 to members of the Board of Directors and the Group Operating Council, are subject to an average 4.5 year vesting period (50% of the stock option grant vesting after 4 years and 50% of the stock option grant vesting after 5 years from initial award date).

From the plans awarded in October 2019, Eurofins introduced a hurdle to increase the exercise price of stock options above the trading price of Eurofins shares at the time of award. For the 24 October 2019 plans, this hurdle was set at 2%.

Since its IPO in 1997, Eurofins' Board of Directors has awarded 46 stock option plans, of which 17 are still open as of 31 December 2019. More than 2,670 current or former staff have benefitted from stock option plans as of the end of 2019. The number of current employees and Directors who benefit from outstanding stock option plans totals 1,319, meaning that ca.2.8% of Eurofins staff are directly participating in stock option plans.

The details of the current stock option plans outstanding as of 31 December 2019, with details of the grants to members of the Board of Directors and the Group Operating Council, are as follows:

[x] As stated above, options awarded in January 2019 were corresponding to the 2018 performance period

[y] The fair value of options/free shares granted during the period is determined using the Black-Scholes (before 2019 awards) or Bermudean valuation model from 2019 onwards

Stock option plans	30th SOP	31st SOP	32nd SOP	33rd SOP	34th SOP	35th SOP	36th SOP	37th SOP
Date of Board of Directors meetings	31/08/2010	05/10/2010	23/02/2011	10/10/2011	02/03/2012	19/12/2012	01/10/2013	23/10/2014
Number of options initially awarded	164,400	12,450	89,750	158,350	46,250	191,475	139,065	120,950
incl. options granted to members of the Board of Directors in respective period	0	500	0	500	0	300	200	400
incl. options granted to members of the Group Operating Council in respective period								
First stock option exercise date	31/08/2014	05/10/2014	23/02/2015	10/10/2015	02/03/2016	19/12/2016	01/10/2017	23/10/2018
Final stock option exercise date	30/08/2020	04/10/2020	22/02/2021	09/10/2021	01/03/2022	18/12/2022	30/09/2023	22/10/2024
Subscription price in EUR	36.62	37.06	50.13	57.83	65.60	120.10	182.29	188.28
Number of options exercised as of 31/12/2019	107,030	9,000	66,430	92,754	25,900	107,556	57,062	39,635
Number of options lost and/or reawarded under new conditions	40,805	2,500	9,200	39,565	18,550	46,650	43,165	28,945
Number of valid options *	16,565	950	14,120	26,031	1,800	37,269	38,838	52,370

Stock option plans	38th SOP	39th SOP	40th SOP	41th SOP	42nd SOP	43rd SOP	44th SOP	45th SOP
Date of Board of Directors meetings	07/04/2015	22/10/2015	21/01/2016	01/08/2016	04/04/2017	13/12/2017	08/01/2019	18/07/2019
Number of options initially awarded	60,000	35,250	93,920	122,740	41,390	169,695	217,588	2,000
incl. options granted to members of the Board of Directors in respective period	0	0	360	300	0	300	360	0
incl. options granted to members of the Group Operating Council in respective period							15,600	0
First stock option exercise date	07/04/2019	22/10/2019	21/01/2020	01/08/2020	04/04/2021	13/12/2021	08/01/2023	24/10/2023
Final stock option exercise date	06/04/2025	21/10/2025	20/01/2026	31/07/2026	03/04/2027	12/12/2027	07/01/2029	23/10/2029
Subscription price in EUR	251.88	282.76	286.30	336.90	404.93	508.71	325.00	385.80
Number of options exercised as of 31/12/2019	1,058	3,300	390	220	0	0	0	0
Number of options lost and/or reawarded under new conditions	46,950	21,250	31,575	35,890	17,750	47,045	21,126	0
Number of valid options *	11,992	10,700	61,955	86,630	23,640	122,650	196,462	2,000

Stock option plans	46th SOP a) (unconditional)	46th SOP b) (conditional)
Date of Board of Directors meetings	24/10/2019	24/10/2019
Number of options initially awarded	141,925	21,000
incl. options granted to members of the Board of Directors in respective period	0	400
incl. options granted to members of the Group Operating Council in respective period	14,000	20,600
First stock option exercise date	24/10/2023	24/10/2023
Final stock option exercise date	23/10/2029	23/10/2029
Subscription price in EUR	446.79**	446.79**
Number of options exercised as of 31/12/2019	0	0
Number of options lost and/or reawarded under new conditions	750	0
Number of valid options *	141,175	21,000

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

*** Subscription price for this plan includes a premium of 2% on top of the reference share price*

BSA Leaders Warrants

Eurofins has issued two sets of BSA leaders warrants that could be purchased by key employees granting preferential subscription rights to Eurofins shares, which are still outstanding as of the 31 December 2019.

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 01 July 2014, to issue 117,820 non listed BSA (French acronym for "*Bons de souscription d'actions*") called "2014 BSA Leaders Warrants" at a purchase price of EUR 18.15 per warrant with preferential subscription rights reserved to a certain number of executive leaders of the Eurofins Group selected by Eurofins reflecting their key management duties and responsibilities and the contribution they may bring to the enhancement of the value of the shares of Eurofins and their desire 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 Eurofins share 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 01 July 2018 to 30 June 2022. The Company also has the right to force the exercise of the warrants should its share price reach EUR 506.82 (180% of the exercise price) during this period.

Between 01 January and 31 December 2019, 22,700 "2014 BSA Leaders Warrants" were executed.

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 reflecting their key management duties and responsibilities and the contribution they may bring to the enhancement of the value of the shares of Eurofins and their desire 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 Eurofins share 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 01 June 2022 to 31 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.

Free Share Plans ("FSP")

As part of the Company's long-term incentive programme for Group Senior Executives and other key personnel, and in addition to stock option plans and BSA warrants as described above, the Company's Board of Directors decided on 29 July 2016 to act on 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. To account for the lesser share price risk, the number of Free Shares awarded to recipients is lower than the number of possible Stock Option awards.

In this context, in 2016, the Company's Board of Directors granted the first two free share plans representing 10,481 total free shares to some key Group employees, members of the Group Operating Council and members of the Board of Directors.

In 2017, two additional free share plans representing 14,340 total free shares were awarded by the Company's Board of Directors, under the same principle terms – a vesting period of 4 years for the first half of free shares awarded to each beneficiary and 5 years for the second half.

After no free shares were awarded in 2018 (the award for 2018 was made on 08 January 2019), Eurofins' Board of Directors awarded two new free share plans to key employees and Senior Executives in 2019, representing 23,816 total free shares including 264 free shares to members of the Group Operating Council. The main terms of the 5th Free Share Plan are as the previous plans and include a vesting period of 4 years for the first half of free shares awarded to each beneficiary and 5 years for the second half. Under the 5th plan, 144 free shares with a value of EUR 46,800 were awarded to members of the Group Operating Council. The free shares which were awarded for 2019 under the 6th Free Share Plan to members of the Board of Directors and the Group Operating Council are subject to performance conditions as detailed in section 2.3.3 of the Group Remuneration Policy. Under the 6th Free Share Plan, 120 free shares with a value of EUR 52,560 were awarded to members of the Group Operating Council.

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

Free share plans	**1st instalment**	**2nd instalment**	**3rd instalment**	**4th instalment**	**5th instalment**	**6th instalment**
Date of Board of Directors meetings	29/07/2016	01/08/2016	04/04/2017	13/12/2017	08/01/2019	24/10/2019
Number of free shares initially awarded	5,985	4,496	940	13,400	14,928	8,888
incl. free shares granted to members of the Board of Directors in respective period	0	0	0	0	0	0
incl. free shares granted to members of the Group Operating Council in respective period					144	120
Date of delivery of first tranche of free shares	29/07/2020	01/08/2020	04/04/2021	13/12/2021	08/01/2023	24/10/2023
Date of delivery of second tranche of free shares	29/07/2021	01/08/2021	04/04/2022	13/12/2022	08/01/2024	24/10/2024
Number of free shares lost and/or reawarded under new conditions	650	434	0	2,685	0	0
Number of valid free shares	5,335	4,062	940	10,715	0	0

Other Compensation Elements

Severance Payments to Senior Executives

During 2019, no severance payments were made to members of the Group Operating Council.

Signing Bonus to Senior Executives

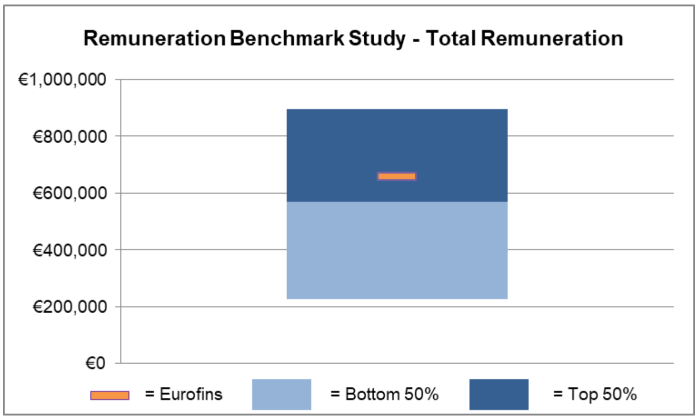
In line with local market practices, Eurofins awarded a signing bonus totalling EUR 100,000 to some Senior Executive members who joined the GOC in 2019.

Loans to Senior Executives

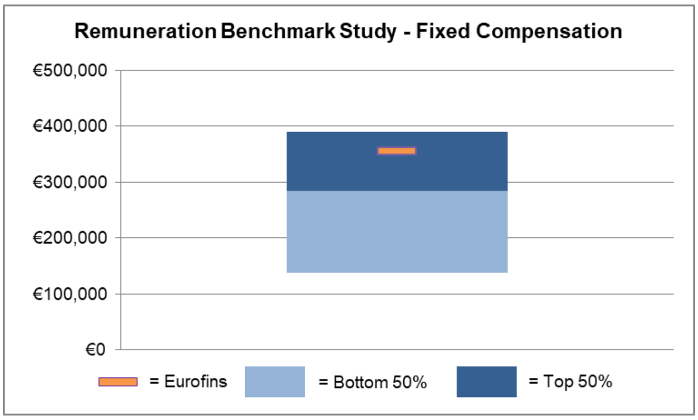
As of the 31 December 2019, no loan, credit or outstanding advance was due from a member of the Group Operating Council.

4.4 Remuneration Benchmark Study

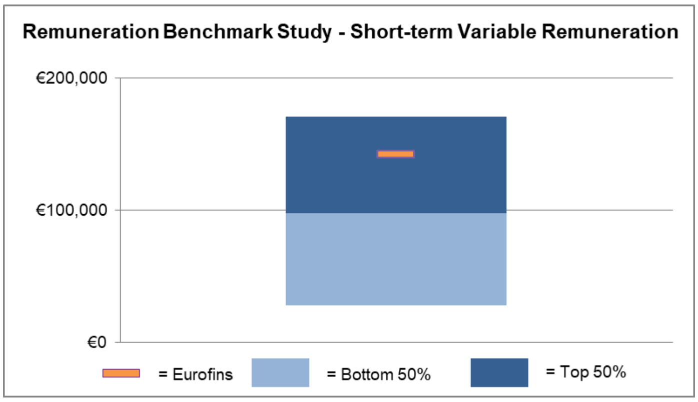
In 2019, the Nomination and Remuneration Committee of Eurofins commissioned an internal benchmark study to assess the remuneration levels of the members of the Group Operating Council (excluding the CEO) for 2018 compared with companies from the global Testing, Inspection and Certification industry. The peer group analysed comprised ALS; Applus, Bureau Veritas, Intertek, and SGS. As not all peers disclosed complete remuneration data beyond that of their CEO and CFO, the analysis could unfortunately not incorporate values for Intertek and Bureau Veritas.



Total Remuneration: the benchmark study showed that total remuneration awarded by Eurofins, which includes fixed compensation, benefits-in-kind, short-term incentives and long-term incentives, was above average compared with the peer group.



Fixed Compensation: the benchmark study showed that fixed compensation paid was significantly above average, close to the top of the peer group.

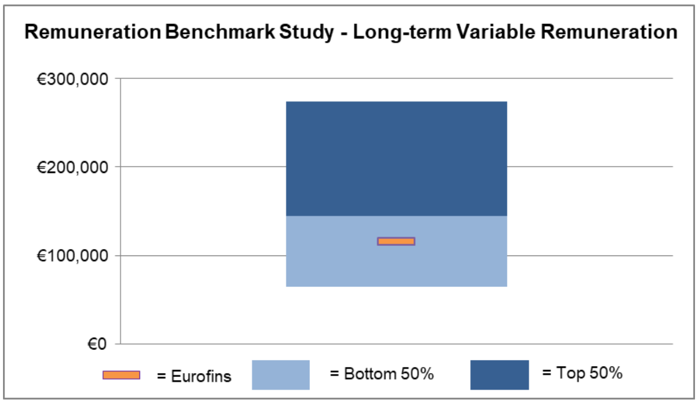


Short-term Variable Remuneration[z]: the benchmark study showed that short-term variable remuneration awarded was also significantly above average compared with the peer group.

[z] Short-term variable remuneration includes remuneration awarded for 2018 performance and a deferred pay-out

<u>Long-term Variable Remuneration</u>[aa]: the benchmark study showed that long-term variable remuneration awarded was slightly below the average of the peer group.

It should be noted, however, that the historic performance of Eurofins' share price since the Group's IPO (CAGR: +29% over 22 years) has been significantly above that of the peer group companies and that the Black-Scholes valuation method for stock options may not accurately reflect the actual associated value creation potential of Eurofins' LTIP.



Overall, the results of the internal benchmark study were in line with expectations of the Nomination and Remuneration Committee and confirmed the view that Eurofins has adequate remuneration practices in place to attract and retain its most senior leadership.

Unfortunately, very few companies listed on Euronext index SBF 120 of similar size to Eurofins disclose remuneration of their executives beyond that of their CEO, making a broader analysis difficult at this time.

[aa] Long-term remuneration awarded in January 2019 for 2018.

8 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 2019, Eurofins recorded total financial income of EUR 165.4m, compared to EUR 200.6m in the previous year, of which the dividends received from its direct subsidiaries amount to EUR 34.8m in 2019 versus EUR 11.3m in 2018. Operating expenses including staff costs amounted to EUR 2.9m in 2019 compared to EUR 2.3m in 2018. Interest payable and similar expenses increased to EUR 112.6m compared to EUR 106.2m in the previous year. The tax expense in 2019 is a loss of EUR 0.4m. Therefore, the Company's net profit for 2019 stood at EUR 52.4m, versus a profit of EUR 94.8m in 2018.

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

9 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 amended by the Board of Directors on 26 February 2020, which reads as follows:

1 Corporate Governance Charter of Eurofins

Eurofins Scientific S.E. (hereinafter referred to as “Eurofins” or the “Company”) has its registered office located in Luxembourg and its shares are listed in France on the regulated market of Euronext. 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 3 July 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”). To the extent applicable, Eurofins also complies with the provisions of the Law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of listed companies, which was amended by the Law of 1 August 2019 implementing EU Directive 2017/828 as regards the encouragement of long term shareholder engagement (hereinafter defined as the “Law of 2011”).

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, organisation, operations and diversification in order to identify potential areas for improvement.

1.1.1 The Board of Directors

Under 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 for 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 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 at the ordinary general meeting of shareholders by majority of votes cast. The term of office of the Directors shall be determined at 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 the case of a vacancy of office of a Director appointed by the general meeting of shareholders, the remaining Directors 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, and other policies derived therefrom (as outlined in more detail in section II 1.1.8 below).

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 Chairperson, who shall prepare the agenda for Board meetings. The Chairperson 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 Chairperson 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 Chairperson 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, at least once every two years, to discuss its own operation, the effective fulfilment of its remit, and compliance with good governance rules.

If the Board of Directors has not met for more than two months, one third of the Directors may request the Chairperson 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 Chairperson, the Board of Directors will appoint, by majority vote of the Directors present or represented at the meeting, a Chairperson 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 the 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 Chairperson shall have the casting vote.

d. Conflict of Interest and Confidentiality

(i) Conflict of Interest

Each Director shall comply with the Group Code of Ethics as referred to in section II 1.1.8 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 ensure a record of his/her statement 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 Chairperson of the Corporate Governance Committee or the Chairperson 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.

In order to avoid any conflict of interest between members of the Board of Directors and the Eurofins Group, and more particularly to oversee and approve related parties transactions, Eurofins has put in place a Corporate Governance Committee. Its mission includes among others to oversee any related party rental agreement and to control the processes ensuring that decision making for related parties transactions is at arm's-length.

(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" or "CEO").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 a 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 Chairperson 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 decentralised 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 has been established and shall function in accordance with its internal regulations which are summarised 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 to achieve 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 mission, authority and responsibility of the Group Internal Audit Team (the "GIAT") are defined in 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 tasks, 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 should be taken.

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 the 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 both the external auditor ("*réviseur d'entreprises agréé*") and Eurofins and its Group. 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 Chairperson.

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 Chairperson 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 initially performed in February 2018.

1.1.4 Corporate Governance Committee

The Corporate Governance Committee has been established and shall function in accordance with internal regulations which are summarised as follows.

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 (https://www.eurofins.com/investor-relations/corporate-governance/) 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 (https://www.eurofins.com/investor-relations/corporate-governance/code-of-ethics-and-values/).

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 members of the Board of Directors.

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 each. 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 Chairperson.

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's 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

The Nomination and Remuneration Committee has been established and shall function in accordance with internal regulations which are summarised as follows.

a. Role

The purpose of the Nomination and Remuneration Committee is to assist the Company's Board of Directors in overseeing the 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 particulary 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, the Chief Executive Officer and other members of the GOC;
- the remuneration structures covered by the Group Remuneration Policy (see section II 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 Nomination and Remuneration Committee.

The remuneration policy of Non-executive Directors is defined by the Board of Directors assisted by the Nomination and Remuneration Committee in compliance with article 7bis(1) of the Law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of listed companies, as amended by the Law of 1 August 2019 implementing EU Directive 2017/828 as regards the encouragement of long term shareholder engagement (hereinafter defined as the "Law of 2011"), which shall be regularly submitted to the consultative vote of the annual general meeting of shareholders. 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 for approval at 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 to the business and the protection of shareholders' interests.

Internal control aims to achieve 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 to 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 to:

- Assure reliable financial statements that provide a true and fair view of Eurofins' activities, liabilities and assets;

- Promote better effectiveness by seeking and deploying best practices within the Group and by defining the Directors' roles and responsibilities as part of the control environment of the Group;
- Encourage support for the procedures and any other compulsory or statutory obligation; and
- Assure 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 adherence to internal procedures in terms of approval of investment 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 the risk management, control 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 with dedicated software used by the financial controlling team.

Regular reporting

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.

Quarterly statutory consolidation

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 an audit 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. 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 to plan activities and allocate resources accordingly. Each business unit submits the following information, which has to be authorised 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 Eurofins Group Compliance Programme

Eurofins has been continouosly enhancing the way its business is conducted and governed. A particular focus has been placed on further improving Eurofins' governance structure to meet best practice standards on as many levels as possible. Eurofins' governing bodies have approved a number of policies that clarify and formalise the conduct of business both within the organisation and with external stakeholders. These policies, which are referred to as "Eurofins Core Compliance Documents", are accessible to the public on https://www.eurofins.com/investor-relations/corporate-governance/eurofins-core-compliance-documents/

For a detailed summary and explanation of these documents, please refer to the Environmental, Social and Governance Reporting section of the Annual Report.

1.1.9 External Control

As required, pursuant to Article 69 of the Luxembourg law of 19 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 Shareholder Meetings

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

Ordinary and extraordinary shareholder 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 Shareholder 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 Shareholder Meetings

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

c. Notices and Agenda

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

The shareholder 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 shareholder 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 shareholder meeting are determined in relation to the number of shares held on the date falling 14 days preceding the shareholder meeting at midnight (Luxembourg time) (the "Registration Date"). To be able to participate in the shareholder meeting each shareholder shall notify the Company of its intention to take part in the shareholder meeting and shall communicate by post or e-mail to the postal or electronic address indicated in the convening notice, no 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 cases where shares are held by a financial intermediary acting as a professional depositary, the shareholder who intends to participate in the shareholder meeting is required to request a certificate from its intermediary certifying the number of shares it/he/she holds at the Registration Date 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 shareholder 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 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[bb] (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 a 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 1 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*

[bb] *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.*

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 no 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 1 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 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 in 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 no 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 out 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 and Group Remuneration Report

Eurofins has established a remuneration policy for its Directors and its business leaders with the objective to encourage behaviour and performance by its leadership that supports the longer-term interests of the Company and its shareholders, in line with the requirements of the Law of 2011.

In a nutshell, the remuneration policy aims at contributing to the long-term oriented strategy and objectives of Eurofins, in the best interest of the Group, its employees and its external stakeholders, and to its long-term sustainability. Eurofins Group remuneration policy describes all components of the remuneration, bonus and advantages included which can be granted to its Directors and top executives as well as their respective importance and contains all disclosures required by the Law of 2011.

The remuneration policy is submitted to the consultative vote of the Annual General Meeting following every important change and in any case every three years.

A detailed explanation of the principles and cornerstones of the remuneration policy can be found in Eurofins Group Remuneration Report, prepared in accordance with the provisions of the Law of 2011 (see the “Eurofins Group Remuneration Report 2019”). The Eurofins Group Remuneration Report is also submitted to the consultative vote of the Annual General Meeting and shall remain publicly available on the Eurofins Group website for a period of ten years. The aim of this Remuneration Report is notably to strengthen Eurofins transparency concerning Directors’ remuneration, to reinforce Directors’ responsibility and shareholders’ scrutiny rights.

1.4 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 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 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.

Amended by the Board of Directors on 26 February 2020.

2 Corporate Governance Statements for the Year Ended on 31 December 2019

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 of Corporate Governance of the Luxembourg Stock Exchange (available at https://www.bourse.lu/corporate-governance).

The Board of Directors plans to propose in the Annual General Meeting 2020 the appointment of at least one additional Non-executive Independent Director. This will increase the size of the Board of Directors to seven members, four of whom will be Non-executive, Independent Directors.

The current members of the Board of Directors are:

- **Dr. Gilles Martin**, *1963: 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 over 47,000 people in more than 50 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.
- **Dr. Yves-Loïc Martin**, *1966: 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 in Group innovation, he is now responsible for the documentation of some of Eurofins' most important processes and policies, and continues to drive overall improvement in cooperation between IT and operational entities. Mr Yves-Loïc Martin is Dr Gilles Martin's brother.
- **Valérie Hanote**, *1966: 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 with Eurofins since 1991. Mrs Valérie Hanote was Dr. Gilles Martin's spouse.
- **Stuart Anderson**, *1942: Mr. Anderson was appointed as an Independent Non-executive member of the Board of Directors of Eurofins in 2010 and as Chair of the Corporate Governance Committee in 2017. Mr. Anderson is a seasoned professional with many years of experience in the consumer goods and food industries and in private equity, having previously served as CEO UK & International at Wilkinson Sword, as CEO at Del Monte Fresh Produce N.A., and as Managing Director at Geest Europe and on the Main Board of Geest plc. Having led assignments and negotiations in Europe, the 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. In 1999, Mr. Anderson was a founding partner of the Pan European Food Fund, a mutual fund investing in European food businesses. 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**, *1954: 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's Degree in European private Law from University of Luxembourg.
- **Patrizia Luchetta**, *1964: Mrs. Luchetta was appointed as 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 for several years for the Luxembourg Ministry of Economy and Trade, as Head of the Life Sciences and New 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 6 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 work 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 both the BioTechCube Luxembourg (BTC) S.A. and Foundry Luxembourg. Patrizia holds a Bsc (Hon) in Human Geography and a Master's Degree in Social Sciences from the Open University (UK), as well as a Master's Degree 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.

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.

Board of Directors and Committee Memberships in 2019

Name	Board of Directors	Board member since	Appointment or Renewal date	expiry in year Y (*)	Audit Committee	Corporate Governance Committee	Nomination and Remuneration Committee
Dr. Gilles Martin	C	1988	19/04/2016	2020			
Yves-Loïc Martin	X	1992	19/04/2016	2020			
Valérie Hanote	X	1990	19/04/2016	2020			
Stuart Anderson ▪	X	2012	19/04/2016	2020	X	C	X
Fereshteh Pouchantchi ▪	X	2014	26/04/2018	2022	C	X	X
Patrizia Luchetta ▪	X	2017	26/04/2018	2022	X	X	C

C = denotes Chairperson
X = denotes Member
▪ = denotes Independent, Non-executive member

* 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 31 December Y-1

b. Board of Directors' Meetings for the Year Ended on 31 December 2019

The Board of Directors held fifteen meetings in 2019 and the average attendance rate of the Directors at the Board of Directors' meetings was 80%.

In the course of the meetings held in 2019, discussions concerned among other topics the approval of the consolidated financial statements and the parent company's annual accounts, net profit allocation, dividends, capital increase in relation to the exercise of stock options and warrants, 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, the update of some corporate documents, quarterly business reviews, issuing new deeply subordinated fixed to floating rate notes combined with a tender offer to repurchase outstanding deeply subordinated fixed to floating rate notes, 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, free shares, and Directors' fees.

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.

Attendance of Board and Committee Meetings in 2019								
Name	**Board of Directors Meetings**	**Atten-dance rate (%)**	**Audit Committee Meetings**	**Atten-dance rate (%)**	**Corporate Governance Committee Meetings**	**Atten-dance rate (%)**	**Nomination and Remuneration Committee Meetings**	**Atten-dance rate (%)**
Dr. Gilles Martin	**15 / 15**	*100 %*	**-**		**-**		**-**	
Yves-Loïc Martin	**15 / 15**	*100 %*	**-**		**-**		**-**	
Valérie Hanote	**11 / 15**	*73 %*	**-**		**-**		**-**	
Stuart Anderson	**11 / 15**	*73 %*	**8 / 8**	*100 %*	**6 / 6**	*100 %*	**1 / 1**	*100 %*
Fereshteh Pouchantchi	**10 / 15**	*67 %*	**8 / 8**	*100 %*	**6 / 6**	*100 %*	**1 / 1**	*100 %*
Patrizia Luchetta	**10 / 15**	*67 %*	**8 / 8**	*100 %*	**6 / 6**	*100 %*	**1 / 1**	*100 %*
Total		*80 %*		*100 %*		*100 %*		*100 %*

2.1.2 Chief Executive Officer and Group Operating Council

During the Board of Directors' meeting held in April 2016, Dr. 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 for the fiscal year ending on 31/12/2019. The Board of Directors will propose in the Annual General Meeting 2020 to renew the appointment of Dr. Gilles Martin as Chairman of the Board and Chief Executive Officer.

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 Year Ended on 31December 2019

The Audit Committee held eight meetings in 2019 and the attendance rate of the Directors at the Audit Committee's meeting was 100%.

During 2019, the Audit Committee reviewed the full year 2018 and half-year 2019 financial statements, including the effects of the application of the standards of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (in 2018) and IFRS 16 standard on Leases and IFRIC 23 interpretation on Uncertainty over Income Tax Treatment (in 2019). The Audit Committee also reviewed the following as part of its duties:

- audit tender outcome and recommendation, resulting in appointment of Deloitte as the new external Group auditor;
- impact of the cyber-attack and short-selling activity;
- update on recent internal audit missions carried out across the Group;
- update on deployment of IT systems throughout the Group, such as the central purchasing system;
- update on deployment of the Microsoft Dynamics AX 2012 solution.

c. Audit Scrutiny and Coverage

The Luxembourg société à responsabilité limitée Deloitte Audit 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 Eurofins for the year ending 31 December 2019, drawn up in accordance with the Luxembourgish Generally Accepted Accounting Principles ("Luxembourg GAAP") and International Financial Reporting Standards as adopted in the European Union (IFRS) respectively.

Eurofins' Board of Directors endorsed the appointment of Deloitte Audit for the audit of the consolidated and parent company financial statements for the year ended 31 December 2019, which was approved at the Annual General Meeting held on 25 April 2019.

Deloitte Audit 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 Commission de Surveillance du Secteur Financier (CSSF). Deloitte Audit issued their unqualified audit reports on 3 March 2020, as presented on pages 160-168 (consolidated financial statements) and on pages 183-187 (parent company annual accounts) of the 2019 Annual Report.

For the year ended 31 December 2019, the coverage of Deloitte Audit and other auditors was as follows.

	2019 accounts		2018 accounts	
	Deloitte Audit coverage for Consolidated Financial Statements[1]	Tier 1 & Tier 2 auditors coverage for statutory audits[2]	PwC coverage for Consolidated Financial Statements[1]	Tier 1 & Tier 2 auditors coverage for statutory audits[2]
External Sales	**70%**	**92%**	**59%**	**87%**
EBITDA	**84%**	**99%**	**68%**	**93%**
Total assets	**85%**	**97%**	**80%**	**93%**

(1) Including review by Deloitte Audit (for 2019 accounts) and PwC (for 2018 accounts) 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 regulation, performed mostly by Tier 1 and Tier 2 auditing firms.

In addition to being the Group auditor and auditing the majority of Eurofins' entities, Deloitte Audit audits all of Eurofins' Luxembourg companies and holdings for financial year 2019 as sole auditor.

For more information on financial risk management, please refer to the notes to the 2019 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 21 June 2017, consists of the following members:

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

b. Role of the Corporate Governance Committee

In order to avoid any conflict of interest between members of the Board of Directors and the Eurofins Group, and more particularly in the context of sites rented from related parties, Eurofins has put in place a Corporate Governance Committee whose mission includes overseeing any related party transaction and controlling the processes ensuring that decision making is at arm's-length.

<u>Related party transactions</u>

Due to underlying highly technical requirements, investments in leasehold improvements in laboratory facilities can often cost as much as the building itself. This creates the risk that a third party owner of a building could take advantage of these investments to increase the rent at the end of the rental period. On the other hand, owned buildings immobilise parts of Eurofins' capital at low rates of return. Hence in some cases, Eurofins' preference has been to secure long-term, reliable rental partnerships, in particular for its large strategic sites. Subsidiaries of Analytical Bioventures, which is controlled by the Group CEO have thus agreed to buy from third parties or build certain laboratory buildings and rent these to Eurofins companies at market rates, which are also below the Group's hurdle rate set by Eurofins for return on its investments as applicable at the time of lease initiation. This frees up capital for Eurofins for investments that are expected to yield higher returns. Renting from a related party owner also gives Eurofins companies more flexibility when they require an early exit from a lease or building expansion on an existing campus. The lease is requested by the respective business leader based on the mid-term business plan for the business and the underlying required laboratory capacity. Rental terms take into account a number of determining factors, such as local rental rates, financing conditions, existing alternative building options etc. before being verified to be at arms' length by an independent, reputed real estate service provider (such as CBRE or Cushman & Wakefield). Finally, the decision making process is documented and governed by the Corporate Governance Committee, whose work and processes were most recently voluntarily audited by a Tier 2 audit firm in 2018.

c. Corporate Governance Committee's Meetings for the Period Ended on 31 December 2019

The Corporate Governance Committee held six meetings in 2019 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 to 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 two site extensions in North America and Europe based on independent third party assessments;
- endorsement and approval of new rental contracts for the two site extensions as proposed by respective business leaders;
- review of existing related-party rental contracts and certification reports of leases from independent third party assessors.

In 2019, Eurofins' Corporate Governance Committee reviewed, as per its defined processes and controls, three new lease agreements between Eurofins and related parties. These were:

- an additional building on the existing site at Sainte Croix en Plaine, France, for 760 sqm with a monthly rent of 8.66 EUR/sqm, which has been evaluated to be at the lower range of market rent as per an independent valuation report produced by CBRE;
- an additional building on the existing site at Galten, Denmark, for 1,141 sqm, with a monthly rent of 81.25 DKK/sqm, in line with market rent based on an independent valuation report provided by CBRE; and
- an additional building on the existing site at Aix l'Enfant, France, for 4,053 sqm, with a monthly rent of 12.54 EUR/sqm, in line with market rent based on an independent valuation report provided by Parella France.

On the basis of the above-mentioned work performed in 2019, 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 or Group Operating Council, and their respective private interest or other duties. For more information on related party transactions, please see notes 4.4 and 4.10 to the audited consolidated financial statements.

As of the end of 2019, Eurofins occupies more than 1,400 sites throughout the world (laboratories, offices, warehouses, etc.). The total net floor area of these sites amounts to about 1.35 million sqm. The breakdown of ownership is as follows:

- 63% (ca. 850,000 sqm) is rented from third party landlords;
- 20% (ca. 270,000 sqm) is owned by Eurofins; and
- 17% (ca. 230,000 sqm) is rented from related parties.

As of the end of 2019, annualised rent per sqm for sites leased from third parties stands at EUR 130, whereas those leased from related parties stands at EUR 135.

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 annualised rent per sqm for sites leased from third parties stands at EUR 139, whereas those leased from related parties stands at EUR 134.

Going forward, especially considering the new IFRS rules, Eurofins will favour owning buildings used by its laboratories. However, expiring rental agreements may be renewed if the buildings cannot be purchased by Eurofins or expanded to include buildings extensions on existing, rented sites.

2.1.5 Nomination and Remuneration Committee

a. Composition

The Nomination and Remuneration Committee consists of the following members:

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

b. Nomination and Remuneration Committee's Meetings for the Year Ended 31 December 2019

The Committee held one meeting in 2019 and the attendance rate of the Directors at the Audit Committee's meeting was 100%. During the meeting, the Nomination and Remuneration Committee discussed in particular the following points:

- Examination of the rules and procedures of the Nomination and Remuneration Committee
- Discussion of the competitive remuneration review for Non-executive Directors' compensation and for the Chief Executive Officer of February 2019
- Discussion of Eurofins' current Group Operating Council (GOC) composition and higher management structure
- Commissioning the creation of a Group Remuneration Policy and introduction of performance conditions regarding long-term incentives for members of the GOC and the Board of Directors
- Commissioning an internal remuneration benchmark study for the GOC and a Remuneration Report

2.2 Say-on-pay Vote

In compliance with the provisions of the 2011 Law, in its meeting on 26 February 2020, the Board of Directors decided to introduce a say-on-pay vote to the agenda of the AGM of shareholders to be held on 23 April 2020 and, more specifically, a vote on the remuneration policy and a vote on the remuneration report for the previous financial year. The vote will be a consultative vote to determine shareholders' alignement with the current remuneration policy and remuneration levels of the CEO, the Board of Directors and the members of the Group Operating Council. Eurofins intends to check alignment with its shareholders on its remuneration policy at regular intervals in the future.

2.3 Shares and Shareholders

2.3.1 Share capital

As of 31 December 2019, the Company's share capital amounts to one million seven hundred ninety thousand three hundred and fifty-two Euros and fifty cents (EUR 1,790,352.50) divided into seventeen million nine hundred and three thousand five hundred and twenty-five (17,903,525) ordinary shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

There are no charges attached to shares of the Directors of the Company. As explained in more detail in the Eurofins Group Remuneration Policy, Eurofins has introduced a minimum shareholding requirement for all members of the Group Operating Council.

a. Potential Increases in Share Capital

(i) Stock Options

See section 4.3 of the "Eurofins Group Remuneration Report 2019"

(ii) BSA Leaders' Warrants

See section 4.3 of the "Eurofins Group Remuneration Report 2019"

(iii) Free Shares

See section 4.3 of the "Eurofins Group Remuneration Report 2019"

b. Authorised and Non-Issued Capital

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

On 19 April 2016, the shareholders approved the renewal for five additional years (from 29 June 2016, the date of publication of the notarial deed recording the Extraordinary General Meeting in the then existing Mémorial C. Recueil des Sociétés et Associations, until 29 June 2021) of the authorisation 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 warrants (see section 4.3 "Eurofins Group Remuneration Report 2019");
- Stock option plans (see section 4.3 "Eurofins Group Remuneration Report 2019")
- Free share plans (see section 4.3 "Eurofins Group Remuneration Report 2019")

giving access to existing and/or new Eurofins shares.

As of 31 December 2019, the maximum number of new shares that may be issued resulting from the exercise of BSA Warrants, free shares and stock options is 1,087,247, resulting in a total potential fully diluted number of shares of 18,990,772.

Consequently, the additional maximum number of new shares that could be issued by Eurofins within the limit of the authorised share capital is 6,009,228.

Besides this, 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 Chairperson of the Board on the basis of a mandate given by the Board of Directors.

2.3.2 Shareholding Disclosure

The Martin family, through direct shareholdings and indirectly through their shareholding in Analytical Bioventures SCA, which is controlled by Dr. Gilles Martin, holds 35.8% of the shares with 59.2% of the voting rights in Eurofins attached as of 31 December 2019.

The free float represents 64.2% of the shares and 40.8% 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 December 2019								
SHAREHOLDERS	**SHARES**	***SHARES %***	**SHARES (3 VOTES)**	**SHARES (2 VOTES)**	**SHARES (1 VOTE)**	**SHARES (0 VOTE)**	**TOTAL VOTING RIGHTS**	***% TOTAL VOTING RIGHTS***
Dr. Gilles Martin	1	*0.0%*	0	1	0	0	2	*0.0%*
Valérie Hanote	1	*0.0%*	0	1	0	0	2	*0.0%*
Dr. Yves-Loic Martin	14,546	*0.1%*	0	14,546	0	0	29,092	*0.1%*
Analytical Bioventures SCA (1)	6,400,000	*35.8%*	4,000,000	2,400,000	0	0	16,800,000	*59.1%*
Martin Family (subtotal)	**6,414,548**	***35.8%***	**4,000,000**	**2,414,548**	**0**	**0**	**16,829,096**	***59.2%***
Treasury shares	0	*0.0%*	0	0	0	0	0	*0.0%*
Free Float	11,488,977	*64.2%*	0	97,067	11,391,510	400	11,585,644	*40.8%*
Total	**17,903,525**	***100.0%***	**4,000,000**	**2,511,615**	**11,391,510**	**400**	**28,414,740**	***100.00%***

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

In June 2016, the Company's shareholder Analytical Bioventures SCA exercised its right to 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.

Analytical Bioventures SCA further subscribed:

- In March 2017, to an additional 1,000,000 new Class B beneficiary units
- In June 2018, to an additional 1,000,000 new class B beneficiary units
- In May 2019, to an additional 1,000,000 new class B beneficiary units

and as a result, holds a total of 6,400,000 Class A and 4,000,000 Class B beneficiary units as of 31/12/2019.

2.3.3 General Meetings of Shareholders held in 2019

The Annual General Meeting of shareholders held on 25 April 2019 in its ordinary form adopted *inter alia* the following resolutions:

(i) Approval of the annual statutory accounts for the financial year ended 31 December 2018,

(ii) Allocation of results for the financial year ended 31 December 2018 and approval of a dividend payment of EUR 2.88 per share,

(iii) Discharge granted to the members of the Board of Directors for the performance of their duties as of 31 December 2018,

(iv) Discharge granted to PricewaterhouseCoopers, external auditor, for the execution of their assignment for the financial year ending 31 December 2018,

(v) Appointment of Deloitte Audit as external auditor for the execution of their assignment for the financial year ended 31 December 2019,

(vi) Approval of attendance fees for Board members up to 300,000 euros for the fiscal year 2019.

The Annual General Meeting of shareholders held on 25 April 2019 adopted the following resolutions in an extraordinary form:

(i) New buy-back programme of shares as further outlined in section II 2.4.2 below

(ii) Change of article 13 of the Company's Articles of Association enabling the Board to co-opt ad interim a new member in case of vacancy of a directorship position, to be endorsed by the next upcoming ordinary Annual General Meeting of shareholders

2.4 Annual Statements in Relation to the Takeover Law

2.4.1 Share Capital Structure

Please see above sec. II.2.3.1 Share capital

2.4.2 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 20 April 2017, which cancels and replaces the preceding agreement and aims in principal to renew the ongoing commitment towards the present management of Eurofins and promote co-operation on a course of action in the event of a take-over bid. This agreement remains valid for a term of eight years, tacitly renewed each year.

2.4.3 Significant Shareholdings

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

Significant Shareholding as of 31 December 2019

	No. of Shares	No. of Stock Options outstanding
Gilles G. Martin	1	100
Yves-Loïc Martin	14,546	0
Valérie Hanote	1	0
Stuart Anderson	55	950
Fereshteh Pouchantchi	0	850
Patrizia Luchetta	0	320

Analytical Bioventures SCA, which is controlled by Dr. 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 of 31 December 2019.

2.4.4 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 20 April 2017 adopted changes to article 12bis of the Company's Articles of Association, in particular relating to Class A beneficiary units. Since 1 July 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 30 June 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 new class B beneficiary units ("*parts bénéficiaires de catégorie B*") which confer 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 of 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.

2.4.5 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 2.3.1 Share capital and notes 2.5 and 4.7 to the audited consolidated financial statements.

2.4.6 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 11 January 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.

2.4.7 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 2.4.2 above.

2.4.8 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.

As provided for in the revised version of article 13 of the Company's Articles of Association as amended by the extraordinary general meeting of shareholders held on 25 April 2019, the Board of Directors is authorised to co-opt ad interim a new member in case of vacancy of a directorship position, to be endorsed by the next upcoming ordinary Annual General Meeting of shareholders.

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 relating 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.

2.4.9 Share Buy-Back Programme

With regard notably to article 11 (1)(i) of the Takeover Law, the extraordinary general meeting of shareholders held on 25 April 2019 granted the Board of Directors a new share buy-back authorisation whereby the Board of Directors is authorised to purchase Eurofins shares on the stock exchange within a period of five (5) years from the date of the extraordinary general meeting of shareholders held on 25 April 2019. The maximum number of shares that may be purchased and/or cancelled is limited to 10% of the total number of shares issued on the date of the latest meeting of the Board of Directors deciding the implementation of the new buy-back programme. The minimum buying price shall be equal to the nominal value of one share and the maximum buying price should not exceed 110% of the share price traded on Euronext Paris.

As of 31 December 2019, Eurofins held no shares under this programme.

2.4.10 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 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 the outstanding bonds. These Bonds were redeemed for the first part in September 2019 (via a tender offer) and for the remaining part in October 2019 (after activation of the clean-up clause).

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 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 prior to the first call date, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

The terms and conditions of Eurofins' Deeply Subordinated Bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS2051471105) issued in September 2019 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 11 September 2022 (the "reset date") and for an additional margin of 2.5% per annum if a change of control event occurs from the reset date. If such a change of control occurs, Eurofins also has the option to redeem all (but not part) of the outstanding bonds.

2.4.11 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 regards to article 11 (1)(k) of the Takeover Law, there is a table outlining the remuneration of the members of the Board of Directors as detailed in section 3 of the "Eurofins Group Remuneration Report 2019".

2.5 Share market

Euronext, Paris

	Month	Average closing price (€)	High (€)	Low (€)	Average daily volume ('000)	Market cap (€m)
2018	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
2019	January	346.62	383.60	313.20	38.9	6,155
	February	343.92	371.80	298.20	55.9	6,109
	March	368.75	398.40	343.20	55.3	6,553
	April	375.50	418.80	359.20	39.8	6,677
	May	407.08	420.60	383.20	34.2	7,240
	June	372.49	406.20	345.60	55.9	6,625
	July	394.84	413.80	371.40	34.0	7,025
	August	380.75	416.80	360.60	37.1	6,777
	September	428.98	453.20	401.80	32.5	7,647
	October	443.57	483.00	402.80	53.6	7,919
	November	464.45	481.60	443.00	26.3	8,303
	December	491.58	509.50	459.80	25.7	8,801

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 2019, 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 26 February 2020

III. ANNUAL FINANCIAL STATEMENTS

1 Consolidated Financial Statements

Consolidated Income Statement

For the year ended 31 December 2019

EUR Millions	Note	2019 Adjusted results[1]	2019 Separately disclosed items[1]	2019 Reported results	2018 Adjusted results[1]	2018 Separately disclosed items[1]	2018 Reported results
Revenues	4.1, 2.1	**4,562.8**	-	**4,562.8**	**3,781.1**	-	**3,781.1**
Operating costs, net	2.2	-3,632.1	-97.8	-3,729.8	-3,061.3	-68.4	-3,129.7
EBITDA[1]		930.7	-97.8	833.0	719.8	-68.4	651.4
Depreciation and amortisation	3.1, 3.2	-357.2	-38.7	-395.9	-199.1	-24.7	-223.7
EBITAS[1]		573.5	-136.5	437.0	520.8	-93.1	427.7
Share-based payment charge and acquisition-related expenses, net	2.5	-	-70.5	-70.5	-	-83.7	-83.7
EBIT[1]		573.5	-206.9	366.6	520.8	-176.8	344.0
Finance income	2.6	1.9	3.3	5.2	2.2	11.5	13.7
Finance costs	2.6	-98.8	-2.0	-100.9	-62.3	-5.9	-68.2
Share of profit of associates	3.3	0.6	-	0.6	0.4	-	0.4
Profit before income taxes		477.2	-205.6	271.5	461.0	-171.2	289.8
Income tax expense	2.7	-116.9	40.6	-76.3	-105.0	38.7	-66.3
Net profit for the year		**360.3**	**-165.0**	**195.3**	**356.1**	**-132.5**	**223.6**
Attributable to:							
Equity holders of the Company and hybrid capital investors		**359.4**	**-164.1**	**195.2**	**355.8**	**-131.9**	**223.9**
Non-controlling interests		0.9	-0.9	-	0.3	-0.6	-0.4
Earnings per share (basic) in EUR	4.8						
- Total		20.19	-9.22	10.97	20.11	-7.45	12.65
- Attributable to hybrid capital investors		2.70	0.09	2.79	2.45	0.29	2.75
- Attributable to equity holders of the Company		17.49	-9.31	8.18	17.65	-7.74	9.91
Earnings per share (diluted) in EUR	4.8						
- Total		19.27	-8.80	10.47	19.44	-7.20	12.24
- Attributable to hybrid capital investors		2.58	0.09	2.66	2.37	0.28	2.66
- Attributable to equity holders of the Company		16.69	-8.89	7.81	17.07	-7.49	9.58
Weighted average shares outstanding (basic) - in millions	4.7, 4.8	17.8		17.8	17.7		17.7
Weighted average shares outstanding (diluted) - in millions	4.7, 4.8	18.6		18.6	18.3		18.3

[1] Alternative Performance Measures (APM) are defined in Notes 1.27 and 1.28.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

EUR Millions	Note	2019	2018
Net profit for the year		**195.3**	**223.6**
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		46.2	35.4
Net investment hedge	4.5	40.7	33.9
Fair value through consolidated other comprehensive income (FVOCI)	3.4	-12.2	8.4
Cash flow hedge	4.5	-1.0	-0.6
Tax effect on items that may be reclassified	3.16	-2.9	1.0
Total		**70.8**	**77.9**
Items that will not be reclassified to profit or loss :			
Actuarial gain or losses on defined benefit liability	3.14	-5.9	-2.8
Tax effect on items that will not be reclassified	3.16	1.7	0.5
Total		**-4.2**	**-2.3**
Other comprehensive income/ loss for the year, net of tax		**66.6**	**75.6**
Total comprehensive income for the year		**261.9**	**299.2**
Attributable to:			
Equity holders of the Company and hybrid capital investors		261.3	300.2
Non-controlling interests		0.6	-1.1

Consolidated Balance Sheet

EUR Millions	Note	31 December 2019	31 December 2018
Property, plant and equipment	3.1	1,593.5	1,018.0
Goodwill	3.2	3,608.8	3,418.3
Other intangible assets	3.2	918.2	946.9
Investments in associates	3.3	5.3	5.1
Financial assets and other receivables	3.4	49.2	67.6
Deferred tax assets	3.16	44.0	44.2
Total non-current assets		**6,218.9**	**5,500.0**
Inventories	3.5	79.3	66.4
Trade receivables and contract assets	3.6	1,001.2	864.9
Prepaid expenses and other current assets	3.7	153.0	148.0
Current income tax assets		73.4	73.1
Derivative financial instruments assets	4.5	0.3	46.8
Cash and cash equivalents	3.8	297.0	506.2
Total current assets		**1,604.1**	**1,705.4**
Total assets		**7,823.1**	**7,205.4**
Share capital	3.19	1.8	1.8
Treasury Shares	4.7	-0.2	-0.2
Hybrid capital	3.11	1,000.0	1,000.0
Other reserves		978.2	954.8
Retained earnings		718.9	659.2
Currency translation reserve		139.8	53.6
Total attributable to equity holders of the Company		2,838.6	2,669.2
Non-controlling interests	3.20	59.5	53.0
Total shareholders' equity		**2,898.1**	**2,722.2**
Borrowings	3.9	3,086.9	2,766.2
Derivative financial instruments liabilities	4.5	-	-
Deferred tax liabilities	3.16	124.5	138.6
Amounts due for business acquisitions	3.13	51.7	57.8
Employee benefit obligations	3.14	75.3	64.1
Provisions	3.15	5.1	6.0
Total non-current liabilities		**3,343.4**	**3,032.6**
Borrowings	3.9	454.8	391.1
Interest and earnings due on hybrid capital	3.10	50.0	66.0
Trade accounts payable	3.12	409.8	373.0
Contract liabilities	3.6	116.4	102.7
Current income tax liabilities		20.7	39.4
Amounts due for business acquisitions	3.13	62.2	66.0
Provisions	3.15	22.0	16.3
Other current liabilities	3.12	445.6	396.2
Total current liabilities		**1,581.6**	**1,450.7**
Total liabilities and shareholders' equity		**7,823.1**	**7,205.4**

Consolidated Cash Flow Statement

For the year ended 31 December 2019

EUR Millions	Note	2019	2018
Cash flows from operating activities			
Profit before income taxes		**271.5**	**289.8**
Adjustments for:			
Depreciation and amortisation	3.1, 3.2	395.9	223.7
Share-based payment charge and acquisition-related expenses, net	2.5	70.5	83.7
Other non-cash effects		4.6	1.6
Financial income and expense, net	2.6	96.1	52.1
Share of profit from associates	3.3	-0.6	-0.4
Transactions costs and income related to acquisitions	2.5	-8.3	-17.5
Increase/ decrease in provisions, employee benefit obligations	3.14, 3.15	7.3	-0.6
Change in net working capital	3.17	-64.2	-20.8
Cash generated from operations		**772.9**	**611.7**
Income taxes paid		-95.0	-67.8
Net cash provided by operating activities		**677.9**	**543.9**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	-380.8	-322.2
Purchase, capitalisation of intangible assets	3.2	-44.3	-42.2
Proceeds from sale of property, plant and equipment		5.4	3.1
Net capex[1]		*-419.7*	*-361.4*
Free Cash Flow to the Firm[1]		*258.2*	*182.5*
Acquisition of subsidiaries net of cash acquired and proceeds from disposals of subsidiaries	3.18	-171.0	-1,254.3
Change in investments, financial assets and derivative financial instrument, net	3.21	47.6	53.9
Interest received		2.9	4.3
Net cash used in investing activities		**-540.2**	**-1,557.4**
Cash flows from financing activities			
Proceeds from issue of share capital	3.19	23.4	20.0
Proceeds from borrowings	3.9	294.8	1,189.4
Repayments of borrowings	3.9	-445.0	-367.0
Proceeds from issuance of hybrid capital	3.11	297.6	-
Change in hybrid capital	3.11	-300.0	-0.1
Dividends paid to shareholders and non-controlling interests		-51.4	-42.6
Earnings paid to hybrid capital investors	3.11	-68.4	-48.6
Interest paid		-93.3	-60.0
Net cash provided by financing activities		**-342.2**	**691.1**
Net effect of currency translation on cash and cash equivalents and bank overdrafts		4.1	1.5
Net increase (decrease) in cash equivalents and bank overdrafts		**-200.5**	-321.0
Cash and cash equivalents and bank overdrafts at beginning of period		495.0	816.0
Cash and cash equivalents and bank overdrafts at end of period	3.8	**294.5**	**495.0**

[1] APMs defined in Note 1.27.

Consolidated Statement of Changes in Equity

EUR Millions	Note	Attributable to equity holders of the Company							
		Share capital	**Treasury shares**	**Other reserves**	**Currency translation reserve**	**Hybrid capital**	**Retained earnings**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2018		**1.8**	**-**	**934.9**	**-16.3**	**1,000.0**	**522.9**	**38.8**	**2,482.0**
Other comprehensive income/ loss for the period, net of taxes		-	-	-	69.9	-	6.4	-0.7	75.6
Net profit		-	-	-	-	-	223.9	-0.4	223.6
Total comprehensive income/ loss for the period		-	-	-	69.9	-	230.3	-1.1	299.2
Share-based payment effects	2.5	-	-	-	-	-	12.4	-	12.4
Tax credit relating to share-based payment charge		-	-	-	-	-	0.9	-	0.9
Issue of share capital	3.19	-	-	19.9	-	-	-	0.1	20.0
Treasury shares variation	4.7	-	-0.2	-	-	-	-	-	-0.2
Distribution on hybrid capital	3.11	-	-	-	-	-	-48.6	-	-48.6
Dividends		-	-	-	-	-	-42.3	-0.3	-42.6
Non-controlling interests arising on business acquisitions	3.18, 3.20	-	-	-	-	-	-16.2	15.4	-0.8
Balance at 31 December 2018		**1.8**	**-0.2**	**954.8**	**53.6**	**1,000.0**	**659.2**	**53.0**	**2,722.2**
IFRS 16 opening equity impact		-	-	-	-	-	-29.0	-	-29.0
Deferred taxes on IFRS 16 opening equity impact		-	-	-	-	-	7.6	-	7.6
Balance at 1 January 2019		1.8	-0.2	954.8	53.6	1,000.0	637.8	53.0	2,700.7
Other comprehensive income/ loss for the period, net of taxes		-	-	-	86.3	-	-20.3	0.6	66.6
Net profit		-	-	-	-	-	195.2	-	195.3
Total comprehensive income/ loss for the period		-	-	-	86.3	-	175.0	0.7	261.9
Share-based payment effects	2.5	-	-	-	-	-	15.7	-	15.7
Issue of share capital	3.19	-	-	23.4	-	-	-	-	23.4
Issue of hybrid capital	3.11	-	-	-	-	300.0	-2.4	-	297.6
Repayment of hybrid capital	3.11	-	-	-	-	-300.0	-	-	-300.0
Distribution on hybrid capital	3.11	-	-	-	-	-	-51.8	-	-51.8
Deferred taxes on distribution on hybrid capital		-	-	-	-	-	2.1	-	2.1
Dividends		-	-	-	-	-	-51.1	-0.2	-51.4
Non-controlling interests arising on business acquisitions	3.18, 3.20	-	-	-	-	-	-6.4	6.1	-0.3
Balance at 31 December 2019		**1.8**	**-0.2**	**978.2**	**139.8**	**1,000.0**	**718.9**	**59.5**	**2,898.1**

Notes to the consolidated financial statements for the year ended 31 December 2019

In the consolidated financial statements and the notes all amounts are shown in EUR Millions and differences of EUR +/- 0.1 million are due to rounding.

Eurofins Scientific S.E. (the "Company"), through its subsidiaries (hereinafter "Eurofins" or "the Group" or the "Firm"), believes it is a global leader in food, environmental, pharmaceutical and cosmetics products testing and in agroscience contract research organisation (CRO) services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, contract development and manufacturing organisation (CDMO), advanced material sciences and in the support of clinical studies. In addition, Eurofins is one of the leading global emerging players in esoteric clinical diagnostic testing. With over 47,000 staff across a network of more than 900 independent companies in over 50 countries generally specialised by end client markets and operating more than 800 laboratories, Eurofins offers a portfolio of over 200,000 analytical methods to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as providing innovative clinical diagnostic testing services.

Eurofins Scientific S.E. is 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 authorized for issuance by the Board of Directors on 26 February 2020 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

Compliance with IFRS
The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting to IFRS and as adopted in the European Union.

Historical cost convention
The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivatives instruments), certain classes of property, plant and equipment and investment property – measured at fair value,
- assets held for sale – measured at fair value less costs to sell, and
- defined benefit pensions plans – plan assets measured at fair value.

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

1.2.1 Standards, amendments and interpretations adopted by the European Union and effective as of 1 January 2019

The accounting policies applied for the preparation of these consolidated financial statements are consistent with those applied in the preparation of consolidated financial statements for the year ended 31 December 2018, except for IFRS 16 and IFRIC 23.

The Group has applied the following standards, amendments and interpretations in its consolidated financial statements, newly applicable as of 1 January 2019.

IFRS 16 Leases

The Group leases various offices, laboratories, equipments and cars. Rental contracts are typically made for fixed periods but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases (Note 1.8). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

i. Adjustments recognised on adoption of IFRS 16 – transition

The Group has adopted IFRS 16, using the modified retrospective approach from 1 January 2019 and has measured assets as if IFRS 16 had been applied from lease commencement. On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" and were off-balance sheet under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's country's incremental borrowing rate as of 1 January 2019. Incremental borrowing rate is calculated based on a portfolio of leases with reasonably similar characteristics (mainly by country) based on swaps rate for Eurozone and USD and government bond yields for the other countries per maturity including a credit risk per country.

The cumulative impact of the adoption has been recognised in retained earnings as of 1 January 2019 and the comparatives for 2018 have not been restated, as permitted under the specific transitional provisions in the standard:

IFRS 16 Impacts EUR Millions	Financial statements excluding IFRS 16 impacts 31 December 2018	IFRS 16 impacts[1]	Financial statements including IFRS 16 impacts 1 January 2019
Property, plant and equipment	1,018.0	483.7	1,501.7
Deferred tax assets	44.2	7.6	51.7
Borrowings	3,157.2	512.7	3,669.9
Total shareholders' equity	2,722.2	-21.4	2,700.7

[1] IFRS 16 impacts on the opening balance sheet have been assessed to take into account the date of first consolidation for sites acquired according to IFRS 3.

The recognised right-of-use assets relate to the following types of assets:

EUR Millions	1 January 2019
Land, Buildings and leasehold improvements	460.4
Office equipment, furniture and vehicles	23.3
Total Right-Of-Use assets	483.7

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous, and
- application of the two exemptions allowed by IFRS 16. As a result leases with a term of 12 months or less and leases of assets with individual value when new of less than USD 5,000 are not recognised in the balance sheet. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Income Statement. Low-value assets comprise IT-equipment and small items of office furniture.

The difference between the opening debt impact and the commitments as of 31 December 2018 (Note 4.4 of the 2018 Annual Report) is mainly linked to:

EUR Millions	1 January 2019
Operating lease commitments disclosed as at 31 December 2018	630.3
Discount rate impact	-91.8
Leases which concern assets under construction	-56.7
Differences in the durations applied for termination and extension options that are reasonably certain to be exercised	62.9
Short-term and low-value leases recognised on a straight-line basis as expense	-23.4
Part of the non-component leases (mainly maintenance for car leases) & others	-8.6
Lease liability recognised as at 1 January 2019	512.7

ii. Right-of-use and lease liabilities measurement

Starting 1 January 2019, assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments),
- variable lease payment that are based on a fixed rate,
- future increases based on variable indices are not included as they require estimates and forecasts which are either not readily available or the cost of forecasting outweighs any benefits to the reader of the statements.

The lease payments are discounted using the relevant countries' incremental borrowing rates as of 1 January 2019. The weighted average incremental borrowing rate on lease liabilities at 1 January 2019 amounts to 4.98%.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- restoration costs, if any.

iii. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the lessee company of the Group and not by the respective lessor.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

iv. Impairment test

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirements to recognize a provision for onerous lease contract. In 2019, no impairment is required.

v. IFRS 16 impacts

The following table summarizes the impact on the statement of financial position increase/decrease from IFRS 16 adoption at the end of December 2019:

IFRS 16 Impacts 31 December 2019 EUR Millions	**Financial statements excluding IFRS 16 impacts**	**IFRS 16 impacts**	**Financial statements including IFRS 16 impacts**
Consolidated Balance Sheet			
Property, plant and equipment	1,106.2	487.3	1,593.5
Borrowings	3,017.9	523.7	3,541.6
Deferred Tax Assets	34.3	9.7	44.0
Consolidated Income Statement			
EBITDA	702.2	130.8	833.0
Net Profit	200.4	-5.1	195.3
Earnings per share (basic) in EUR	11.26	-0.29	10.97
Consolidated Cash Flow Statement			
Net capex	321.3	98.4	419.7
Free cash Flow to the Firm	226.3	31.9	258.2
Proceeds from borrowings	194.7	100.1	294.8
Repayments of borrowing	340.1	104.9	445.0

As a result of the last publication of IFRIC in November 2019 on lease term and useful life of Leasehold improvements, the Group is still analysing the impacts that could arise from its application.

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 adoption of IFRIC 23 from 1 January 2019 did not result in adjustments to the amounts recognised in the condensed interim consolidated financial statements.

The judgments and estimates made in preparing the financial statements are set out below:

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are potentially a few transactions and calculations for which the ultimate tax determination might be seen as uncertain. In assessing how an uncertain tax treatment may affect the determination of the taxable profit (tax loss), the Group assumes that a taxation authority will examine amounts and have full knowledge of all related information.

In case of uncertainty over income tax treatment resulting from a tax' examination, the Group concludes on the likehood or not that the relevant authority will accept a given tax treatment or a group of tax treatments ("qualitative check", which would trigger the booking of any accrual) and on the order of magnitude of amounts involved ("quantitative check" in this case above EUR 0.5m). The tax risk amount will be defined by reference to the amount claimed by the tax authorities in a specific case or to the amount estimated by the Group with or without the support of an external advisor.

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due, including estimated interest and penalties where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

<u>Other standards, amendments and interpretations newly applicable as of 1 January 2019</u>

Other standards, amendments and interpretations newly applicable as of 1 January 2019 have no material impact in its consolidated financial statements:

- Amendments to IAS19 - Plan Amendment, Curtailment or Settlement
- Amendments to IAS28 - Long-term Interests in Associates and Joint Ventures
- Amendments to IFRS9 - Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 cycle.

1.2.2 *New standards and interpretations not yet adopted*

Certain new standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group:

- Definition of Material – Amendments to IAS 1 and IAS 8.

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.3 Consolidation

Subsidiaries
Subsidiaries are all direct or indirect entities over which the Company has an exclusive control. The Company controls an entity when the Company 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 Company. 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 financial statements. They will be consolidated as from 1 January of the following year (Notes 3.3 and 3.18). This is not the case in 2019.

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 3.18.

The annual closing date of the individual financial statements is in principle 31 December.

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 from inception. Indeed, as the price is fixed, the risks and rewards are considered, in substance, transferred to the Group. 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, 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 of 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.

Associates
Associates are all entities over which the Group has significant influence but no control, generally accompanying a shareholding 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 Consolidated Income Statement (bargain purchase or negative goodwill).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer report in its financial statements provisional amounts for the items for which the accounting is incomplete and may adjust the provisional amounts recognised for a business combination during the measurement period (twelve months from the acquisition date).

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 (at maximum 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 20 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 income 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
- Right of Use (IFRS 16): over the IFRS 16 lease period

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

As explained in Note 1.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy and the impact of the change are described in Note 1.2.

Until 31 December 2018, leases of property, plant and equipment, where the Group, as a lessee, has substantially all the risks and rewards of ownership, were classified as finance leases. Finance leases were 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 was allocated between the liability and finance charges. The interest element of the finance charge was 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 were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were 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.

Assets including goodwill are grouped at the lowest levels for which there are separately identifiable cash flows. For the purposes of assessing impairment, the allocation of goodwill is made to groups of cash-generating units (GCGU). These GCGU are groups of homogeneous assets that generate identifiable independent cash flows.
They reflect the way activities are managed in the Group.
Each GCGU represents or is part of an operating segment (Note 4.1).

The recoverable value of the GCGU is the higher of fair value less costs of disposal and value in use. An impairment loss is recognised for the amount by which the asset's carrying value of the GCGU exceeds its recoverable value.

The value in use is estimated by the discounted cash flows method using an appropriate discount rate (WACC). This rate is adapted to each group of cash-generating units. 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, 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

<u>Classification</u>
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).

<u>Measurement</u>
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 a 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 a 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

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.

Fair value measurements

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.

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 receivables and contract assets

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.
Trade receivables correspond to amounts invoiced to the customers.

Contract assets correspond to amounts accrued or due by clients for analysis in progress, depending on the stage of completion of the analysis/work performed (accrued sales or amounts due by customers for analysis in progress).

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 some 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.

The Group has two types of financial assets that are subject to IFRS 9's expected credit loss model:
- 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 and the corresponding historical credit losses experienced within the last 36 months. Acquisitions are included from their acquisition date. Furthermore, the Group applies individual credit loss estimates on identified trade account receivables or contract assets with specific issues such as ongoing commercial litigation.

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.

Bad debts are written off during the year in which they are identified.

1.13 Cash and cash equivalents and bank overdrafts

For the purpose of the Balance Sheet, cash and cash equivalents include cash in hand, deposits held at call with banks, and highly liquid investments in money market instruments (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 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 Group has no legal or constructive obligation to repurchase or settle the options in cash.

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 expensed over 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 the achievement of objectives (in general based for the major part on the operating profit);
- the liability resulting from "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 flows. 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.
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

Revenue is recognised when control of a good or service transfers to a customer. Control either transfers "over time" or "at a point in time". When the control transfers "over time" the revenue is recognised in line with the progress towards complete satisfaction of the performance obligation. 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.

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 Eurofins business activities is based on sample-based businesses (e.g. in Food and Environmental testing). 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.

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) service 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. The Group considers the input method to measure the progress for service rendered to its customers. 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 criteria are met: the asset created has no alternative use to the entity and an enforceable right to payment for performance completed to date exists.

Revenue recognition for Full Time Equivalent (FTE)-based services

Revenue from providing FTE-based services corresponds to Consulting activities and Professional Scientific Services and is recognised over time in the accounting period in which the services are rendered.

The 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.

Revenue recognition for Product-based businesses

For a small part of its business, the Group manufactures and sells a range of products (e.g. testing kits). Sales are recognised when control of the products is transferred, being when the products are provided to the customers.
Products not sold are recognized in Inventory at cost of production (cost of goods).

Revenue recognition for Specialty Clinical Diagnostic Testing Revenue

For its clinical diagnostic testing services in Europe and the U.S., 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 Maintenance Organizations), PPOs (Preferred Provider Organizations), Medicare and Medicaid in the U.S. or other similar 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-pay 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 eventually collected.

Third-party payers not facing significant variable consideration
In the U.S. or whenever applicable in Europe, the Group 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 is 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.

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.

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

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

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 U.S. 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.

Provision
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 groups 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 3.13).

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 land 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 various 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 in accordance with IFRIC 23 (Note 1.2); 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 may impact the carrying amount of pension obligations (Note 1.16).

IFRS 16 lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. These considerations were made in the light of the willingness of the Group to maintain a certain degree of flexibility in the management of its real estate portfolio allowing for a quick response from the Group in case of changes in market trends and needs. Determining the lease term according to IFRS 16 implies then judgments.

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 Chief Executive Officer 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: Europe, North America and the other smaller countries or regions (defined as Rest of the World).

Within Eurofins, the nature of services and 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 its businesses activities. Accordingly, the operating segments have been grouped together as they meet aggregation criteria. The Group therefore defines three main reportable segments based on geography: Europe, North America and Rest of the World (ROW).

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 31 December.

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 consolidated financial statements certain alternative performance measures (non-IFRS information).

APMs used in the Consolidated Income Statement

Adjusted results – reflect the ongoing performance of the mature and recurring activities excluding "separately disclosed items".

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 2.4.

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.

EBITAS – EBITDA less depreciation and amortisation.

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.

EBIT – EBITAS less Share-based payment charge and acquisition-related expenses.

These measures exclude certain items because of the nature of these items and the impact they have on the analysis of the underlying business performance and trends.

Eurofins shows EBITDA, EBITAS, EBIT as defined in the notes to the Consolidated 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.

APMs used in the Consolidated Cash flow Statement

Net capex – Purchase of intangible assets (incl. capitalisation) property, plant and equipment, less proceeds of same assets.

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

APMs used in the Notes

Net debt – Borrowings, less Cash and cash equivalents (Note 3.8).

Free cash flow to Equity – Free cash flow to the Firm, less change in investments and financial assets, and after interest paid net of 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 (Note 3.22).

Management believes that providing these APMs 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 Mature Scope/ 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.

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 2019, 93% of total Group revenues were included in the mature scope (same percentage as FY 2018).

Separately disclosed items (Note 2.4) 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 they are not indicative of the Group's 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, nd 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, performing 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, most of 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 its 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 three 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 4.6. 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 Consolidated Income Statement

2.1 Revenues

Revenue recognition by type of streams and operating segments (Note 4.1) is:

EUR Millions 2019	Europe	North America	ROW	Total
Sample-based business	2,224.7	1,353.8	352.1	3,930.6
of which Revenue recognised based on a statistical model	-	*64.2*	-	*64.2*
Study-based business	149.1	157.8	26.9	333.8
FTE-based business	90.1	140.6	3.5	234.2
Product-based business	36.7	25.0	2.5	64.2
Other	-	-	-	-
Total	2,500.6	1,677.2	385.0	4,562.8

EUR Millions 2018	Europe	North America	ROW	Total
Sample-based business	1,976.5	1,023.7	287.4	3,287.6
of which Revenue recognised based on a statistical model	-	*96.0*	-	*96.0*
Study-based business	150.8	102.7	26.4	279.9
FTE-based business	68.0	116.6	-	184.6
Product-based business	14.6	13.7	0.5	28.8
Other	-	-	0.2	0.2
Total	2,209.9	1,256.7	314.5	3,781.1

The impact of the over time method is the following:

EUR Millions	2019	2018
Revenues	4,562.8	3,781.1
Amounts due by customers for analysis in progress (Note 3.6)	115.3	102.7
Deferred revenues (Note 3.6)	-76.4	-62.6
Net position (Balance Sheet position)	38.9	40.1
% of Revenues	0.9%	1.1%

The remaining performance obligations (unsatisfied or partially satisfied) on contracts with a duration over a year, expected to be recognised in the following years amount to EUR 337m at 31 December 2019, of which EUR 144m are expected to be recognised in revenue in 2020. The amount disclosed above does not include the potential cancellation of signed contracts nor variable consideration which is contractually constrained.

2.2 Operating costs, net

EUR Millions	2019	2018
Cost of purchased materials and services	1,503.3	1,349.9
Personnel expenses	2,189.8	1,770.8
Other operating income and expenses, net	36.8	10.0
Total	3,729.8	3,129.7

2.3 Full Time Equivalent and total Headcount

Weighted average Full Time Equivalent (FTE)	2019	2018
Europe	24,067	21,086
North America	11,777	8,978
ROW	5,561	4,937
Group service functions	1,915	1,516
Total FTE	43,320	36,518

By the end of the year 2019, the total headcount within the Group reached 47,427 employees (43,819 in 2018).

2.4 Separately disclosed items

EUR Millions	2019	2018
One-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs	-48.0	-29.6
Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring	-49.8	-38.7
EBITDA impact	-97.8	-68.4
Depreciation costs specific to start-ups and new acquisitions undergoing significant restructuring	-38.7	-24.7
EBITAS impact	-136.5	-93.1
Share-based payment charge and acquisition-related expenses	-70.5	-83.7
Finance cost related to excess cash and one-off financial effects	1.3	5.6
Tax effect from the adjustment of all separately disclosed items	40.6	38.7
Total impact on Net Profit	-165.0	-132.5
Non-controlling interests of separately disclosed items	0.9	0.6
Total impact on earnings attributable to equity holders and hybrid capital investors	-164.1	-131.9
Total impact on earnings attributable to hybrid capital investors	-1.6	-5.2

The EBITDA impact of the start-up losses and restructuring costs as disclosed in the separately disclosed items (SDIs) amounted to EUR 98m, an increase of EUR 29m compared to 2018 mainly driven by Boston Heart Diagnostics (EUR -18.5m) and acquisitions completed in 2018 and 2019.

This includes in 2019:

- EUR 48m of one-off expenses (an increase by EUR 18m vs. last year), mostly linked to restructuring and site reorganisation costs across various geographies and business lines (including Boston Heart Diagnostics lease abandonment and some sites rationalisation such as TestAmerica and Covance Madison in the U.S.);
- EUR 49.8m losses on start-ups and acquisitions in significant restructuring, mostly due to Boston Heart Diagnostics difficulties and integration of companies in reorganisation such as Covance Sensory in the U.S. and Alpa/Euro Services Labo in France.

In 2019, the average monthly cash balance, net of overdrafts was EUR 395m (EUR 294m at year-end) to be compared to EUR 638m in 2018 (EUR 495m at year-end). This led to a lower average excess cash of EUR 168m in 2019 vs EUR 452m in 2018. The borrowing and investment of this excess cash have generated net finance costs of EUR -1.2m on the financial result and an impact of EUR -1.6m on the earnings attributable to hybrid capital investors in 2019 vs an amount of EUR -5.3m on the financial result and an impact of EUR -5.2m on the earnings attributable to hybrid capital investors in 2018. The one-off financial effects from equity derivatives had a positive impact of EUR +2.4m on the financial result in 2019 versus a positive impact of EUR +10.9m in 2018 (Note 4.5).

2.5 Share-based payment charge and acquisition-related expenses, net

EUR Millions	2019	2018
Share-based payment charge	15.7	12.4
Gain on disposal/liquidation	0.5	-1.1
Amortisation of acquired intangible assets	100.0	77.8
Transactions costs related to acquisitions	8.3	17.5
Unused amounts due for business acquisitions (Note 3.13)	-54.0	-22.9
Acquisition-related expenses, net	54.8	71.4
Total	70.5	83.7

Due to large acquisitions closed during the year 2018 (including Covance Food Solutions in August and TestAmerica in November), intangible assets related to acquisition and brand increased by EUR 269m in 2018 and EUR 68m in 2019 (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 generally at least equal to the 20-day volume weighted average market price of Eurofins share traded on Euronext Paris stock exchange prior to the date of the plan award.

Options/free shares are conditional on the employee completing the vesting period (4 to 5 years). Subject to continued employment and other conditions such as performance conditions for some beneficiaries ('Senior Executive'), vested options can be exercised and have a contractual option term of ten years. For the purpose of this exercise, the average expected exercise period is considered to occur one year after the end of the vesting period (e.g. 5 to 6 years after the initial award date).

The fair value of options/free shares granted during the period is determined using the Black-Scholes or Bermudean valuation model from 2019 onwards. An annual risk-free interest rate of 0.5% is used for the 2019 plans. The volatility measured is based on statistical analysis of daily share prices over the last three years. Volatility was in the range from 26% to 32% for 2019 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	37	15/16
05/10/2010	12,450	5/6	37	15/16
23/02/2010	89,750	5/6	50	20/22
10/10/2011	158,350	5/6	58	24/26
02/03/2012	46,250	5/6	66	25/27
19/12/2012	191,475	5/6	120	41/45
01/10/2013	139,065	5/6	182	61/67
23/10/2014	120,950	5/6	188	61/67
07/04/2015	60,000	5/6	252	80/88
22/10/2015	35,250	5/6	283	89/99
21/01/2016	93,920	5/6	286	91/101
01/08/2016	122,740	5/6	337	109/120
04/04/2017	41,390	5/6	405	105/116
13/12/2017	169,695	5/6	509	132/146
01/08/2019	217,588	5/6	325	103/106
18/07/2019	2,000	5/6	385	90/93
24/10/2019	162,925	5/6	447	112/116

The movements in the number of share options are described in Note 4.7.

Plan	Number of free shares initially granted	Fair value of free shares (EUR)[1]
29/07/2016	5,985	336
01/08/2016	4,496	337
04/04/2017	940	405
13/12/2017	13,400	509
08/01/2019	14,928	351
24/10/2019	8,888	435

[1] Fair value is equal at value at attribution time.

The movements in the number of free shares are described in Note 4.7.

2.6 Financial result, net

EUR Millions	2019	2018
Derivative financial instrument – Disposal (Note 4.5)	2.4	9.5
Other financial income	2.8	4.2
Finance income	5.2	13.7
Interest expense on borrowings	-17.2	-7.5
IFRS 16 Interest Expense	-27.1	-
Interest expense on pensions, net (Note 3.14)	-1.0	-0.8
Bonds interest expense	-41.9	-50.4
Schuldschein interest expense	-6.6	-2.8
Derivative financial instrument on interest rate hedging (Note 4.5), net	-0.5	-0.2
Net foreign exchange gain/ loss	-2.9	-2.4
Discounted cash flow charge on amounts due for business acquisitions (Note 3.13)	-1.4	-1.1
Discounted cash flow charge on issuance costs (Note 3.9)	-2.3	-2.9
Finance costs	-100.9	-68.2
Financial result, net	-95.6	-54.5

2.7 Income tax expense

EUR Millions	2019	2018
Current tax	-92.5	-78.4
Deferred tax (Note 3.16)	16.3	12.1
Income tax expense	-76.3	-66.3

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 Millions	2019	2018
Profit before income taxes	271.5	289.8
Tax calculated at domestic rates applicable to profits in the respective countries	-69.1	-78.6
Theoretical tax charge rate	*25.4%*	*27.1%*
Other income taxes[1]	-27.8	-23.2
BEAT[2] (US)	-13.9	-5.0
Tax impact on income taxed at a reduced tax rate and on non-deductible expenses	48.6	64.7
Tax impact of deductible expenses not accounted for in the Income Statement	19.8	17.8
Tax impact of tax losses not recognised, net	-30.6	-38.9
Re-measurement of income and deferred taxes	-3.3	-3.1
Income tax expense	-76.3	-66.3
Actual income tax expense rate	28.1%	22.9%

[1] This line includes taxes based on the other taxable income 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 and added value tax non-deductible paid on some transactions such as dividends or royalties.
[2] The Base Erosion and Anti-Abuse Tax (BEAT) in the United States mainly explains the increase of income tax expense in 2019.

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.

The utilisation of previously unrecognised tax losses is broken out in Note 3.16.

The movement in deferred tax assets and liabilities during the year is broken out in Note 3.16.

The income tax paid for each period is the following:

EUR Millions	2019	2018
Income taxes paid	-95.0	-67.8

3. Notes on the Balance Sheet and Cash flow statement

3.1 Property, plant and equipment

EUR Millions	Land, buildings and leasehold improvements[1]	Machinery and laboratory equipment	Office equipment, furniture and vehicles	Right-of-use related to operating leases (IFRS 16)	Assets in progress	Total
Year 2018						
Opening net book amount	308.2	288.9	53.5	-	35.4	686.0
Currency translation differences	0.9	3.7	0.4	-	1.6	6.6
Change of scope	61.7	101.5	14.5	-	7.8	185.5
Additions	75.8	140.5	49.3	-	56.7	322.2
Disposals	-0.9	-3.0	-0.4	-	-	-4.3
Depreciation charge	-36.5	-112.8	-28.8	-	-	-178.1
Closing net book amount	409.3	418.8	88.5	-	101.4	1,018.0
Cost	633.8	1,145.6	270.5	-	101.4	2,151.3
Accumulated depreciation	-224.6	-726.8	-182.0	-	-	-1,133.3
Closing net book amount	409.3	418.8	88.5	-	101.4	1,018.0
Year 2019						
Opening net book amount	409.3	418.8	88.5	-	101.4	1,018.0
IFRS 16 opening impact	-	-	-	483.7	-	483.7
Currency translation differences	6.0	5.6	0.9	6.2	2.0	20.8
Change of scope	13.8	16.3	1.5	9.3	-3.9	37.0
Additions	103.0	142.6	34.1	100.6	0.4	380.8
Disposals	-2.0	-4.3	-1.5	-1.7	-	-9.6
Depreciation charge	-48.3	-138.8	-39.4	-110.8	-	-337.2
Closing net book amount	481.8	440.2	84.2	487.3	99.9	1,593.5
Cost	750.1	1,263.4	299.2	758.9	99.9	3,171.5
Accumulated depreciation	-268.2	-823.2	-215.0	-271.6	-	-1,578.0
Closing net book amount	481.8	440.2	84.2	487.3	99.9	1,593.5

[1]In 2019, leased machinery/equipment and building included in the above table, where Eurofins is a lessee under a finance lease, were capitalised as costs of finance leases for EUR 98.6m and a net book amount for EUR 41.6m.

3.2 Intangible assets

Other intangible assets EUR Millions	Intangible assets related to acquisition [1]	Brand	Software [2]	Other intangible assets	Total
Year 2018					
Opening net book amount	613.1	33.9	87.1	1.0	735.1
Currency translation differences	18.7	-	0.3	-	19.0
Change of scope	258.9	10.3	5.4	-0.1	274.4
Additions	-	-	42.3	-0.1	42.2
Disposals	-	-	-0.3	-0.1	-0.4
Amortisation charge	-67.5	-10.3	-44.6	-1.1	-123.4
Closing net book amount	823.2	33.9	90.2	-0.4	946.9
Cost	990.1	71.3	312.4	3.6	1,377.5
Accumulated amortisation	-166.9	-37.4	-222.2	-4.0	-430.5
Net book amount at 31 December 2018	823.2	33.9	90.2	-0.4	946.9
Year 2019					
Opening net book amount	823.2	33.9	90.2	-0.4	946.9
Currency translation differences	13.0	-	0.3	-	13.2
Change of scope	65.3	2.9	3.7	0.9	72.9
Additions	-	-	43.9	0.4	44.3
Disposals	-	-	-0.4	-	-0.4
Amortisation charge	-88.2	-11.8	-56.9	-1.7	-158.7
Closing net book amount	813.3	25.0	80.7	-0.8	918.2
Cost	1,065.7	74.2	318.3	5.2	1,463.4
Accumulated amortisation	-252.4	-49.2	-237.6	-6.0	-545.3
Net book amount at 31 December 2019	813.3	25.0	80.7	-0.8	918.2

[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 32m of internal development costs capitalised in 2019.

Goodwill EUR Millions	2019	2018
Opening net book amount	3,418.3	2,505.3
Currency translation differences	50.8	42.2
Change of scope	139.7	870.8
Impairment	-	-
Closing net book amount	3,608.8	3,418.3
Cost	3,621.8	3,431.4
Accumulated impairment	-13.0	-13.0
Net book amount	3,608.8	3,418.3

The change in scope is detailed in Note 5.1. The change of scope (intangible assets related to acquisitions: EUR 65.3m, brands: EUR 2.9m and goodwill: EUR 139.7m) for a total amount of EUR 207.8m relates to:

- New acquisitions of the year: EUR 212.2m;
- Adjustments during the 12-month window period of previous acquisitions: EUR -4.4m.

Impairment test for goodwill

The calculation model description is provided in Note 1.9.

Following Group re-organisation in 2019 (Note 4.1), the new groups of CGUs are based on the following geographical areas in 2019: France, Germany/Austria/Switzerland (DACH), Other European Countries (OEC), North America and Rest of the World (ROW).

The following is a summary of goodwill allocation for each group of CGUs as of 31 December 2019:

EUR Millions	Opening	Currency translation	Change of scope	Impair-ment	Closing
North America	1,680.0	39.1	1.7	-	1,720.8
France	821.6	-	20.5	-	842.1
DACH	200.4	0.4	28.4	-	229.2
OEC	554.7	9.6	56.1	-	620.4
Rest Of the World	161.5	1.8	33.0	-	196.3
Total	3,418.3	50.8	139.7	-	3,608.8

The recoverable amount of all groups of CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management. Cash flows for years Y+2 to Y+5 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 2019 are as follows:

2019	Long term growth[1]	Pre-tax discount rate	Recoverable amount of the group of CGUs[2] EUR Millions
France	2.0%	9.6%	1,345.2
DACH	2.0%	8.9%	798.5
OEC	2.0%	9.6%	1,820.4
North America	2.0%	8.6%	3,864.9
ROW	2.5%	10.8%	661.4

[1] Weighted average growth rate used to extrapolate cash flows beyond the initial five-year period.
[2] Including Corporate costs in 2019.

The average annual growth rate of the Revenues over the initial five-year period used is between 0.9% and 12.6% depending on geographic area.

The EBITDA margin used is between 16% and 22% of the revenues depending on geographic area for 2020, with an improvement in subsequent years. Reportable segments data as per IFRS 8 are provided in Note 4.1.

In 2018, group of CGUs were organised as follows: Benelux, France, Germany, Nordic Region, UK and Ireland, North America, and Rest of the World (ROW).

The key assumptions used for value-in-use calculations in 2018 were as follows:

2018	Long term growth rate[1]	Pre-tax Discount rate	Recoverable amount of the group of CGUs EUR Millions
Benelux	2.0%	8.8%	456.7
France	2.0%	9.5%	1,792.1
Germany	2.0%	9.6%	968.3
Nordic Region	1.5%	8.9%	589.7
UK and Ireland	2.0%	9.4%	234.6
North America	2.0%	8.9%	3,774.3
Rest of the World	2.5%	10.7%	894.0

[1] Weighted average growth rate used to extrapolate cash flows beyond the initial five-year period.

Management determined as a key assumption the average annual volume growth rate for each group of CGUs. The volume of sales in each period is the main driver for revenue and costs. The “Revenues volume and price”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.

In 2019, no impairment is required as these values are above the carrying value of each group of CGUs.

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
France	842.1	1.3
DACH	229.2	2.8
OEC	620.4	2.4
North America	1,720.8	1.8
ROW	196.3	2.8

[1] WACC rate increased by 1%.

3.3 Investments in associates

EUR Millions	2019	2018
Opening net book amount	5.1	5.6
Currency translation differences	-	0.2
Change of scope (Note 5.1)	-0.1	-0.8
Dividends received	-0.2	-0.3
Share of profit of associates	0.6	0.4
Closing net book amount	5.3	5.1

The amount disclosed under change of scope for 2019 is related to a minor acquisition closed at the very end of December 2018 (Note 3.18 and Note 5.1). This investment has been fully consolidated as from 1 January 2019.

Other investments in associates were as follows:

Main associates undertaking[1]: EUR Millions	Revenues	Net profit	Total assets	Equity	% of interest
At 31 December 2018					
Fasmac Co. Ltd. (JP)	10.7	0.5	8.1	6.0	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5.5	0.4	2.6	1.2	49%
Z.F.D GmbH (DE)[3]	1.5	-	1.0	0.7	33%
At 31 December 2019[3]					
Fasmac Co. Ltd. (JP)	11.9	0.8	9.0	7.3	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5.7	0.3	3.1	1.3	49%
Dermscan Asia Co., Ltd (TH)[2]	0.6	0.1	0.8	0.7	34%

[1] TREX, Ltd (ZA) will be consolidated (through equity method) as from 1 January 2020.
[2] Dermscan Asia Co., Ltd (TH) is consolidated (through equity method) from 1 January 2019, and financial figures disclosed above have been established on a 9-month basis.
[3] 2019 figures not yet audited / unaudited and not available for Z.F.D GmbH (DE).

3.4 Financial assets and other receivables

EUR Millions	2019	2018
Opening net book amount	67.6	43.9
Currency translation differences	0.6	-0.2
Change of scope	-6.9	17.2
Increase	2.1	0.5
Decrease	-2.0	-2.2
Revaluation through OCI of FVOCI	-12.2	8.4
Closing net book amount	49.2	67.6

EUR Millions	2019	2018
FVOCI	5.0	17.2
Lease deposits and other	44.2	50.3
Closing net book amount	49.2	67.6

FVOCI relate to an investment in Vimta Labs Limited, a publicly listed company in India.

3.5 Inventories

EUR Millions	2019	2018
Inventories	81.9	68.2
Provision for inventories	-2.6	-1.8
Closing net book amount	79.3	66.4

The cost of inventories recognised as an expense during the period and included in “Operating costs, net” amounts to EUR 535.2m (2018: EUR 454.3m).

3.6 Trade receivables and current assets/liabilities

EUR Millions	2019	2018
Trade receivables – Gross and expected amounts[1]	853.8	742.6
Provision for impairment of receivables	-43.1	-38.0
Contract assets	191.1	160.4
Provision for impairment of Contract assets	-0.6	-
Total Trade receivables & contract assets	1,001.2	864.9

[1] Offset for US Clinical Testing as the revenues are recorded based on expected amounts and shown in Trade receivables for their expected amounts (Notes 1.12 and 1.22).

EUR Millions	2019	2018
Accrued sales	75.8	57.7
Amounts due by customers for analysis in progress	115.3	102.7
Contract assets	191.1	160.4
Advance payments received	-40.0	-40.1
Deferred revenues	-76.4	-62.6
Contract liabilities	-116.4	-102.7

The ageing of the gross trade receivables as at 31 December 2019 is as follows:

EUR Millions	2019	2018
Not overdue	537.9	479.4
Overdue for less than 90 days	226.9	191.8
Overdue for more than 90 days but less than 360 days	57.2	47.9
Overdue for more than 360 days and individual bad debts	31.9	23.5
Total	853.8	742.6

As of 31 December 2019, trade receivables, net of VAT, were impaired for an amount of EUR 43.1m (Note 1.12).

Despite an increase in overdues, the average observed credit losses over the last three years including companies acquired in 2017 and 2018 remain low. The expected loss rate decreased in 2019 vs 2018.

The loss allowance at 31 December 2019 and 31 December 2018 (on adoption of IFRS 9) was determined as follows:

31 December 2019 EUR Millions	Current	0-90 days past due	91-360 days past due	Over 360 days past due and individual bad debts	Total
Expected loss rates	0.5%	1.6%	14.4%	100%	-
Trade accounts receivables (without VAT)	487.9	209.4	52.6	28.8	778.7
Contract assets (without VAT)	173.7	-	-	-	173.7
Loss Allowance	3.4	3.4	7.6	28.8	43.1

31 December 2018 EUR Millions	Current	0-90 days past due	91-360 days past due	Over 360 days past due and individual bad debts	Total
Expected loss rates	0.6%	1.8%	22.6%	100%	-
Trade accounts receivables (without VAT)	433.5	177.6	44.8	21.1	677.0
Contract assets (without VAT)	145.1	-	-	-	145.1
Loss Allowance	3.5	3.2	10.2	21.1	38.0

Movements in the provision for impairment of trade receivables are detailed as follows:

EUR Millions	2019	2018
Opening net book amount	38.0	34.9
Exchange differences	0.3	-0.2
Change of scope	0.9	6.3
Net variation	3.9	-3.1
Closing net book amount	43.1	38.0

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables 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.

3.7 Prepaid expenses and other current assets

EUR Millions	2019	2018
Prepaid expenses	42.5	42.7
Other receivables	110.4	105.3
Total	153.0	148.0

3.8 Cash and cash equivalents, bank overdrafts and Net Debt

EUR Millions	2019	2018
Short term deposits with banks	3.6	24.6
Cash in hand	293.4	481.6
Cash and cash equivalents	297.0	506.2
Bank overdrafts	-2.5	-11.2
Cash and cash equivalents less bank overdrafts	294.5	495.0

At the end of the year, the carrying amount of the short term deposits with banks is the fair value based on the market price as they are quoted on active markets.

EUR Millions	2019	2018
Total Borrowings (Note 3.9)	3,541.7	3,157.2
Cash and cash equivalents	-297.0	-506.2
Net debt	3,244.7	2,651.0

3.9 Borrowings

EUR Millions Variation of borrowings	2019	2018
At beginning of year	3,146.0	2,212.0
IFRS 16 impact on opening	512.7	-
Currency translation differences	7.6	0.9
Change of scope	20.8	107.8
Increase of borrowings	294.8	1,189.4
Repayment of borrowings	-445.0	-367.0
Amortisation of bond costs	2.3	2.9
At end of year	3,539.2	3,146.0
Bank overdrafts	2.5	11.2
Total Borrowings	3,541.7	3,157.2

EUR Millions Analysis of non-current borrowings	2019	2018
Bank borrowings	453.1	536.0
Bonds[1]	1,644.3	1,642.2
Schuldschein Loan[1]	549.4	549.1
Finance leases liabilities	34.0	39.0
Operating leases liabilities (IFRS 16)	406.1	-
Total non-current borrowings	3,086.9	2,766.2

[1] Net of issuance costs.

EUR Millions Analysis of current borrowings	2019	2018
Bank borrowings	9.6	11.8
Bonds[1]	-2.0	-2.0
Schuldschein Loan[1]	-0.4	-0.3
Commercial Paper	317.0	361.0
Bank overdrafts	2.5	11.2
Finance leases liabilities	10.5	9.3
Operating leases liabilities (IFRS 16)	117.6	-
Total current borrowings	454.8	391.1

[1] In 2019, issuance costs deferred to be recognised in 2020 in Income Statement.

The repayment periods of the current borrowings are as follows:

EUR Millions	Total	Up to 3 months	3-6 months	Over 6 months
Bank borrowings	9.6	2.4	2.4	4.8
Issuance costs	-2.4	-0.6	-0.6	-1.2
Commercial Paper	317.0	225.0	92.0	-
Bank overdrafts	2.5	2.5	-	-
Finance leases liabilities	10.5	2.6	2.6	5.3
Operating leases liabilities (IFRS 16)	117.6	29.4	29.4	58.8
Total current borrowings	454.8	261.3	125.8	67.7

Eurobonds

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 27 January 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 30 January 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 25 July 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 a maximum amount of EUR 750m. This program is used to issue short term notes with a minimum size of EUR 0.2m and maturity of less than one year. At the end of December 2019, notes were outstanding for an amount of EUR 317m under this program (EUR 361m end of December 2018).

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 2019, Eurofins had used some of its bilateral credit lines for EUR 405m. In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2019 : in particular, as of 31 December, 2019, Eurofins had access to over EUR 500m committed mid-term (3 to 5 years) bilateral bank credit lines in addition to those drawn or used to back commercial paper drawings. None of the bilateral credit lines are maturing in 2020.

3.10 Interest due on borrowings and earnings due on hybrid capital

EUR Millions	2019	2018
Interest due on borrowings	35.7	35.2
Earnings due on 2013/14 hybrid capital	-	19.2
Earnings due on 2015 hybrid capital	9.9	9.9
Earnings due on 2017 hybrid capital	1.7	1.7
Earnings due on 2019 hybrid capital	2.6	-
Earnings due on hybrid capital	14.3	30.8
Total	50.0	66.0

3.11 Hybrid capital

EUR Millions	2019	2018
At beginning of year	1,000.0	1,000.0
Proceeds from hybrid capital	300.0	-
Hybrid capital repayment	-300.0	-
At end of year	1,000.0	1,000.0

The dividend outflow related to hybrid capital outstanding reflected in the Cash Flow Statement is outlined in greater detail as follows:

EUR Millions	2019	2018
2013/14 hybrid dividend/ compensation	40.8	21.0
2015 hybrid dividend	14.6	14.6
2017 hybrid dividend	13.0	13.0
Total dividend distribution on hybrid capital	68.4	48.6

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 had a perpetual maturity, but was callable at par by Eurofins in January 2020. It bore 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 was listed on the Frankfurt open market (ISIN XS 0881803646).
In 2019 the Company repurchased this outstanding EUR 300m hybrid instrument.

Hybrid instrument with a first call date on 11 August 2022:

In September 2019, Eurofins raised a EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins in August and September 2022. This hybrid instrument bears a fixed annual coupon of 2.875% for the first three years, and a coupon of Euribor 3m + 605.8 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS2051471105).

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 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 hybrid instruments outstanding in 2019, 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%). In addition an amount of EUR 19.8m was paid in September and October 2019 in relation to the repurchase of EUR 300m hybrid instrument with a first call date on 31 January 2020. This amount represents 1) the premium paid to repurchase the notes in September 2019 for EUR 6.4m and 2) the pro-rata coupon between 31 January 2019 (regular yearly coupon payment date) and the respective repurchase dates in September 2019 and October 2019.

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 broken down as follows:

EUR Millions	2019	2018
2013/14 hybrid dividend	21.6	21.0
2015 hybrid dividend	14.6	14.6
2017 hybrid dividend	13.0	13.0
2019 hybrid dividend	2.6	-
Deferred taxes on hybrid capital distribution	-2.2	-
Total dividend distribution on hybrid capital (Note 4.8)	49.7	48.6

3.12 Trade accounts payable and other current liabilities

EUR Millions	2019	2018
Trade accounts payable	231.5	231.9
Trade accruals payable	178.3	141.1
Total trade accounts payable	409.8	373.0
Tax and social security payables	158.6	144.7
Tax and social security accruals	236.8	209.0
Other payables	50.3	42.5
Other current liabilities	445.6	396.2

3.13 Amounts due for business acquisitions

Amounts due for business acquisitions include conditional clauses impacting the price payable to former shareholders of purchased companies.

Movements are broken down as follows:

EUR Millions	2019	2018
At beginning of year	123.8	137.8
Currency translation differences	1.9	1.0
Change of scope on new acquisitions	55.0	43.3
Amounts due for business acquisitions paid	-14.2	-36.4
Reversal of amounts due for business acquisitions not paid	-53.9	-22.9
Interests on amounts due for business acquisitions	1.4	1.1
At end of year	113.9	123.8
Current	62.2	66.0
Non-current	51.7	57.8
Total	113.9	123.8

The change of scope corresponds to:

EUR Millions	2019	2018
New acquisitions	55.0	43.4
Re-evaluation goodwill within the 12 months period	-	-0.7
Re-evaluation goodwill in progress	-	0.6
Change of scope on new acquisitions	55.0	43.3

The periods in which the non-current Amounts due for business acquisitions are due are broken down as follows:

EUR Millions	2019	2018
Between 1 and 5 years	43.7	55.2
Over 5 years	8.0	2.6
Total non-current	51.7	57.8

Within the amounts due for business acquisitions, the Group has contingent arrangements in relation with forty-four 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 Millions	2019	2018
Transactions with previous shareholders	89.0	91.4
Transactions with NCI - Fixed price	-	1.0
Transactions with NCI - Variable price	25.5	33.7
Discounted effects	-0.7	-2.2
Total	113.9	123.8

The potential undiscounted amounts of all future payments that the Group could be required to make under these arrangements are estimated between EUR 75m and EUR 136m, 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, have been cooperating in conjunction with investigations that the US Department of Health and Human Services, Office of Inspector General (OIG), was conducting along with the US Department of Justice (DOJ) related, in part, to alleged incentives paid to physicians in connection with blood testing services. Agreements have been signed end of November 2019 to resolve all existing investigations by the U.S. Department of Justice and to settle the dispute with the previous owners of BHD with regard to the litigation disclosed above. Under the terms of the agreement signed with the DOJ, BHD, without admitting liability, has agreed to pay a civil monetary settlement of USD 26.7m to resolve all civil claims available to the U.S. government under the Federal False Claims Act ("FCA"), of which an amount of USD 23.2m was covered with the funds held in escrow (USD 30m) for losses relating to the investigation and qui tam cases and an amount of USD 3.5m was paid by BHD to the DOJ directly.
This settlement also resulted in the full reversal of the fair value of the earn-out liability (including the offset mechanism against such litigations), for a net amount of USD 57.6m.

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 27m, an increase of EUR 16m recorded through the income statement in 2019. The final instalment will be paid in 2020.

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 1.7m at the end of 2018, paid in 2019.

In June 2019, Eurofins acquired 100% of Transplant Genomics in the US. The first Earn-out consideration is a milestone payment based upon expected reimbursement price per test. This first earn out is valued USD 20m and will be paid in 2020, as local authorities confirmed the Medicare coverage in November 2019. The second Earn-out consideration is based on Net Revenue achieve over calendar years 2020 through 2024. The fair value of the second contingent consideration arrangement was estimated at a discounted amount in excess of USD 24m at the end of 2019. The discount rate for credit risk and time value used to determine the present value of the second earn-out is 4.31%.

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 was valued at a fixed price of EUR 1.0m as at 31 December 2018 and was paid in 2019.

(iii) Transactions with non-controlling interests at a variable price

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 last two years of the put and call agreement ending no sooner than 2021 and payable in the following year. 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 equal to zero (compared to EUR 1.7m as of 31 December 2018). As per IFRS 3, this change was recorded through the income statement in 2019.

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, two 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 was estimated at an undiscounted amount of EUR 2.2m at the end of 2018, and was paid in 2019.

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 1.7m (compared to EUR 4.9m at end of 2018). As per IFRS 3, this change was recorded through the income statement in 2019.

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 2019 (compared to EUR 3.1m as of 31 December 2018).

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 4.7m at the end of 2019 (compared to EUR 8m at end of 2018). As per IFRS 3, this change was recorded through the income statement in 2019.

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 3.4m at the end of 2019 (compared to EUR 8.9m at the end of 2018). As per IFRS 3, this change was recorded through the income statement in 2019.

Other put and call agreements, were signed in 2018 or before, 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 5m as of 31 December 2019.

In 2019, other put and call agreements have been signed for the remaining 20% of the shares in AQM Group (China and other Asian subsidiaries), for the remaining 15% of the shares in Eurofins Lab Solution S.r.l. (Italy), for the remaining 10% of the shares in Eurofins E&E CML Limited (UK) and for the remaining 5% of the shares in Chemtest Holdings Limited (UK). The aggregate value of these put and call agreements is estimated at less than EUR 8m as of 31 December 2019.

3.14 Employee 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 9,500 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, 695 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 (74 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.

The movement on the employee benefit obligations is as follows:

EUR Millions	2019	2018
At beginning of year	64.1	55.5
Exchange differences	-0.2	-0.3
Change of scope	3.0	4.9
Re-measurements included in OCI	5.9	2.8
Annual expense	4.8	4.5
Contributions paid	-2.2	-3.3
At end of year	75.3	64.1

The total employee benefit costs for the year 2019 amount to EUR 42.9m, of which EUR 4.7m for defined benefit plans and EUR 38.2m for defined contribution plans. The total employee benefit costs for the year 2018 amounted to EUR 36.6m, of which EUR 4.5m for defined benefit plans and EUR 32.1m 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 Millions	2019	2018
Current service costs	4.0	3.8
Past service costs	-	-
Effects of curtailments	-0.1	-0.1
Interest cost	1.2	0.9
Expected return on plan assets	-0.3	-0.2
Total	4.7	4.5

Out of the total yearly amount recognised in the Income Statement for defined benefit plans, an amount of EUR 4m has been recognised in "Personnel expenses", EUR -0.3m in "Operating costs, net" and EUR 1m in the "Financial result".

For 2019, movements in employee benefit obligations between present value of obligations and fair value of plan assets are broken down as follows:

EUR Millions	Present value of obligations	Fair value of plan assets	Pension liability in the balance sheet
At beginning of year	74.2	-10.2	64.1
Current service cost	4.0	-	4.0
Interest expense/(income)	1.2	-0.1	1.0
Past service costs	-	-	-
Effects of curtailments	-0.3	-	-0.3
Amounts recognised in the Income Statement	4.9	-0.1	4.7
Remeasurements :	-	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	-	-0.3	-0.3
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	5.7	-	5.7
Experience (gains)/losses	0.6	-	0.6
Amounts recognised in Other Comprehensive Income	6.2	-0.3	5.9
Exchange differences	0.1	-0.3	-0.2
Change of scope	3.0	-	3.0
Contributions :			
- Employers	-	-0.2	-0.2
- Plan participants	-	-	-
Benefit payments :			
- From plans	-1.4	1.4	-
- From Employers	-2.0	-	-2.0
At end of year	85.0	-9.7	75.3

The amounts recognised in the balance sheet are broken down as follows on a country basis:

Country	Present value of funded obligations	Fair value of plan assets	Pension liability in the balance sheet
Germany	7.7	-0.4	7.4
France	39.7	-	39.7
Italy	5.3	-	5.3
Japan	3.0	-	3.0
Netherlands	1.6	-	1.6
Norway	3.1	-2.9	0.2
Sweden	19.1	-	19.1
Taiwan	5.5	-6.4	-0.9
Total	85.0	-9.7	75.3

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	0.6%	2.0%	1.8%	1.8%
France	0.6%	2.5%	N/A	1.0%
Italy	0.6%	3.0%	2.3%	1.0%
Japan	0.3%	N/A	N/A	N/A
Norway	1.8%	2.3%	1.2%	1.8%
Sweden	1.5%	2.7%	2.7%	1.7%
Taiwan	1.0%	2.0%	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 obligations to changes in the main assumptions is outlined as follows:

Sensitivity tests	Discount rate	Salary growth rate (incl. inflation)	Pension growth rate (incl. inflation)
Change in assumption	+/- 0.5%	+/- 0.5%	+/- 0.5%
Net Liability	75.3	75.3	75.3
Increase of rate in assumption	-6.0	4.7	2.4
Decrease of rate in assumption	6.9	-4.0	-2.1

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 obligations to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the balance sheet. Plan assets are broken down as follows:

EUR Millions	Quoted	Unquoted	Total	%
Equity instruments	-	-	-	0%
Governmental bonds	-	-	-	0%
Corporate bonds	-	-0.5	-0.5	5.2%
Property	-	-0.4	-0.4	3.7%
Qualifying insurance	-	-0.4	-0.4	3.7%
Cash and Cash equivalents	-	-6.7	-6.7	69.1%
Investment funds	-	-1.4	-1.4	15.0%
Others	-	-0.3	-0.3	3.4%
Total	-	-9.7	-9.7	100%

The expected maturity analysis of undiscounted employee benefit obligations is as follows:

Year	Expected undiscounted benefit payments to employees
2020	1.8
2021	1.8
2022	2.3
2023	2.3
2024	2.3
2025 and afterwards	171.1
Total	181.6

The expected employer contributions for 2020 amount to EUR 1.8m.

3.15 Provisions

EUR Millions	Focusing resources	Other Charges	Total
At 1 January 2018	7.8	12.0	19.7
Currency translation differences	0.0	0.1	0.1
Change of scope/ Reclassification	0.2	4.1	4.2
Additional provisions	3.4	3.1	6.5
Utilised during year	-2.5	-3.7	-6.1
Unused amounts reversed	-0.5	-1.6	-2.2
At 31 December 2018	8.4	13.9	22.3

EUR Millions	Focusing resources	Other Charges	Total
At 1 January 2019	8.4	13.9	22.3
Currency translation differences	0.1	0.3	0.4
Change of scope/ Reclassification	0.0	-0.3	-0.3
Additional provisions	4.0	8.8	12.8
Utilised during year	-4.3	-2.1	-6.5
Unused amounts reversed	-0.4	-1.2	-1.6
At 31 December 2019	7.7	19.3	27.1

Focusing resources provisions are related to reorganisations in progress. Provisions for other charges are mainly related to litigations.

The additional provisions for focusing resources mainly relate to ongoing reorganisations in France and Luxemburg.

The reversal of provisions for focusing resources is mainly related to reorganisations in France and a site closure in the UK.

The additional provisions and unused amounts reversed are included in the separately disclosed items (Note 2.4).

The periods in which the provision for other liabilities and charges could be paid are broken down as follows:

EUR Millions	2019	2018
Up to one year	22.0	16.3
1 to 5 years	1.5	1.1
Over 5 years	3.6	4.9
Total	27.1	22.3

3.16 Deferred income taxes

Movements in the deferred income tax are broken down as follows:

EUR Millions	2019	2018
At beginning of year	-94.4	-96.7
IFRS 16 opening impact	7.6	-
Exchange differences	-0.8	-1.4
Change of scope	-10.1	-9.9
Deferred taxes on hybrid capital distribution (change in OCI)	2.2	-
Deferred taxes on retirement benefit obligations (change in OCI)	1.7	0.5
Deferred taxes on net investment hedge and FVCOI (change in OCI)	-2.9	1.0
Income statement / expense or income (Note 2.7)	16.3	12.1
At end of year	-80.5	-94.4

The change of scope relates to the deferred taxes on intangible assets recognised on the purchase price allocation (Note 3.18).

The amounts of deferred taxes are shown in the consolidated balance sheet as follows:

EUR Millions	2019	2018
Deferred tax assets	44.0	44.2
Deferred tax liabilities	-124.5	-138.6
Total	-80.5	-94.4

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 821m to carry forward against future taxable income and which have not been recognised as tax assets due to the uncertainty of their recoverability.

The analysis of the deferred tax assets and deferred tax liabilities is broken down as follows:

EUR Millions	2019	2018
Deferred tax assets		
To be used after more than 12 months	23.6	26.5
To be used within 12 months	20.4	17.7
Total	44.0	44.2
Deferred tax liabilities		
To be released after more than 12 months	101.8	117.4
To be released within 12 months	22.7	21.1
Total	124.5	138.6[1]

[1] Offset company by company and by tax unity.

Movements in deferred income tax assets and liabilities during the year are broken down as follows:

Deferred tax liabilities[1] Movement In EUR Millions	Intangible assets amortisation and fixed assets depreciation - temporary differences – deferred tax liabilities	Discounted amounts due for business acquisitions
At beginning the year	-221.7	-0.3
Exchange differences	-3.2	-
Change of scope	-11.8	-
Income Statement	8.7	0.6
At end of year	-228.0	0.3

[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.

Deferred tax assets[1]movement In EUR Millions	Tax losses capitalised	Pension accrual	Fixed assets depreciation - temporary differences – deferred tax assets	Other	Total, net[2]
At beginning of year	58.4	12.4	20.2	36.6	-94.4
IFRS 16 opening impact	-	-	7.6	-	7.6
Exchange differences	1.1	-	0.3	1.0	-0.8
Change of scope	-11.3	-	0.2	12.8	-10.1
OCI	2.2	1.7		-2.9	1.0
Income Statement	-1.4	1.5	2.7	4.1	16.3
At end of year	48.9	15.7	31.0	51.5	-80.5

[1] Not offset company by company and by tax unity.
[2] Net of deferred tax liabilities

The deferred tax assets on tax losses capitalised mainly include Eurofins Scientific S.E. (EUR 6.0m), Eurofins Cerep SAS (EUR 3.2m) in France, EAG Inc. (EUR 5.1m), TestAmerica (EUR 4.8m) and Transplant Genomics (EUR 5.0m) in the U.S. with an expectation to be used within the next seven years.

3.17 Change in net working capital

The change in net working capital as disclosed in the cash flow statement is the following:

EUR Millions	2019	2018
Change in:		
Trade receivables and contract assets	-136.2	-159.2
Inventories	-12.9	-14.6
Prepaid expenses and other current assets	-5.0	-49.9
Trade accounts payable	36.8	71.2
Advance payments received and deferred revenues	13.7	2.4
Other current liabilities	49.4	91.4
Total changes - Balance Sheet	-54.2	-58.8
Change of scope – current assets	22.0	142.6
Tax credit accruals receivable transfer	-9.5	-7.7
Change of scope – current liabilities	-27.1	-100.1
Currency translation differences	4.7	3.2
Total cash flow	-64.1	-20.8

Tax credit accruals receivable transfer is related to the transfer of corporate tax receivables in France once the tax statements are filed in the following year ("crédit d'impôt compétitivité emploi" and Tax Credit for Research).

3.18 Business combinations

During 2019, the Group completed 26 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 25m.

In June 2019, Eurofins closed the acquisition of Transplant Genomics Inc. ("TGI"), a molecular diagnostics company committed to improving organ transplant outcomes with non-invasive serial monitoring guided by genomics. The initial acquisition price paid was USD 27.5m with an additional first deferred element of USD 20m that will be paid in 2020, and a second discounted potential deferred element recorded for USD 24m. These deferred elements are based, respectively, upon reimbursement price per test and future revenues during the period between 2020 and 2024. This "pre-revenue" company generated USD 0.6m of revenues and a negative EBITDA of USD 3.7m with 11 employees in 2018.

As Eurofins carries out multiple acquisitions each year, in accordance with paragraph B64 of IFRS 3, the table below discloses the acquisitions on an aggregate basis if the individual acquisition price is below EUR 100m.

The businesses acquired contributed to Eurofins consolidated revenues for EUR 92.3m, to consolidated EBITDA for EUR 5.5m and to consolidated Net profit for EUR -7m in 2019. If the effective dates of these acquisitions would have been 1 January 2019, Group consolidated revenues would have been increased by an additional ca. EUR 42m, consolidated EBITDA increased by an additional ca. EUR 2.2m and consolidated Net Profit decreased by an additional ca. EUR -0.1m.

The provisional fair values of assets and liabilities acquired or disposed of all acquisitions were as follows:

EUR Millions	2019	2018
Property plant and equipment	-27.7	-185.5
Rights of Use on acquisitions (IFRS 16)	-9.3	-
Intangible assets	-4.6	-5.3
Technology, customer relationships and brands	-68.3	-269.2
Investments	0.1	0.8
Financial assets	6.9	-17.2
Treasury shares	-	-0.2
Trade accounts receivable, net	-17.3	-108.8
Inventories	-4.7	-11.6
Other receivables	-	-22.2
Deferred income taxes assets	-	-10.8
Corporate tax receivable	-8.5	4.7
Cash	-11.7	6.1
Current liabilities	27.1	100.1
Corporate taxes due	1.3	-3.2
Borrowings	11.5	107.8
Leases on acquisitions (IFRS 16)	9.3	-
Accrued interest payable	-	0.1
Pension accrual	3.0	4.9
Provisions for risks	-0.3	4.2
Deferred income taxes liabilities	10.1	20.7
Net Assets Acquired	**-83.0**	**-384.5**
Goodwill	-139.6	-870.8
Loss/Gain on sale on disposal of a subsidiary	-0.5	1.1
Non-controlling interests	-0.3	-0.8
Amounts due from business acquisitions on new acquisitions	55.0	43.3
Purchase price paid	**-168.5**	**-1,211.7**
Less cash	11.7	-6.1
Amounts due from business combinations paid	-14.2	-36.4
Acquisition of subsidiaries net of cash acquired and proceeds from disposals of subsidiaries	**-171.0**	**-1,254.3**
Divided into:		
Cash outflow on acquisition	-171.0	-1,256.4
Proceeds from disposals of a subsidiary net of cash transferred	-	2.1

The net cash outflow on acquisitions concerns both acquisitions completed in 2019 and in previous years (in case of payment of deferred considerations). During 2019 the Group paid amounts due to former shareholders of previously acquired companies for EUR 14.2m.

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 2019, the purchase price allocation between goodwill and intangible assets related to acquisitions has not been finalised. It will be completed in 2020.

The part of goodwill and other intangible assets related to acquisitions completed in 2019 that are tax deductible represents an amount of EUR 12.5m.

In April 2019, a small Finnish company (FTF Fuel Finland Oy) was disposed of with 2018 revenues close to EUR 0.8m.

For all companies acquired in 2019, the provisional fair value of net assets acquired was as follows:

EUR Millions	2019		
	Book value prior to acquisition	Fair value adjustment	Fair value on acquisition
Property plant and equipment	-25.0	-2.6	-27.7
Rights of Use on acquisitions (IFRS 16)	-	-9.3	-9.3
Intangible assets	-6.8	2.2	-4.6
Customer relationships and brands	-	-68.3	-68.3
Investments	0.1		0.1
Financial assets	6.9	-	6.9
Trade receivables, net	-17.6	0.3	-17.3
Inventories	-4.6	-0.1	-4.7
Corporate tax receivable	-8.5	-	-8.5
Cash	-11.7	-	-11.7
Current liabilities	27.1	-	27.1
Corporate taxes due	1.3	-	1.3
Borrowings	11.3	0.2	11.5
Leases on acquisitions (IFRS 16)	-	9.3	9.3
Employee benefit obligation	2.9	0.1	3.0
Provisions	-0.3	-	-0.3
Deferred tax liabilities	6.6	3.5	10.1
Net Assets Acquired	**-18.3**	**-64.8**	**-83.0**

3.19 Shareholders' equity

As of 31 December 2019, the Company's share capital is composed of 17,903,525 shares of EUR 0.10 each (versus 17,752,158 shares restated as of 31 December 2018). The allotted, called-up and fully paid capital amounts to EUR 1.8m.

During 2019, share capital and other reserves increased by EUR 23.4m through:

- Exercise of stock options by employees (124,810 new shares have been issued);
- 22,700 new shares issued from the exercice of Eurofins 2014 BSA Leaders warrants;
- On 28 March , 2019, reserved capital increase by way of contribution in kind of shares in the company Eurofins Biologie Médicale Ile de France for an amount of EUR 1.5m with the issuance of 3,857 new shares at a subscription price of EUR 0.10 per share in relation to the acquisition of Eurofins Laboratoire Des Pyramides.

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 51.1m dividend (EUR 2.88 per share) was paid in July 2019.

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 20 April 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from 1 July 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 30 June 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 6,517,116 as of 31 December 2018 to 6,511,615 as of 31 December 2019.

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 30 June 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, June 2018 and May 2019 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (4,000,000 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 400,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units increased from 3,000,000 as of 31 December 2018 to 4,000,000 as of 31 December 2019.

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 31 December 2019, a total amount of 10,511,615 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 28,414,740.

3.20 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 2018:
  - EGL (US): 9.4%
  - Eurofins Digital Testing group (Benelux, Poland, Sweden, UK): 9%
  - Spectro Analytical Labs Ltd.(India): 40%
  - EcoPro Research KK (JP): 33%
  - BLC Leather Technology Centre Limited (UK): 10%
  - Amar Immunodiagnostics Pvt Ltd (India) : 20%
  - North Malaysia Laboratory (Malaysia): 25%
- and the newly consolidated companies in 2019:
  - AQM Group (China): 20%
  - Eurofins Lab Solution (Italy): 15%
  - Eurofins E&E CML Limited (UK): 10%
  - Chemtest Holdings Limited (UK): 5%.

  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 3.13 '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 3.13). The same paragraph states that the financial liability is reclassified from equity.

During 2019, the Group acquired 13% non-controlling interests in Laboratoires des Pyramides SELAS (France).

3.21 Change in investments, financial assets and derivative financial instruments, net

EUR Millions	2019	2018
Investments in associates change (Note 3.3)	0.2	0.2
Financial assets and other receivables acquisitions/disposals (Note 3.4)	-0.1	1.7
Derivative financial instruments - Listed equity sale (Note 4.5)	47.5	54.3
Derivative financial instruments - Caps purchase (Note 4.5)	-	-2.4
Total	47.6	53.9

3.22 Free cash flow to the Firm and Equity

EUR Millions	2019	2018
Free cash flow to the Firm	258.2	182.5
Change in investments and financial assets, net (Note 3.21)	0.1	2.0
Interest received (Cash Flow Statement)	2.9	4.3
Interest paid (Cash Flow Statement)	-93.3	-60.0
Free cash flow to Equity	167.9	128.8

4. Other information

4.1 Segment information

In October 2019, the Chief Executive Officer (CEO), following exchanges with the Group Operating Council and the Board, communicated the reshaping of the operational activities of the Group into geographical areas with immediate effect.

Eurofins has undergone a period of strong growth, followed by the necessary adaptation of its organisation. This updated organisation allows the Group to better anticipate the structural changes in its business, accelerate its development and achieve its performance objectives. It strengthens the Group's ability to address strategic moves, focus geographical areas on their operational objectives (commercial efficiency, quality execution) and simplify the ways of working (quicker and leaner decision making processes, and empowerment of local business leaders). As Eurofins still generates modest revenues in Asia and Middle East, LATAM, Australia and New Zealand, those 3 regions that represent priority future growth are followed internally in a single segment "Rest of the World".

Consequently the Group changed in 2019 its three operating segments from Western Europe, North America and Rest of the World to Europe, North America and Rest of the World, transferring all other European countries (Southern & Central and Eastern Europe countries) from 'Rest of the World' in 2018 to 'Europe' in 2019 (see Note 1.25).

Europe is the combination of France, DACH countries (Germany, Austria and Switzerland) and Other European Countries. Other European Countries correspond to Benelux, Nordic Region, UK and Ireland, Southern Europe and Central & Eastern Europe.

North America is a separate operating segment and corresponds to U.S. and Canada.

Rest of the World corresponds to South America, Asia and Middle East and Pacific.

Year ended 2019 EUR Millions	Europe	North America	Rest of the world	Group service functions[1]	Total
Revenues	2,500.6	1,677.2	385.0	-	4,562.8
Operating costs, net	-2,036.6	-1,292.1	-311.0	-90.1	-3,729.8
EBITDA	464.0	385.1	74.0	-90.1	833.0
Depreciation and amortisation	-178.3	-127.2	-35.8	-54.6	-395.9
EBITAS	285.7	257.9	38.2	-144.7	437.0
Share-based payment charge and acquisition-related expenses, net	-50.8	-14.9	-1.8	-3.0	-70.5
EBIT	235.0	243.0	36.4	-147.7	366.6
Finance income				5.2	5.2
Finance costs				-100.9	-100.9
Share of profit of associates				0.6	0.6
Profit before income taxes				271.5	271.5
Income tax expense				-76.3	-76.3
Net profit for the year				195.3	195.3
Total assets[2]	3,619.1	3,369.1	593.0	241.9	7,823.1
Net capex [2]	192.8	136.2	45.9	44.8	419.7

Year ended 2018 EUR Millions	Europe	North America	Rest of the world	Group service functions[1]	Total
Revenues	2.209.9	1,256.7	314.5	-	3,781.1
Operating costs, net	-1,836.1	-982.4	-268.0	-43.2	-3,129.7
EBITDA	373.8	274.3	46.5	-43.2	651.4
Depreciation and amortisation	-100.3	-64.0	-18.5	-41.0	-223.7
EBITAS	273.6	210.3	28.1	-84.2	427.7
Share-based payment charge and acquisition-related expenses, net	-33.5	-57.8	10.4	-2.8	-83.7
EBIT	240.1	152.5	38.5	-87.1	344.0
Finance income				13.7	13.7
Finance costs				-68.2	-68.2
Share of / profit of associates				0.4	0.4
Profit before income taxes				289.8	289.8
Income tax expense				-66.3	-66.3
Net profit for the year				223.6	223.6
Total assets[2]	3,193.2	3,126.1	482.8	403.3	7,205.4
Net capex[2]	156.9	108.5	39.0	57.0	361.4

[1] Corresponds to Group services functions and holding companies transactions for the other captions.
[2] Total assets and Net capex are shown in the geographical area in which the assets are located.

Total inter-segment revenues EUR Millions	2019	2018
Europe	32.3	27.7
North America	24.7	20.8
Rest of the World	16.4	7.7
Total	73.4	56.1

Inter-segment revenues are limited between segments, but intra-segment revenues are more significant within each segment under Eurofins hub and spoke model.

4.2 Financial risk management

Liquidity risk

Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") for a maximum amount of EUR 750m. This program is used to issue short term notes with a minimum size of EUR 0.2m and a maturity of less than one year. At the end of December 2019, notes were outstanding for an amount of EUR 317m under this program.

End of July 2018, Eurofins issued a EUR 550m Schuldschein loan ("Certificate of Indebtedness").

In 2019, the Company issued a new hybrid instrument with a par value of EUR 300m (Note 3.11).

Over the last two years. Eurofins has significantly improved its financing strategy. As opposed to carrying a lot of cash received from bonds on its balance sheet like the Group did until 2017, Eurofins is now using medium-term (typically five year term) committed bank lines of credit to fund part of its funding needs. This is a much more cost effective approach, especially considering European banks now charge interest to hold large Euro balances for their clients. As of 31 December 2019, on top of the amount of credit lines used to back up the outstanding commercial paper (EUR 317m) and the amount used via short-term drawings on its bank credit lines (EUR 405m), Eurofins had access to more than EUR 500m of undrawn and available bank credit lines, with an average remaining life greater than three years.

Eurofins believes that its liquidity is thus largely sufficient to execute on the Group's growth plans for 2020 and should significantly improve from 2021 onwards after the end of its 2016-2020 investment programme to build a leading laboratories network in its markets.

The Group has made a detailed review of its liquidity risk and considers that it is capable of honouring its debt service.

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 nor include any financial covenants.

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 Millions	Total	Up to 1 year	2-5 years	Over 5 years
Year 2019				
Bank borrowings[1]	465.6	12.4	433.5	19.7
Schuldschein[1]	550.0	-	363.5	186.5
Bonds[1]	1,650.0	-	1,650.0	-
Commercial paper	317.0	317.0	-	-
Finance lease liabilities	44.5	10.5	21.1	12.9
Operating lease liabilities (IFRS 16)	523.7	117.6	274.6	131.5
Amounts due for business acq. (not discounted)	114.6	62.6	44.0	8.0
Earnings due on hybrid capital	14.3	14.3	-	-
Current and future interest due[2]	287.1	76.4	201.7	9.0
Trade accounts payable	409.8	409.8	-	-
Total	4,376.6	1,020.5	2,988.5	367.6

[1] Par value.
[2] Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments.

As at 31 December 2019, Cash and cash equivalents stood at EUR 297m (Note 3.8).

Financial liabilities EUR Millions	Total	Up to 1 year	2-5 years	Over 5 years
Year 2018				
Bank borrowings[1]	559.8	23.3	519.9	16.6
Schuldschein[1]	550.0	-	363.5	186.5
Bonds[1]	1,650.0	-	1,000.0	650.0
Commercial paper	361.0	361.0	-	-
Finance lease liabilities	48.3	9.3	20.6	18.4
Amounts due for business acq. (not discounted)	126.0	66.8	56.6	2.6
Earnings due on hybrid capital	30.8	30.8	-	-
Current and future interest due[2]	308.9	88.5	186.2	34.2
Trade accounts payable	373.0	373.0	-	-
Total	4,007.8	952.9	2,146.7	908.2

[1] Par value.
[2] Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments.

As at 31 December 2018, Cash and cash equivalents stood at EUR 506m (Note 3.8).

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 55% 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 and Australian Dollar, the Danish, Swedish and Norwegian Krona, the Japanese Yen, the Brazilian Real, the Pound Sterling and the Indian Rupee.

Brexit impact should be limited as the major part of the work is carried out locally.

Credit risk

Given the credit quality of the Group’s 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 receivables, bad debt provision and the ageing balance are shown in Note 3.6.

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 Millions	2019	2018
Bank borrowings secured over buildings and other assets	30.9	21.7
Leases secured over buildings and other assets[1]	44.5	48.4
Bank borrowings secured by covenants and assets	3.7	7.0
Total borrowings and leases secured	*79.1*	*77.1*
Bank borrowings secured by covenants	-	-
Bank borrowings guaranteed by the direct parent of the borrower	-	0.5
Total	79.2	77.5

[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 31 December 2019 are detailed as follows:

Other contractual obligations EUR Millions	Total	Up to 1 year	2-5 years	Over 5 years
Total Operating leases	9.7	7.4	1.3	1.1
- Buildings[1]	8.0	6.5	0.4	1.1
- Equipments, cars and others	1.6	0.8	0.8	-
Irrevocable purchase obligations	-	-	-	-
Total	9.7	7.4	1.3	1.1

[1] Undiscounted sum of future aggregate minimum lease payments, non-cancellable.

Other commercial commitments EUR Millions	Total	Up to 1 year	2-5 years	Over 5 years
Guarantees given related to financing	11.4	-	-	11.4
Guarantees given related to acquisitions	-	-	-	-
Total	11.4	-	-	11.4
Guarantees received	-	-	-	-
Total guarantees, net	11.4	-	-	11.4

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 10.2m (this amount is accounted for in the caption “retirement benefit obligations” Note 3.14).

- In the context of a EUR 1.2m 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 Millions	2019	2018
Derivative financial assets - Listed equity	-	45.1
Derivative financial assets – Caps	0.3	1.7
Derivative financial assets	0.3	46.8
Derivative financial liabilities - Swaps	-	-
Total net	0.3	46.8

Exposure to interest rate risk

The derivative financial instruments assets also include caps for an amount of EUR 0.3m as of 31 December 2019 in order to hedge the Group's exposure to interest rate fluctuations particularly related to the 2018 Schuldschein loan (EUR 1.7m at end of 2018). The Group has concluded hedging contracts, for an initial premium amounted to EUR 2.4m, in order to cap its floating interest rate against a fixed rate for a total nominal amount of EUR 99m.

EUR Millions	2019	2018
31 December 2018	1.7	2.4
Amortisation of Time Value (Note 2.6)	-0.4	-
Fair Value adjustments through OCI	-1.0	-0.6
31 December 2019	0.3	1.7

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 (excluding IFRS 16) as per balance sheet date, before taking into account the above hedging transactions is presented below:

	2019	2018
Borrowings at fixed interest rates	88%	89%
Borrowings at floating interest rates	12%	11%

Given the breakdown between fixed rate and floating rate assets and liabilities as at 31 December 2019, a 1% increase or decrease in interest rates would have a full-year impact of +/- EUR 2.5m on results before income taxes (excluding IFRS 16).

EUR Millions	Rate	Up to 1 year	2-5 years	Over 5 years	Total
Assets	Fixed	-3.6	-	-	-3.6
	Floating	-	-	-	-
Bank borrowings	Fixed	7.3	430.1	12.5	450.0
	Floating	2.2	3.3	7.1	12.6
Schuldschein	Fixed	-0.1	130.3	87.5	217.6
	Variable	-0.2	232.6	99.0	331.5
Bonds	Fixed	-2.0	1,644.3	-	1,642.3
	Floating	-	-	-	-
Commercial Paper	Fixed	317.0	-	-	317.0
	Floating	-	-	-	-
Lease Liabilities	Fixed	6.2	18.2	12.9	37.3
	Floating	4.3	2.9	-	7.2
IFRS 16 lease	Fixed	-	-	-	-
	Floating	117.6	274.6	131.5	523.7
Net exposure	**Fixed**	**324.8**	**2,222.9**	**112.9**	**2,660.6**
Before hedge	**Floating**	**123.9**	**513.4**	**237.7**	**875.0**
Hedge	Fixed	-	-	99.0	99.0
	Floating	-	-	-99.0	-99.0
Net exposure	**Fixed**	**324.8**	**2,222.9**	**211.9**	**2,759.6**
After hedge	**Floating**	**123.9**	**513.4**	**138.7**	**776.0**

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 corresponded to listed equity derivatives. The fair value of these assets amounted to EUR 45.1m as of 31 December 2018. The variation is resulting from the remaining sale of the listed equity derivative instrument for EUR 47.5m in 2019. This operation has generated a gain of EUR 2.4m in 2019.

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 End of period rates		Income Statement average rates	
	31 Dec. 2019	31 Dec. 2018	2019	2018
US Dollar	1.12	1.14	1.12	1.18
Pound Sterling	0.85	0.90	0.88	0.88
Canadian Dollar	1.46	1.55	1.49	1.53
Indian Rupee	80.00	79.94	78.74	80.68
Danish Krona	7.47	7.47	7.47	7.45
Japanese Yen	121.95	128.21	121.95	129.87
Swedish Krona	10.50	10.28	10.58	10.26
Australian Dollar	1.60	1.61	1.61	1.58
Brazilian Real	4.51	4.44	4.42	4.31
Norwegian Krona	9.84	9.94	9.85	9.60

As at 31 December 2019, 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
US Dollar	3,772.5	2,244.5	-	1,528.0	-	1,528.0
Pound Sterling	375.2	239.7	-	135.5	-	135.5
Canadian Dollar	175.3	120.4	-	54.9	-	54.9
Indian Rupee	147.2	26.1	-	121.1	-	121.1
Danish Krona	146.5	128.3	-	18.2	-	18.2
Japanese Yen	148.0	105.4	-	42.6	-	42.6
Swedish Krona	98.2	88.9	10.2	-0.8	-	-0.8
Australian Dollar	76.5	49.6	-	26.9	-	26.9
Brazilian Real	68.1	39.7	-	28.4	-	28.4
Norwegian Krona	44.5	34.6	-	9.9	-	9.9
Other[1]	332.6	195.9	-	136.7	-	136.7
Total	5,384.7	3,273.0	10.2	2,101.4	-	2,101.4

[1] Non Euro.

A 1 percentage point increase or decrease in exchange rates would have an impact of EUR 21m on the Group's equity and an impact on the Group's EBITAS of EUR 2.8m.

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, in US Dollars provided by Eurofins Finance Luxembourg, Eurofins Scientific S.E. and Eurofins Finance Luxembourg SARL as lenders 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.

The net investment in hedged foreign operations is worth EUR 1,799m (fully eliminated in consolidation), mainly USD for EUR 1,327m and GBP for EUR 131m.

The fair value of hedging represents a positive value of EUR 51.8m at the end of 2019 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.

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 operating segments as follows:

EUR Millions Cash & cash equivalents	**2019**	in %	**2018**	in %
Europe	103.6	34.8%	153.9	30.4%
North America	68.9	23.2%	66.3	13.1%
Rest of the World	49.8	16.8%	36.6	7.2%
Group service companies[1]	74.7	25.2%	249.4	49.3%
Total	297.0	100%	506.2	100%

[1] 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 operating segments and not by counterparty.

The maximum credit risk to which the Group is theoretically exposed to as at 31 December 2019 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 detailed as follows:

EUR Millions Assets	Financial assets classification					
	Carrying Value	Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	FVOCI	Fair Value
Year 2019						
FVOCI (Note 3.4)	5.0	-	-	-	5.0	5.0
Financial assets trade and other receivables – non current (Note 3.4)	44.2	44.2	-	-	-	44.2
Trade and other receivables excluding prepayments - current (Note 3.6, 3.7)	1,111.6	1,111.6	-	-	-	1,111.6
Derivative financial instruments (Note 4.5)	0.3	-	0.3	-	-	0.3
Short term deposit with banks (Note 3.8)	3.6	-	3.6	-	-	3.6
Cash and cash equivalents (Note 3.8)	293.4	293.4	-	-	-	293.4
Total	**1,458.1**	**1,449.2**	**3.9**	**-**	**5.0**	**1,458.1**

EUR Millions Liabilities	Financial liabilities classification				
	Carrying Value	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Fair Value
Year 2019					
Borrowings (Note 3.9)	3,541.6	-	-	3,541.6	3,590.8
Interest and earnings due on hybrid capital (Note 3.10)	50.0	-	-	50.0	50.0
Amounts due for business acquisitions (Notes 3.13)	113.9	-	-	113.9	113.9
Derivative financial instruments (Note 4.5)	-	-	-	-	-
Trade accounts payable (Note 3.12)	409.8	-	-	409.8	409.8
Other current liabilities (Note 3.12)	445.6	-	-	445.6	445.6
Contract Liabilities (Note 3.6)	116.4	-	-	116.4	116.4
Total	**4,677.4**	**-**	**-**	**4,677.4**	**4,726.5**

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 512m 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 526m 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 661m against a carrying value of EUR 650m).

EUR Millions 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 3.4)	17.2	-	-	-	17.2	17.2
Financial assets trade and other receivables – non current (Note 3.4)	50.3	50.3	-	-	-	50.3
Trade and other receivables excluding prepayments - current (Note 3.6, 3.7)	970.2	970.2	-	-	-	970.2
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Derivative financial instruments (Notes 4.5)	46.8	-	46.8	-	-	46.8
Short term deposit with banks (Note 3.8)	24.6	-	24.6	-	-	24.6
Cash and cash equivalents	481.6	481.6	-	-	-	481.6
Total	**1,590.8**	**1,502.2**	**71.4**	**-**	**17.2**	**1,590.8**

EUR Millions 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 3.9)	3,157.2	- -	-	3,157.2	3,145.8
Interest and earnings due on hybrid capital (Note 3.9)	66.0	- -	-	66.0	66.0
Amounts due for business acquisitions (Notes 3.13)	123.8	- -	-	123.8	123.8
Derivative financial instruments (Notes 4.5)	-	- -	-	-	-
Trade accounts payable other current liabilities and advance payments received and deferred revenues	871.9	- -	-	871.9	871.9
Total	**4,219.0**	**- -**	**-**	**4,219.0**	**4,207.5**

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	2019		2018	
	Number	Weighted average exercise price EUR	Number	Weighted average exercise price EUR
At beginning of the year	681,875	273	828,804	263
Granted	382,513	377	-	-
Exercised	-124,810	128	-89,204	107
Expired or lost	-73,431	386	-57,725	382
Outstanding at the end of the year	866,147	331	681,875	273
Exercisable at end of the year	199,289	138	*267,968*	*117*

[1] Under conditions (strike price, date of exercise, etc.) of new option plans (Note 2.4).

The weighted average share price based on Eurofins share price at the date of exercise was EUR 457 for the 89,204 shares exercised in 2018 and was EUR 434 for the 124,810 shares exercised in 2019.

As at 31 December 2019, 866,147 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	2019	2018
At beginning of the year	21,052	24,278
Free shares granted	23,816	-
Free shares lost	-4,337	-3,226
At end of the year	40,531	21,052

No free shares had vested at the end of 2019 yet.

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 1 July 2018 and 30 June 2022. The subscription price was set at EUR 18.15 per warrant.

2014 BSA Leaders Warrants	2019	2018
At beginning of the year	89,600	117,820
Warrants exercised	-22,700	-13,120
Warrants lost	-	-15,100
At end of the year	66,900	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 1 June 2022 and 31 May 2026. The subscription price was set at EUR 34.36 per warrant. This warrants program brought EUR 4.3m of proceeds to the company in 2018.

2018 BSA Leaders Warrants	2019	2018
At beginning of the year	124,460	-
Warrants granted	-	124,460
Warrants exercised	-	-
Warrants lost	-10,791	-
At end of the year	113,669	124,460

Partial and optional acquisition price payments in Eurofins shares

At 31 December 2019, the overall number of Eurofins shares potentially deliverable is nil.

Own shares

As at 31 December 2019, the Company indirectly owned 400 of its shares (400 as of 31 December 2018).

Detail of the weighted average number of shares outstanding (diluted)

In Millions	2019	2018
Weighted average number of shares outstanding (basic)	17.8	17.7
Weighted average number of stock options	0.7	0.5
Weighted average number of free shares	-	-
Number of potential number of shares by warrants exercise with exercise price above the average share price	0.1	0.1
Weighted average shares outstanding (diluted)	18.6	18.3

4.8 Earnings per share

Net profit for the period is allocated between hybrid capital investors (Note 3.11) and the equity holders of the Company as follows for the calculation of the earnings per share:

2019	Net Profit of the period (in EUR Millions)	Weighted average number of shares outstanding	Earnings per share (in EUR)
Basic			
Total	195.2	17.8	10.97
Hybrid capital investors[1]	49.7	17.8	2.79
Equity holders	145.5	17.8	8.18
Diluted			
Total	195.2	18.6	10.47
Hybrid capital investors[1]	49.7	18.6	2.67
Equity holders	145.5	18.6	7.81

[1] See Note 3.11.

2018	Net Profit of the period (in EUR Millions)	Weighted average number of shares outstanding	Earnings per share (in EUR)
Basic			
Total	223.9	17.7	12.7
Hybrid capital investors[1]	48.6	17.7	2.7
Equity holders	175.3	17.7	9.9
Diluted			
Total	223.9	18.3	12.2
Hybrid capital investors[1]	48.6	18.3	2.7
Equity holders	175.3	18.3	9.6

[1] See Note 3.11.

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.
On-going litigation or potential new litigation that could cause significant financial or reputational damage for Eurofins continue or may arise in the context of the detection of biological contaminants in dairy products in Europe. 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 (Note 1.2).

Risk factors are described in 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 3.15).

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 35.8% of the Company's shares and 59.1% of its voting rights as of 31 December 2019.

Transactions with affiliates or with companies owning shares in Eurofins Group or with companies in which some members of the Company's Board of Directors or top management have significant influence, "Analytical Bioventures SCA, International Assets Finance S.à.r.l. and their subsidiaries" are detailed as follows:

EUR Millions	2019	2018
Consolidated Income Statement		
Support management services, provided to the related party	0.2	0.3
Support management services, provided to Eurofins	-	-
Interest expenses to related party[2]	8.5	-
Depreciation of Right of Use[2]	22.0	-
Rent expenses to related party	1.0	26.0
Consolidated Balance Sheet		
Receivables from related party	12.7	12.2
Payables from related party	0.7	2.3
Right of use from related party[2]	163.7	-
Lease liabilities to related party[2]	182.7	-
Off balance sheet commitments		
Bank guarantees to related party	0.2	0.2

[1] Lease liabilities to related party were included in commitments in 2018.
[2] IFRS 16.

Other information related to the real estate transactions is provided in the Corporate Governance Statement for the period ended on 31 December 2019.

Receivables relate to lease deposits.

Compensation of the Board of Directors and Group Operating Council:

EUR Millions	2019	2018
Director fees, compensation and other short-term fringe benefits	14.8	10.4
Post-employment benefits	-	-
Share-based payments	-	-
Total	14.8	10.4

4.11 Auditor's remuneration

EUR Millions	2019	2018
Audit of Eurofins Scientific S.E.	0.8	0.4
Audit of financial statements of subsidiaries	2.6	2.1
Audit-related services	0.1	0.4
Audit and audit- related fees payable pursuant to legislation	3.5	3.0
Taxation services	0.1	0.1
Total audit fees Deloitte[1]/ PwC[2]	3.7	3.1

[1] The list of companies audited or reviewed by Deloitte is listed in Note 5.
[2] Deloitte in 2019/ PwC in 2018.

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 (Deloitte, PwC, 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 8.2m in 2019 and EUR 7.5m in 2018.

Other information related to the audit coverage is provided in section 2.1.3 (Audit Committee) of the Corporate Governance Statement for the period ended on 31 December 2019.

4.12 Cyber-attack

During the weekend of 1/2 June 2019, Eurofins Scientific was hit by a criminal ransomware attack which caused disruption to many of its IT systems in several countries. Eurofins IT staff and their internal and external IT security teams and experts took prompt actions to contain the incident, mitigate its impact and have been working relentlessly to return the IT operations to normal in the companies of the Group that have been affected.

Eurofins teams have worked hard and are continuing to expand significant effort to further optimize and strengthen all IT operations and to have all things fully back to normal as soon as possible.

As business interruption insurance coverage for this criminal cyber-attack has been confirmed, a first payment has been received for an amount of EUR 10m in 2019.

It is likely that discussions and efforts to determine and agree on exact damages with Group insurers will be on going for a while and additional reimbursements can not be determined finally at this time.

4.13 Post-closing events

Change of scope:

Since the beginning of 2020, Eurofins has completed the acquisition of 3 small companies / asset deals: one in Norway, one in the USA and one in India. The total annual revenues of these acquisitions were ca. EUR 5m in 2019.

In February 2020, TestAmerica Air Emission Corporation divested its Stack Emission testing Metco business (annual revenues of EUR 5m in 2019).

5. Scope of the Group

5.1 Change in the scope 2019

The Companies below are fully consolidated (at 100%).

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Environment Testing Middle East Holding Ltd.	AE	Eurofins Environment Testing LUX Holding SARL	100%	01/19
Dow Diagnostics LLC	AE	Eurofins Clinical Testing Holding LUX SARL	100%	11/19
Eurofins Chemical Analysis Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100%	03/19
AQM Bangladesh Limited	BD	AQM HK Ltd.	100%	06/19
Eurofins Foundation	BE	Eurofins International Holdings LUX SARL	100%	06/19
Eurofins GSC Consulting NV	BE	Eurofins Support Services LUX Holding SARL	100%	09/19 [1]
Eurofins Air Monitoring Belgium NV	BE	Eurofins Air Monitoring Germany Holding GmbH	100%	12/19 [1]
Transportation, Facility and Logistic Services NV	BE	Eurofins Support Services LUX Holding SARL	100%	12/19 [1]
Centro de Analise e Tipagem de Genomas Ltda.	BR	Eurofins Latin American Ventures SL	100%	08/19
Citogenix Serviços Biológicos Ltda.	BR	Centro de Analise e Tipagem de Genomas Ltda	100%	08/19
Eurofins Cosmetics and Personal Care Testing Canada, Inc.	CA	Eurofins Product Testing LUX Holding SARL	100%	09/19 [1]
Eurofins EAG Materials Science China Ltd.	CN	Eurofins Material Sciences LUX Holding SARL	100%	09/19 [1]
Eurofins BioPharma Product Testing (Shanghai) Co., Ltd.	CN	Eurofins Pharma Services LUX Holding SARL	100%	12/19 [1]
AQM HK Ltd.	CN	Eurofins Product Testing LUX Holding SARL	80%	06/19
Eurofins Technology Service (Guangzhou) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100%	10/19 [1]
AQM China Ltd.	CN	AQM HK Ltd.	100%	06/19
Eurofins Holding CZ s.r.o.	CZ	Eurofins Food Testing LUX Holding SARL	100%	08/19 [1]
Immunolab GmbH	DE	Eurofins Technology and Supplies LUX Holding SARL	100%	01/19
Eurofins Genomics Europe Shared Services GmbH	DE	Eurofins MWG Holding GmbH	100%	02/19 [1]
LL Leipzig Landsteiner Strasse Real Estate GmbH	DE	Eurofins Real Estate LUX Holding SARL	100%	05/19 [1]
Coronado Germany Holdings GmbH	DE	Eurofins Technology and Supplies LUX Holding SARL	100%	03/19 [1]
Immunolab Clinical Diagnostics GmbH	DE	Coronado Germany Holdings GmbH	100%	01/19
Virotech Diagnostics GmbH	DE	Coronado Germany Holdings GmbH	100%	02/19
Eurofins Agroscience Services Regulatory Germany GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100%	12/19 [1]
Rae Village Vana-Sutikase ja Tammi tee Real Estate OÜ	EE	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Lorqui Castillo de Aledo SL	ES	Eurofins Real Estate LUX Holding SARL	100%	03/19 [1]
Eurofins Environment Testing Spain Holding SL	ES	Eurofins Environment Testing LUX Holding SARL	100%	04/19 [1]
Eurofins IT Solutions Spain SL	ES	Eurofins Support Services LUX Holding SARL	100%	04/19 [1]
Métodos Servicios Agrícolas SL	ES	Eurofins Agroscience Services Iberica Holding SL	100%	03/19
Eurofins Iproma SL	ES	Eurofins Environment Testing Spain Holding SL	100%	07/19
Iproma Alimentación SL	ES	Eurofins Iproma, SL	100%	07/19
Alfredo Montoro Soriano SL	ES	Analclinic SA	100%	06/19
Laboratorios Montoro Botella SL	ES	Eurofins Megalab SA	100%	06/19 [1]
Oulu Nuottasaari Real Estate Oy	FI	Eurofins Real Estate LUX Holding SARL	100%	09/19 [1]
Eurofins Sensory Holding France SAS	FR	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	100%	01/19 [1]
Eurofins Discovery Products France SAS	FR	Eurofins Discovery Services LUX Holding SARL	100%	03/19 [1]
Eurofins NDSC Expertises France SAS	FR	Eurofins Expertises France Holding	100%	01/19 [1]
Eurofins New Env 2019 SAS	FR	Alpa Environnement Holding France SAS	100%	02/19 [1]
Eurofins New Pharma 2019 SAS	FR	Alpa Environnement Holding France SAS	100%	02/19 [1]
Eurofins New Chimie 2019 SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100%	02/19 [1]
Eurofins New Microbio 2019 SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100%	02/19 [1]
Eurofins Newco 2020 1 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]
Eurofins Newco 2020 2 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]
Eurofins Newco 2020 3 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]
Eurofins Newco 2020 4 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]
Eurofins Newco 2020 5 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]
Eurofins Newco 2020 6 SAS	FR	Eurofins NSC Finance France SAS	100%	12/19 [1]

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Croatiakontrola d.o.o.	HR	Eurofins Food Testing LUX Holding SARL	98%	09/19
Eurofins Croatiakontrola Vukovar d.o.o.	HR	Eurofins Food Testing LUX Holding SARL	100%	09/19
Karlovacka Real Estate d.o.o	HR	Eurofins Real Estate LUX Holding SARL	100%	09/19 [1]
Mljekarski Real Estate d.o.o	HR	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Kopilica Real Estate d.o.o	HR	Eurofins Real Estate LUX Holding SARL	100%	09/19 [1]
Eurofins NSC Ireland Limited	IE	Eurofins Support Services LUX Holding SARL	100%	01/19 [1]
Cork Real Estate Investment Limited	IE	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Eurofins Advinus BioPharma Services India Private Ltd.	IN	Eurofins Pharma Services LUX Holding SARL	100%	12/19 [1]
Asia Quality Management India Private Ltd.	IN	AQM HK Ltd.	97%	06/19
Eurofins NDSC Food Testing Italy Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100%	02/19 [1]
Vimodrone Via Buozzi Real Estate Srl	IT	Eurofins Real Estate LUX Holding SARL	100%	08/19 [1]
Eurofins Lab Solution Srl	IT	Eurofins Product Testing Italia Holding Srl	85%	06/19
Milano Fino Mornasco Via Tevere Real Estate Srl	IT	Eurofins Real Estate LUX Holding SARL	100%	11/19 [1]
Cucciago Via Volta Real Estate Srl	IT	Eurofins Real Estate LUX Holding SARL	100%	11/19 [1]
AQM Cambodia Limited	KH	AQM HK Ltd.	100%	06/19
Eurofins Finance Luxembourg SARL	LU	Eurofins Scientific S.E.	100%	06/19 [1]
Eurofins Biomnis Maroc SARL	MA	Eurofins Clinical Testing Holding LUX SARL	100%	12/19 [1]
AQM Myanmar Company Limited	MM	AQM HK Limited	100%	06/19
Eurofins IT Infrastructure GSC Malaysia Sdn Bhd	MY	Eurofins Support Services LUX Holding SARL	100%	01/19 [1]
Eurofins Food Testing Malaysia Sdn Bhd	MY	Eurofins Food Testing LUX Holding SARL	100%	05/19 [1]
eCOAST Marine Research BV	NL	Eurofins eCOAST BVBA	100%	03/19 [1]
Salux Healthcare BV	NL	Eurofins Clinical Diagnostics Netherlands Holding BV	100%	05/19
The Maastricht Forensics Institute BV	NL	Eurofins Forensics LUX Holding SARL	100%	12/19 [1]
Eurofins Scientific Services Philippines, Inc.	PH	Eurofins Food Testing LUX Holding SARL	100%	09/19 [1]
AQM Pakistan Limited	PK	AQM HK Ltd.	100%	06/19
Eurofins Business Services Poland Sp. z o.o.	PL	Eurofins Support Services LUX Holding SARL	100%	12/19 [1]
Eurofins GSC IT Poland Sp. z o.o.	PL	Eurofins Support Services LUX Holding SARL	100%	12/19 [1]
Malbork Al. Wojska Polskiego Real Estate sp. z o.o.	PL	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Eurofins Environment Testing Poland Holding Sp. z o.o.	PL	Eurofins Environment Testing LUX Holding SARL	100%	07/19
Eurofins OBIKŚ Polska Sp. z.o.o.	PL	Eurofins Environment Testing Poland Holding Sp. z o.o.	100%	09/19
Eurofins Food Testing Lisboa Lda.	PT	Eurofins Analisis Alimentario Holding Espana SL	100%	06/19 [1]
Eurofins Clinical Diagnostics Pte. Ltd.	SG	Eurofins Clinical Testing Holding LUX SARL	100%	08/19 [1]
Eurofins Holding Slovakia s.r.o.	SK	Eurofins Food Testing LUX Holding SARL	100%	08/19 [1]
Eurofins Food Testing Slovakia s.r.o.	SK	Eurofins Holding Slovakia s.r.o.	100%	10/19 [1]
Eurofins Food Testing Turkey Holding A.S.	TR	Eurofins Food Testing LUX Holding SARL	100%	06/19 [1]
Eurofins NSC Turkey Destek Hizmetleri A.S.	TR	Eurofins Support Services LUX Holding SARL	100%	11/19 [1]
Asia Quality Management Kalite Kontrol Hizmetleri A.S.	TR	AQM HK Ltd.	90%	06/19
Eurofins Clinical Diagnostic Testing UK Holding Limited	UK	Eurofins Clinical Testing Holding LUX SARL	100%	08/19 [1]
Eurofins E&E CML Limited	UK	Eurofins Product Testing UK Holding Limited	90%	02/19
Eurofins Environment Testing UK Holding Limited	UK	Eurofins Environment Testing LUX Holding SARL	100%	03/19 [1]
Chemtest Holdings Limited	UK	Eurofins Environment Testing UK Holding Limited	100%	04/19
Chemtest Limited	UK	Chemtest Holdings Limited	100%	04/19
Southern Real Estate Investment UK Limited	UK	Eurofins Real Estate LUX Holding SARL	100%	08/19 [1]
Permitted Developments Investments no 9 Limited	UK	Southern Real Estate Investment UK Limited	100%	09/19 [1]
Eurofins EAG Holdings, Inc.	US	Eurofins Pharma US Holdings II, Inc.	100%	04/19 [1]
Blue Heron Biotech, LLC	US	Eurofins Viracor, Inc.	100%	04/19
Transplant Genomics, Inc.	US	Eurofins Pharma US Holdings II, Inc.	100%	05/19
J3 Resources, Inc.	US	Eurofins Lancaster Laboratories, Inc.	100%	10/19
Eurofins DiscoverX Products, LLC	US	Eurofins DiscoverX Corporation	100%	12/19 [1]
Tustin Dow Avenue Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100%	11/19 [1]
Pasadena Red Bluff Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Lenexa 99th Street Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100%	12/19 [1]
Eurofins Environment Testing America Holdings, Inc.	US	Eurofins Environment Testing LUX Holding SARL	100%	12/19 [1]
AQM Vietnam Limited	VN	AQM HK Ltd.	100%	06/19

[1] New Companies incorporated during the period

The below companies have been merged/liquidated/sold during the period:

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of exit
Clinica Radiologica Dr. Moura Gogliano Ltda.	BR	Eurofins Latin American Ventures SL	100%	06/19
Eurofins Environment Testing Canada, Inc.	CA	Eurofins Environment Testing LUX Holding SARL	100%	01/19
CEREP Drug Discovery Services Co, Ltd.	CN	Eurofins CEREP SA	100%	09/19
Eurofins Food Certification Service(Shanghai)Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100%	12/19
FTF Fuel Testing Finland Oy	FI	Eurofins Environment Testing Finland Holding Oy	100%	05/19
France Biologie de Spécialité Holding SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100%	09/19
Eurofins Biomnis Holding SAS	FR	France Biologie de Spécialité Holding SAS	100%	05/19
Socamed SAS	FR	Eurofins Biologie Spécialisée SAS	100%	06/19
GATC Biotech SAS	FR	Eurofins Genomics France SAS	100%	01/19
PHAST France SARL	FR	Eurofins PHAST GmbH	100%	01/19
Eurofins Optibio-Lab SELAS	FR	Eurofins Bio Lab SELAS	100%	03/19
Eurofins Laboratoire des Pyramides SELAS	FR	Eurofins Biomnis SELAS	100%	03/19
L'Yvette SELAS	FR	Eurofins Biologie Médicale Ile de France SAS	100%	03/19
Thusia Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100%	01/19
ICE Istituto Certificazione Europea Spa	IT	Eurofins Product Testing Italia Holding Srl	100%	02/19
Pathologie Centrum voor de Eerstelijn BV	NL	Eurofins Clinical Diagnostics Netherlands Holding BV	100%	01/19
Mejseln 24 AB	SE	Lidköping Sjöhagsgatan Real Estate AB	100%	01/19
Water Utility Testing Services Limited	UK	Eurofins Food Testing UK Holding Limited	100%	01/19
Discoverx Corporation Limited	UK	DiscoverX Corporation	100%	01/19
Eurofins Technologies North America, Inc.	US	Eurofins Technology and Supplies LUX Holding SARL	100%	05/19
Eurofins Craft Technologies, Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	10/19
EAG Holdings, Inc.	US	EAG, Inc.	100%	02/19
Evans Analytical Group, LLC	US	EAG Holdings, Inc.	100%	01/19
Lab Facilities Leasing Co, LLC	US	Eurofins BioPharma Product Testing Columbia, Inc.	100%	01/19
LABS, Inc.	US	Eurofins Pharma US Holdings II, Inc.	100%	01/19
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings, Inc.	100%	01/19
Cascade Analytical, Inc.	US	Eurofins Food Testing US Holdings, Inc.	100%	01/19

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			
Agrohuarpes - Eurofins Agrosciences Services S.A.	AR	Eurofins Agrosciences Services LUX Holding SARL	99%	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 Umwelt Österreich 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 NSC Austria GmbH	AT	Eurofins Support Services LUX Holding SARL	100%	12/18

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
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 Real Estate LUX Holding SARL	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 Labo Van Poucke BVBA	BE	Eurofins Clinical Testing Holding LUX SARL	100%	02/18
Eurofins eCOAST BVBA	BE	Eurofins Environment Testing Belgium Holding NV	100%	12/18
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 SL	100%	07/14
Integrated Petroleum Expertise Company - Serviços em Petroleo Ltda.	BR	Eurofins Latin American Ventures SL	100%	09/14
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
Einstein Imagens Medicas Ltda.	BR	Eurofins Latin American Ventures SL	100%	12/17
Eurofins Experchem Laboratories, Inc.	CA	Eurofins Food Testing LUX Holding SARL	100%	04/15
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 BioPharma Product Testing Toronto, Inc.	CA	Eurofins Pharma Services LUX Holding SARL	100%	05/18
Oakville Portland Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding SARL	100%	06/18
Mississauga Hadwen Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding SARL	100%	06/18
Mississauga Speakman Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding SARL	100%	06/18

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Environment Testing Canada, Inc.	CA	Eurofins Environment Testing LUX Holding SARL	100%	11/18
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 Switzerland AG	CH	Eurofins Pharma Services LUX Holding SARL	100%	03/17
Eurofins Electric & Electronic 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
Eurofins PHAST Pharma GmbH	CH	Eurofins PHAST GmbH	100%	07/18
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	100%	06/17
Eurofins Product Testing Hong Kong Ltd.	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 Ltd.	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 Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100%	03/12
Eurofins NSC Shanghai Co., Ltd.	CN	Eurofins Support Services LUX Holding SARL	100%	06/14
Eurofins NSC Hong Kong Ltd.	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
Evans Materials Technology Co., Ltd.	CN	EAG, Inc.	100%	12/17
MET Laboratories, Ltd.	CN	Eurofins MET Laboratories, Inc.	100%	01/18
Eurofins Consumer Product Testing (Guangzhou) Co., Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100%	12/18
Eurofins Electrical Testing Service (Shenzhen) Co., Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100%	11/18
Eurofins IT Infrastructure GSC S.A.	CR	Eurofins Support Services LUX Holding SARL	100%	08/18
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 International GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100%	04/05
Eurofins GeneScan GmbH	DE	Eurofins GeneScan Holding GmbH	100%	07/03
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
Eurofins Umwelt Ost GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100%	01/06
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
SniP Biotech-Verwaltung-GmbH	DE	Eurofins Genomics Europe Applied Genomics GmbH	100%	01/05
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
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
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
RECO Ebersberg Anzinger Strasse Real Estate GmbH	DE	Eurofins Real Estate LUX Holding SARL	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
Eurofins Facility Management Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100%	11/11
Eurofins Umwelt Südwest 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 Food Consulting Services GmbH	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
BLGG Deutschland GmbH	DE	Holding BLGG BV	100%	07/13
Eurofins 8. Verwaltungsgesellschaft GmbH	DE	Eurofins Real Estate LUX Holding SARL	100%	07/13
Eurofins NSC 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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins BioPharma Services Holding Germany GmbH	DE	Eurofins MWG Holding GmbH	100%	03/15
Eurofins Agroscience Services Ecotox GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100%	08/15
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
Eurofins MVZ Medizinisches Labor Gelsenkirchen GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100%	07/17
Eurofins Laborbetriebsgesellschaft Gelsenkirchen GmbH	DE	Eurofins MVZ Medizinisches Labor Gelsenkirchen GmbH	100%	07/17
Eurofins Genomics Europe Sequencing GmbH	DE	Eurofins MWG Holding GmbH	100%	07/17
Eurofins 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	Eurofins Agroscience Services Germany Holding GmbH	100%	12/17
Evans Analytical Group Holdings Gmbh	DE	Eurofins EAG Materials Science, LLC	100%	12/17
Eurofins WKS Labservice GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	75%	12/17
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
Eurofins Q-Bioanalytic GmbH	DE	Eurofins BioTesting Services Nord GmbH	100%	11/18
Eurofins NSC Denmark A/S	DK	Eurofins Support Services LUX Holding SARL	100%	12/03
Eurofins Biopharma Product Testing Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100%	03/06
Eurofins Product Testing Denmark A/S	DK	Eurofins Product Testing LUX Holding SARL	100%	08/08
Eurofins Miljo A/S	DK	Eurofins Environment Denmark Holding A/S	100%	06/05
Eurofins Steins Laboratorium A/S	DK	Eurofins Food Denmark Holding A/S	100%	07/06
Eurofins Environment Denmark Holding A/S	DK	Eurofins Environment Testing LUX Holding SARL	100%	04/07
Eurofins Food Denmark Holding A/S	DK	Eurofins Food Testing LUX Holding SARL	100%	04/07
Eurofins Genomics Holding Denmark A/S	DK	Eurofins Genomics LUX Holding SARL	100%	11/13
Eurofins Genomics Europe Genotyping A/S	DK	Eurofins Genomics Holding Denmark A/S	100%	01/13
Eurofins Miljø Vand A/S	DK	Eurofins Environment Denmark Holding A/S	100%	10/13
Eurofins Agro Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100%	12/14
Eurofins Miljø Luft A/S	DK	Eurofins Environment Denmark Holding A/S	100%	08/14
Eurofins Pharma Holding Denmark A/S	DK	Eurofins Pharma Services LUX Holding SARL	100%	08/15
Eurofins Professional Scientific Services Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100%	08/15
Eurofins Genomics Denmark A/S	DK	Eurofins Genomics Holding Denmark A/S	100%	12/15
GenoSkan A/S	DK	Eurofins Genomics Holding Denmark A/S	100%	09/16
Eurofins Milk Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100%	01/17
Eurofins Vitamin Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100%	01/17
Aabybro Industrivej Real Estate A/S	DK	Eurofins Real Estate LUX Holding SARL	100%	03/17
Eurofins VBM Laboratoriet A/S	DK	Eurofins Environment Denmark Holding A/S	100%	03/17
Eurofins VBM Geo A/S	DK	Eurofins Environment Denmark Holding A/S	100%	10/18
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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Sam Spain SL	ES	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	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
Eurofins Laboratorio Sarro SL	ES	Bio-Access SAS	100%	07/15
Eurofins NSC Spain SL	ES	Eurofins Support Services LUX Holding SARL	100%	01/16
Eurofins Histolog SL	ES	France Anapath Holding	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
Eurofins Megalab SA	ES	Eurofins Clinical Testing Holding LUX SARL	100%	09/16
Eurofins Laboratorio Alfalab Internacional, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Cifuentes, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Ángel Mendez, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Calbo, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Bernad-Muñoz, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Análisis Clinicos Canarias, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Clínico Sanitario, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Dra. Vicente, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Dres. Cermeño, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Garcia Lopez, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Pilar Larraz, SL	ES	Eurofins Megalab SA	99%	09/16
Eurofins Laboratorio Recio, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio Surlab, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Megalab Medio Ambiente, SL	ES	Eurofins Megalab SA	70%	09/16
Eurofins Laboratorio Dr. Valenzuela, SL	ES	Eurofins Megalab SA	100%	09/16
Eurofins Laboratorio San Andres, SL	ES	Eurofins Laboratorio Dr. Valenzuela, SL	100%	09/16
Eurofins Laboratorio Sánchez Castiñeiras, SL	ES	Eurofins Laboratorio Dr. Valenzuela, SL	100%	09/16
Eurofins Laboratorio Prefasi SL	ES	Eurofins Megalab SA	100%	05/17
Eurofins Laboratorio Medicantabria SL	ES	Eurofins Megalab SA	100%	10/17
Eurofins Villapharma Research SL	ES	Eurofins Pharma Services LUX Holding SARL	100%	03/17
Eurofins Laboratorio Virtudes SL	ES	Eurofins Megalab SA	100%	03/17
Eurofins Laboratorio de Castilla y Leon, SL	ES	Eurofins Megalab SA	100%	05/17
Eurofins Textile Testing Spain SL	ES	Eurofins Product Testing Holding Spain SL	100%	04/17
Fuente Alamo de Murcia – El Estrecho Real Estate SL	ES	Eurofins Real Estate LUX Holding SARL	100%	12/17
Analclinic SA	ES	Eurofins Megalab SA	100%	11/17
EKA Invest SL	ES	Eurofins Technology and Supplies LUX Holding SARL	100%	02/18
MADRID Garcia Noblejas Real Estate SLU	ES	Eurofins Real Estate LUX Holding SARL	100%	07/18
Eurofins Mas Control 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 SARL	100%	04/18
Santa Cruz Diesel Real Estate SLU	ES	Eurofins Real Estate LUX Holding SARL	100%	07/18
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 SARL	100%	12/18
Gestión y Auditoría Medioambiental SL	ES	Eurofins Audit&Inspection S.A.	100%	07/18
Eurofins LGS Megalab SL	ES	Eurofins Megalab SA	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
Eurofins Scientific Finland Oy	FI	Eurofins Food Testing LUX Holding SARL	100%	10/07
Eurofins Viljavuuspalvelu Oy	FI	Eurofins Food Testing LUX Holding SARL	100%	12/12
Eurofins Environment Testing Finland Holding Oy	FI	Eurofins Environment Testing LUX Holding SARL	100%	01/17
Eurofins Ahma Oy	FI	Eurofins Environment Testing Finland Holding Oy	100%	02/17
Eurofins Environment Testing Finland Oy	FI	Eurofins Environment Testing Finland Holding Oy	100%	04/17
Eurofins Nab Labs Group Oy	FI	Eurofins Environment Testing Finland Holding Oy	100%	06/17
Eurofins Nab Labs Oy	FI	Eurofins Nab Labs Group Oy	100%	06/17

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Expert Services Oy	FI	Eurofins Product Testing LUX Holding SARL	100%	06/18
Eurofins Labtium Oy	FI	Eurofins Environment Testing Finland Holding Oy	100%	06/18
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
Eurofins Biosciences SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100%	07/99
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
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
Eurofins Analyses Pour Le Bâtiment Est SAS	FR	Eurofins Analyses pour le bâtiment France Holding SAS	100%	01/01
Eurofins Pharma France Holding SAS	FR	Eurofins Pharma Services France LUX Holding SARL	100%	06/06
Eurofins Genomics France 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
Eurofins Pharma Quality Control SAS	FR	Eurofins Pharma France Holding SAS	100%	01/06
Eurofins Agroscience Services France SAS	FR	Eurofins Agrosciences Services France Holding SAS	100%	01/06
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
Eurofins Cervac Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100%	10/06
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 bâtiment 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 bâtiment 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 bâtiment France Holding SAS	100%	12/10
Eurofins Analyses pour le Bâtiment Nord SAS	FR	Eurofins Analyses pour le bâtiment France Holding SAS	100%	12/10

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Analyses pour le Bâtiment Sud Est SAS	FR	Eurofins Analyses pour le bâtiment France Holding SAS	100%	12/10
Eurofins Analyses pour le Bâtiment Ouest SAS	FR	Eurofins Analyses pour le bâtiment 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
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
IPL Atlantique SA	FR	Eurofins IPL Hydrologie SAS	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 bâtiment France Holding SAS	100%	02/12
Eurofins Expertises Environnementales SAS	FR	Eurofins Expertises France Holding SAS	100%	04/12
Eurofins NDSC Environnement France Holding SAS	FR	Eurofins Environment Testing LUX Holding SARL	100%	05/12
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
Eurofins Mitox Fopse SARL	FR	Eurofins MITOX BV	100%	07/13
Eurofins Analyses Pour Le bâtiment Sud-Ouest SAS	FR	Eurofins Analyses pour le bâtiment 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 bâtiment 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 Scientific S.E.	100%	12/14

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Product Testing France Holding SAS	FR	Eurofins Product Testing LUX Holding SARL	100%	12/14
Eurofins CEBAT SAS	FR	Eurofins Analyses pour le bâtiment 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 Expertises France Holding SAS	100%	07/15
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
Eurofins Labazur Guyane SELAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Nice SELAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Rhone-Alpes SELAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Bretagne SELAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Armorique SELAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Alpes-Sud Var SAS	FR	Eurofins Labazur Provence SELAS	100%	07/15
Eurofins Labazur Cornouaille SELAS	FR	Eurofins Labazur Bretagne SELAS	100%	07/15
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 SAS	100%	10/15
Eurofins Prélèvement pour le Bâtiment Sud-Ouest SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	10/15
Eurofins Biologie Spécialisée SAS	FR	Eurofins Biomnis Holding SAS	100%	10/15
Eurofins Biomnis Sample Library SAS	FR	Socamed SAS	100%	10/15
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
Eurofins CBM69 SELAS	FR	Eurofins Biomnis SELAS	100%	10/15
Eurofins CEF SELAS	FR	Eurofins Biomnis SELAS	100%	10/15
Eurofins Bioffice SELAS	FR	Eurofins CEF SELAS	100%	10/15
Biosphere GIE	FR	Eurofins Biomnis SELAS	100%	10/15
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
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	Eurofins Histolog SL	100%	04/17
Eurofins Labazur Ilab SELAS	FR	Eurofins Labazur Nice SELAS	100%	04/17
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 bâtiment Ile De France Sud SAS	FR	Eurofins Analyses pour le bâtiment 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
Immobiliere Amatsi SAS	FR	Eurofins Real Estate LUX Holding SARL	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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
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 SARL	100%	10/17
Eurofins Biologie Medicale Sud-ouest SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100%	10/18
Evans Analytical Group SAS	FR	Eurofins EAG Materials Science, LLC	100%	12/17
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 Real Estate LUX Holding SARL	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 ATS SAS	100%	05/18
Eurofins 3 Ohms SAS	FR	Eurofins Product Testing France Holding SAS	100%	07/18
Interlab SELAS	FR	Eurofins Labazur Provence SELAS	100%	10/18
SCI Rosporden Renan	FR	Eurofins Real Estate LUX Holding SARL	100%	10/18
Eurofins Bio Lab SELAS	FR	Eurofins Biologie Médicale Ile de France SAS	100%	07/18
Eurofins Biologie Médicale Ile de France SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100%	07/18
Eurofins Laboratoire De Bromatologie Ouest Et Bretagne SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100%	07/18
ESL Analyses SAS	FR	Eurofins Analyses pour le bâtiment France Holding SAS	100%	12/18
Eurofins Hydrologie Normandie SAS	FR	Eurofins Hydrologie France Holding SAS	100%	12/18
ESL prélèvement SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	12/18
Eurofins Prélèvement pour le Bâtiment Nord Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	12/18
Alpa Chimies Hydrologie SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
Alpa Chimies Micropolluants SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
Alpa Environnement Holding France SAS	FR	Eurofins Water Testing LUX SARL	100%	12/18
Dioxair Newco SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
SCI Eurofins New 1	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
Eurofins DSC Product Testing SAS	FR	Eurofins Product Testing LUX Holding SARL	100%	12/18
Eurofins NDSC Audit Et Consulting France SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100%	12/18
SCI Champlan Blanc	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Eurofins New 3	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Loos Palissy	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Martillac Newton	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Maxeville Cuenot	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Saint Augustin Paillard	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
SCI Saint Gely Vautes	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
Eurofins Genomics Europe Sequencing France SAS	FR	Eurofins Genomics LUX Holding SARL	100%	12/18
Eurofins New Food 2020 SAS	FR	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	100%	12/18
SCI Idron Mazerolles	FR	Eurofins Real Estate LUX Holding SARL	100%	12/18
Eurofins Laboratoire Dermscan SAS	FR	Eurofins Product Testing 2 France Holding SAS	100%	11/18
Alpa Hygiene Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	11/18
Alpa Alimentaire Holding France SAS	FR	Eurofins Water Testing LUX SARL	100%	11/18
ISHA Chimie Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	01/18
Alpa Chimie Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	11/18
Alpa Microbiologie Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	11/18
ACP Hygiene Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	11/18
ACP Environnement SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
Alpabio SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
Alpabio Prestations SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
Alpa Support Services SAS	FR	Alpa Environnement Holding France SAS	100%	12/18
ISHA Microbiologie Alimentaire SAS	FR	Alpa Alimentaire Holding France SAS	100%	12/18
Eurofins Agroscience Services Kft.	HU	Eurofins Agrosciences Services LUX Holding SARL	100%	09/07

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
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 SARL	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
Eurofins Minerag Kft.	HU	Eurofins Food Testing Hungary Holding Kft	100%	12/17
Eurofins Food Analytica 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 SARL	100%	07/18
BUD Foti 56 Real Estate Kft.	HU	Eurofins Real Estate LUX Holding SARL	100%	08/18
Eurofins Clinical Testing Hungary Holding Kft.	HU	Eurofins Clinical Testing Holding LUX SARL	100%	08/18
Eurofins NSC Hungary Kft.	HU	Eurofins Support Services LUX Holding SARL	100%	09/18
Eurofins KVI-PLUSZ Környezetvédelmi Vizsgáló Iroda Kft.	HU	Eurofins Environment Testing Hungary Holding Kft	100%	07/18
Eurofins Scientific (Ireland) Limited	IE	Eurofins GSC LUX SARL	100%	05/03
Eurofins Food Testing Ireland Limited	IE	Eurofins Food Testing LUX Holding SARL	100%	04/09
Eurofins Pharma Ireland Holding Limited	IE	Eurofins Pharma Services LUX Holding SARL	100%	02/11
Eurofins BioPharma Product Testing Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100%	04/11
Eurofins Cork Limited	IE	Eurofins Food Testing LUX Holding SARL	100%	10/15
Clogherane Real Estate Investment Limited	IE	Eurofins Real Estate LUX Holding SARL	100%	11/15
Eurofins Biomnis Ireland Limited	IE	Socamed SAS	100%	10/15
Eurofins Lablink Limited	IE	Eurofins Biomnis Ireland Limited	100%	10/15
Eurofins Professional Scientific Services Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100%	07/16
Medical Consultants Pathology Holdings Limited	IE	Eurofins Biomnis Ireland Limited	100%	01/17
Eurofins MC Pathology Limited	IE	Medical Consultants Pathology Holdings Limited	100%	01/17
Environmental Laboratory Services Limited	IE	Eurofins Environment Testing LUX Holding SARL	100%	07/17
Eurofins Scientific Services Ireland Limited	IE	Eurofins GSC LUX SARL	100%	10/17
Eurofins Environmental Testing Ireland Holding Limited	IE	Eurofins Environment Testing LUX Holding SARL	100%	03/18
City Analysts Limited	IE	Eurofins Environmental Testing Ireland Holding Limited	100%	02/18
City Analysts (Limerick) Limited	IE	City Analysts Limited	100%	02/18
Gynae-Screen Limited	IE	Eurofins Biomnis Ireland Limited	100%	05/18
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 Real Estate LUX Holding SARL	100%	10/17
Spectro Analytical Labs Ltd.	IN	Eurofins Environment Testing LUX Holding SARL	60%	11/17
Eurofins NSC India Pvt, Ltd.	IN	Eurofins Support Services LUX Holding SARL	100%	04/18
Amar Immunodiagnostics Pvt, Ltd.	IN	Eurofins Technology and Supplies LUX Holding SARL	80%	12/18
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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
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
Eurofins Cosmetic & Personal Care Italy Srl	IT	Eurofins Product Testing Italia Holding Srl	100%	07/15
Eurofins Food Assurance Italia 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
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
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
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
Eurofins EAG Materials Science Tokyo Corporation KK	JP	Eurofins EAG Materials Science, LLC	100%	12/17
Saitama Kankyo Service KK	JP	Eurofins Environment Testing LUX Holding SARL	67%	12/17
Eurofins BioPharma Services Japan Holding KK	JP	Eurofins Pharma Services LUX Holding SARL	100%	09/18
Eurofins Analytical Science Laboratories Inc.	JP	Eurofins BioPharma Services Japan Holding KK	100%	11/18
MET Korea, Ltd.	KR	Eurofins Product Testing LUX Holding SARL	100%	01/18
Eurofins Korea Analytic Service Co., Ltd.	KR	Eurofins Environment Testing LUX Holding SARL	100%	04/18
Eurofins Labtarna Lietuva UAB	LT	Eurofins Food Testing LUX Holding SARL	100%	11/17
Eurofins Food Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	12/06
Eurofins Environment Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	12/06
Eurofins Pharma Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	12/06
Eurofins GSC LUX SARL	LU	Eurofins International Holdings LUX SARL	100%	10/06
Eurofins Agrosciences Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	07/07
Eurofins Product Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	04/08
Eurofins Real Estate LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	05/10
Eurofins Genomics LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	07/10
Eurofins Forensics LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	07/10
Eurofins Industrial Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100%	09/10
Eurofins International Holdings LUX SARL	LU	Eurofins Scientific S.E.	100%	12/10
Eurofins Water Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100%	10/11
Eurofins Pharma Services France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Food Chemistry Testing France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Hygiène Alimentaire France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Analyses pour la Construction France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Analyses pour l'Environnement France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Analyses Environnementales pour les Industriels France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Hydrologie France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	12/11
Eurofins Discovery Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	11/12

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins International Support Services LUX SARL	LU	Eurofins Scientific S.E.	100%	11/12
Eurofins Special Nutrition Testing LUX Holding SARL	LU	Eurofins Food Testing LUX Holding SARL	100%	12/12
Eurofins Clinical Testing Holding LUX SARL	LU	Eurofins International Holdings LUX SARL	100%	11/14
Eurofins Clinical Testing Services France LUX Holding SARL	LU	Eurofins Scientific S.E.	100%	05/15
Eurofins Air Monitoring LUX Holding SARL	LU	Eurofins Environment Testing LUX Holding SARL	100%	02/16
Eurofins Support Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	04/16
Eurofins Technology and Supplies LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	05/16
Eurofins Digital Testing International LUX Holding SARL	LU	Eurofins Product Testing LUX Holding SARL	91%	05/17
Equipment Leasing Corporation LUX SARL	LU	Eurofins Scientific S.E.	100%	09/17
Alpha Services LUX SA	LU	Eurofins Scientific S.E.	100%	12/17
Eurofins Material Sciences LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100%	05/18
Eurofins Sensory, Consumer research and Product design LUX Holding S.à.r.l.	LU	Eurofins International Holdings LUX SARL	100%	06/18
AgriQ Maroc S.A.R.L.	MA	Eurofins Sica AgriQ SL	100%	07/13
Eurofins Agroscience Services Maroc SARL	MA	Eurofins Agrosciences Services LUX Holding SARL	90%	06/18
Eurofins Sam Sensory & Marketing Morocco SARL	MA	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	100%	10/18
Insight Technologies, Ltd.	MU	Eurofins Laboratoire Dermscan SAS	60%	11/18
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
Eurofins Analytico BV	NL	Eurofins Environment Testing Netherlands Holding BV	100%	04/01
Eurofins Central Laboratory BV	NL	Eurofins Pharma Services LUX Holding SARL	100%	04/01
Eurofins Genomics BV	NL	Eurofins Scientific S.E.	100%	06/06
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
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
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
Eurofins Agro Testing Wageningen BV	NL	Holding BLGG BV	100%	07/13
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
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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
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
Den haan research laboratory for soil, water and vegetation BV	NL	Eurofins Agro Testing Benelux Holding BV	100%	04/16
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 Clinical Diagnostics Netherlands Holding BV	NL	Eurofins Clinical Testing Holding LUX SARL	100%	03/18
Eurofins Nederlands Moleculair Diagnostisch Laboratorium BV	NL	Eurofins Clinical Testing Holding LUX SARL	100%	03/18
Eurofins LCPL BV	NL	Eurofins Clinical Diagnostics Netherlands Holding BV	100%	03/18
Eurofins Materials Science Netherlands BV	NL	Eurofins Material Sciences LUX Holding SARL	100%	12/18
Eurofins Cyber Security Netherlands Holding BV	NL	Eurofins Product Testing LUX Holding SARL	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
Eurofins Environment Testing Norway AS	NO	Eurofins Environment Testing Norway Holding AS	100%	05/06
Eurofins Environment Testing Norway Holding AS	NO	Eurofins Environment Testing LUX Holding SARL	100%	09/07
Eurofins Food & Feed Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100%	09/07
Eurofins Food Testing Norway Holding AS	NO	Eurofins Food Testing LUX Holding SARL	100%	08/07
Eurofins Norge NSC AS	NO	Eurofins Support Services LUX Holding SARL	100%	12/07
Eurofins Agro Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100%	08/14
Moss Property Invest AS	NO	Eurofins Real Estate LUX Holding SARL	100%	08/14
Eurofins Radonlab AS	NO	Eurofins Environment Testing Norway Holding AS	100%	12/15
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 Agrosciences Services France Holding SAS	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
Wellington Port Road Real Estate Limited	NZ	Eurofins Real Estate LUX Holding SARL	100%	06/18
Eurofins Animal Health New Zealand Limited	NZ	Eurofins Agroscience Services Pty Ltd.	100%	12/18
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 Finance & Administration Poland Sp. z o.o.	PL	Eurofins International Holdings LUX SARL	100%	02/16
Eurofins Digital Testing Polska Sp. z.o.o.	PL	Eurofins Product Testing LUX Holding SARL	100%	06/16
Eurofins Environment Services Polska Sp. z o.o.	PL	Eurofins Environment Testing LUX Holding SARL	100%	12/16
Łódź Dubois Real Estate Sp. z o.o.	PL	Eurofins Real Estate LUX Holding SARL	100%	12/18

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Dermscan Poland Sp. z.o.o	PL	Eurofins Laboratoire Dermscan SAS	100%	11/18
Eurofins Lab Environment Testing Portugal, Unipessoal Lda.	PT	Eurofins Industrial Testing LUX SARL	100%	06/15
Sobrosa, Acácio j.a. Pereira, Real Estate, Unipessoal Lda.	PT	Eurofins Real Estate LUX Holding SARL	100%	12/18
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 NSC 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 Holding SRL	RO	Eurofins Food Testing LUX Holding SARL	100%	11/17
Eurofins Asbestos Testing SRL	RO	Eurofins Industrial Testing LUX SARL	100%	12/17
Food Analytica Laborator SRL	RO	Eurofins Food Testing Laboratories Holding S.R.L.	100%	01/18
Eurofins Clinical Testing SRL	RO	Eurofins Clinical Testing Holding LUX SARL	100%	12/18
Eurofins Food Testing d.o.o.	RS	Eurofins Food Testing LUX Holding SARL	100%	10/17
Eurofins Agro Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100%	01/04
Eurofins Milk Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100%	07/06
Eurofins Food Testing Sweden Holding AB	SE	Eurofins Food Testing LUX Holding SARL	100%	09/07
Eurofins Environment Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100%	10/07
Eurofins Environment Testing Sweden Holding AB	SE	Eurofins Environment Testing LUX Holding SARL	100%	09/07
Eurofins Food & Feed Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100%	10/07
Eurofins NSC Sweden AB	SE	Eurofins Support Services LUX Holding SARL	100%	01/08
Eurofins Biopharma Product Testing Sweden AB	SE	Eurofins Pharma Services LUX Holding SARL	100%	04/11
Eurofins Pegasuslab AB	SE	Eurofins Environment Testing Sweden Holding AB	100%	06/12
Uppsala Property Invest AB	SE	Eurofins Real Estate LUX Holding SARL	100%	03/14
Eurofins Digital Testing Sweden AB	SE	Eurofins Digital Testing International LUX Holding SARL	91%	07/16
Eurofins Radon Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100%	09/16
Eurofins Water Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100%	08/17
Eurofins Genomics Sweden AB	SE	Eurofins Genomics Europe Sequencing GmbH	100%	07/17
Lidköping Sjöhagsgatan Real Estate AB	SE	Eurofins Real Estate LUX Holding SARL	100%	12/17
PharmaControl MQL AB	SE	Eurofins Biopharma Product Testing Sweden AB	100%	11/17
Eurofins Biofuel & Energy Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100%	04/18
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
Eurofins EAG Materials Science Singapore, Pte. Ltd.	SG	Eurofins EAG Materials Science, LLC	100%	12/17
Eurofins Food Testing Singapore Pte Ltd.	SG	Eurofins Food Testing LUX Holding SARL	100%	08/18
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
NCAlabs Co. Ltd.	TH	TestAmerica Laboratories, Inc.	100%	11/18
Dermscan Tunisie SARL	TN	Eurofins Laboratoire Dermscan SAS	100%	11/18
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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Ekosmyrna Analiz Gida Arastirma Hizmetleri A.S.	TR	Eurofins Ecosur SA	100%	07/18
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
Eurofins EAG Materials Science Taiwan, LLC	TW	Eurofins EAG Materials Science Taiwan, LLC	100%	12/17
Eurofins NSC Taiwan, Ltd.	TW	Eurofins Support Services LUX Holding SARL	100%	06/18
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 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
Eurofins Genomics UK Limited	UK	Eurofins Genomics LUX Holding SARL	100%	07/05
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
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	Eurofins Biologie Spécialisée 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 SARL	100%	07/16
NDSM Limited	UK	Eurofins Agroscience Services UK Holding Limited	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
Eurofins Forensic Services Limited	UK	Eurofins Forensics LUX Holding SARL	100%	10/17
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 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 Holding SARL	100%	03/18
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 SARL	100%	08/18
Eurofins Food Integrity Testing UK Limited	UK	Eurofins Food Testing LUX Holding SARL	100%	08/18
Eurofins County Pathology Limited	UK	Eurofins Clinical Testing Holding LUX SARL	100%	10/18
Eurofins Integrated Discovery UK Limited	UK	Eurofins Discovery Services LUX Holding SARL	100%	12/18
Eurofins Scientific Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	01/92

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Central Laboratory LLC	US	Eurofins Lancaster Laboratories Inc.	100%	06/06
Eurofins Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	04/07
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, LLC	US	Eurofins EAG Agroscience, LLC	100%	01/07
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	06/09
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
Eurofins DQCI, LLC	US	Eurofins Food Testing US Holdings Inc.	100%	10/11
Eurofins Air Toxics, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	01/12
Eurofins QTA Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	02/12
Eurofins Eaton Analytical, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	07/12
Eurofins Frontier Global Services, LLC	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
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, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	05/14
Eurofins Viracor, Inc.	US	Eurofins Pharma US Holdings II Inc.	100%	07/14
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 Corporation	US	Eurofins Clinical Testing US Holdings, Inc.	100%	01/15
Eurofins Lancaster Laboratories Professional Scientific Services LLC	US	Eurofins Lancaster Laboratories Inc.	100%	02/15
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, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	04/15
Diatherix Laboratories, LLC	US	Eurofins Viracor, Inc.	100%	05/15
EGL Genetic Diagnostics LLC	US	Eurofins Viracor, Inc.	91%	06/15
Eurofins Spectrum Analytical, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	07/15
Eurofins Clinical Molecular Testing Services, LLC	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
Eurofins 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
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, LLC	US	Eurofins Lancaster Laboratories Inc.	100%	07/17
Eurofins DiscoverX Corporation	US	Eurofins Pharma US Holdings II Inc.	100%	09/17
Eurofins 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
Eurofins EAG Materials Science, LLC	US	Eurofins EAG Holdings, Inc.	100%	12/17
Eurofins BioPharma Product Testing Columbia, Inc.	US	Eurofins EAG Holdings, Inc.	100%	12/17
Eurofins MET Laboratories, Inc.	US	Eurofins Product Testing US Holdings, Inc.	100%	12/17
Eurofins CEI, Inc.	US	Eurofins Lancaster Laboratories Inc.	100%	01/18
Eurofins Cyber Security North America, Inc.	US	Eurofins Product Testing US Holdings, Inc.	100%	04/18
Eurofins Genomics Engineering, LLC	US	Eurofins Pharma US Holdings II Inc.	100%	03/18
The National Food Lab, Inc.	US	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	100%	08/18
Eurofins Sensory, Consumer Research and Product Design US Holding, Inc.	US	Eurofins Sensory, Consumer research and Product design LUX Holding SARL	100%	08/18
Eurofins Food Chemistry Testing Madison, 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 SARL	100%	08/18
Eurofins EAG Agroscience, LLC	US	Eurofins EAG Holdings, Inc.	100%	05/18
EAG Materials Science US Holding, Inc.	US	Eurofins Material Sciences LUX Holding SARL	100%	08/18

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins CRL Cosmetics, Inc.	US	Eurofins Product Testing US Holdings, Inc.	100%	08/18
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 Corporation	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 SARL	100%	08/18
Eurofins EAG Engineering Science, LLC	US	Eurofins EAG Holdings, Inc.	100%	12/18
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.

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 SARL	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
T-rex Ltd	ZA	Eurofins Agrosciences Services LUX Holding	20%	Equity method

There are no quoted prices available for the companies consolidated by equity method due to their small size (in annual revenues and assets). These companies are not considered to be material (see Note 3.3).

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2 Auditor's Report on Eurofins Scientific SE's Consolidated Financial Statements

To the Shareholders of
Eurofins Scientific S.E.
23, Val Fleuri
L-1526 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Eurofins Scientific SE and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statements and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and 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.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 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 are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of Eurofins Scientific S.E. for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 4 March 2019.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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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. These matters were addressed in the context of the 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 the Key Audit Matter was addressed in our audit
Impairment of Goodwill Reference is made to note 3.2 Intangible assets. At 31 December 2019, the Group's consolidated balance sheet includes 3,608.8MEUR of goodwill (46% of the total Group assets). Under IAS 36 "Impairment of Assets", the Group is required to perform at least annually an impairment test of goodwill or whenever there are indicators of impairment. The annual impairment test was significant to our audit because the assessment process involves significant management judgements and was based on assumptions that are affected by expected future market and economic conditions. Due to the size of the goodwill balance and its dependence on management judgement, we considered this area to be a key audit matter. We have pinpointed the risk to those areas that are particularly sensitive to changes in key assumptions. The key assumptions used in the preparation of the impairment test are: • Adjusted EBITDA; • Long term growth rates; • Weighted average cost of capital The key assumptions and sensitivities are disclosed in note 3.2 to the consolidated financial statements.	Our audit procedures included amongst others: • Obtaining an understanding of the management's annual impairment test as well as tested the design and implementation of related relevant controls • Assessing the appropriateness of management's identification of the GCGUs based on management's reporting and organizational structure • Evaluating and benchmarking against external sources, with the assistance of our valuation specialists, the assumptions and the valuation methodologies used to determine the value in use in the annual impairment tests prepared by the Group • Challenging management's assumptions that were most sensitive including Adjusted EBITDA, weighted average cost of capital, long-term growth rates. These procedures included corroborating management's judgements by comparing the assumptions to historic performance, local economic development and industry outlook • Recalculating the carrying values and calculations used in the impairment test • Assessing the sensitivity to changes of the respective assumptions on the outcome of the impairment test We also assessed the adequacy of the Group's related disclosures in note 3.2 to the consolidated financial statements.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Purchase Price Allocation in the context of acquisitions As disclosed in note 3.18 to the consolidated financial statements, the Group acquired 26 companies in 2019 for a total consideration of 168.5 MEUR, including amounts payable for these transactions and deferred consideration. In the case of acquisitions, the Group applies the accounting principles under IFRS 3. The Purchase Price Allocations ("PPA") and the determination of fair value of assets and liabilities acquired was significant to our audit as the assessment process is complex and judgmental by nature as it is based on assumptions of future economic conditions, impacting the estimates regarding future cash flows. The Group hired third party valuation experts to assist in the valuation and allocation of the PPA for the North American acquisitions and performed the valuation internally for the other acquisitions. Due to the dependence on management judgement, we considered this area to be a key audit matter.	Our audit procedures included amongst others: • Obtaining an understanding of the acquisition process including the process of Purchase Price Allocation as well as tested the design and implementation of related relevant controls • Inquiring of management throughout the year regarding new transactions the Company considered and of their business purpose • Reading relevant contracts, agreements, board minutes which supported our conclusions in respect of the acquisition accounting • Evaluating the work performed by the management and its external valuation experts, including the valuation and identification of the different intangible and tangible assets and liabilities • Involving internal specialists to challenge the methodology and underlying assumption used in the valuations We also assessed the adequacy of the Group's related disclosures in note 3.18 to the consolidated financial statements.
Decentralization of operations As disclosed in the notes to the consolidated financial statements, the Group includes more than 900 subsidiaries and associates together (components) whose operations extend across 50 countries in Europe, North and South America, Africa and Asia-Pacific. The range of the Group's activities is considerable while various types of activities are undertaken in almost each country. The components are of different sizes.	Our audit procedures included amongst others: • Obtaining an understanding of the Group financial reporting process including adjustments performed at Group level for consolidation purposes as well as the design & implementation of related relevant controls • Obtaining a full list of components within the Group and testing the accuracy and completeness of the consolidation scope • Instructing component audit teams to perform audit procedures on the financial information prepared for consolidation purposes. Components were selected by the Group Engagement Team considering their size, location and risk level • Working with the component audit teams to

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Components have also different • Customers, suppliers and, more generally, stakeholders; • Information systems for financial reporting and operating purposes. The level of integration of these information systems can vary considerably from one component to another, and; • Levels of maturity in terms of integration to the rest of the Group and internal controls, due to the intensive acquisitions strategy of the Group's management over the past years. The decentralized and varied natures of the Group's operations require significant oversight by Group management to monitor its activities, review component financial reporting and undertake financial consolidation. The above factors increase the size, the numbers and magnitude of risks as well as the complexity of the audit. Therefore, we considered this area to be a key audit matter.	understand the components, identifying risks significant to the audit of the Group and planning relevant audit procedures • Evaluating the work performed by the component audit teams for our purposes, including on site reviews of their audit files • Assessing the compliance of components selected with the Group's accounting policies • Reconciling the financial data used in the consolidation with the financial data audited by component audit teams (including the consolidation entries) • For the other components not within the Group Engagement Team scope, performing analytical procedures to deepen our understanding of these components, corroborate our scoping decisions, and address any residual risk of material misstatements
Related parties transactions on real estate leasing As disclosed in note 4.10 "Related-party transactions" to the consolidated financial statements, the company Analytical Bioventures S.C.A. and its subsidiaries, which are controlled by the Group CEO and his family, bought or built a large number of buildings leased to the Group. For the year ended 31 December 2019, the Group paid an annual rent of 28.7 MEUR to Analytical Bioventures S.C.A. while following adoption of IFRS16, lease liabilities amounting to 182.7 MEUR have been recorded on the consolidated balance sheet as at 31 December 2019.	Our audit procedures included amongst others: • Obtaining an understanding of the Group's related parties relationships and transactions • Obtaining an understanding of the Group's process for real estate transactions with related parties as well as the design & implementation of related relevant controls • Reviewing the minutes of the meetings of the Group's Corporate Governance Committee which is in charge of ensuring that real estate leases of the Group with related parties comply with the arm's length principle • Obtaining from the Group's management the exhaustive list of the Group's related parties • Sharing this list with components' auditors and

Deloitte.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
The Group's CEO, his family as well as Analytical Bioventures S.C.A. and its subsidiaries, are considered to be related parties. There is an inherent risk that transactions with these parties do not comply with the arm's length principle. Due to the number and size of the Group's transactions with these related parties for real estate leasing purposes, and the potential magnitude of the implied risk of non-compliance with the arm's length principle, we considered this area to be a key audit matter.	requesting them: - To report to the Group Engagement Team any related party not included in this list as well as any transaction and / or relationship with related parties that was not disclosed to them as such - To report to the Group Engagement Team any event of non-compliance with the Group's policies for transactions and relationships with related parties - To identify all the component's real estate leasing transactions with related parties and test, on a sample basis, related leasing contracts for compliance with the arm's length principles • Obtaining available reports from third party experts in real estate valuation prepared in respect of the leases contracted by the Group with related parties. • Inspecting these reports and concluding whether the related contracts imply any material breach of the arm's length principle We also assessed the adequacy of the Group's related disclosures in note 4.10 to the consolidated financial statements.
First adoption of IFRS 16 As disclosed in note 1.2.1 "Summary of significant accounting policies" to the consolidated financial statements, 'IFRS 16 – Leases' becomes effective for annual reporting beginning on or after 1 January 2019. The Group has adopted this new standard on 1 January 2019 using the modified retrospective approach. IFRS 16 introduces a new lease accounting model, where lessees are required to recognize a right-of-use ("ROU") asset and a lease liability arising from a lease on its balance sheet. The application of the new standard gave rise to material impacts on the Group's opening balances as of	Our audit procedures included amongst others: • Obtaining an understanding of the Group's process in identifying lease contracts as well as tested the design and implementation of related relevant controls • Reviewing the Group's accounting policies and option elections in respect of IFRS 16 and challenging these for compliance with the standard • Obtaining the complete list of Group's lease contracts • Testing a selection of contracts on which the Group applied IFRS 16 to assess whether leases have been properly identified and properly accounted for • Testing a sample of contracts excluded from the scope of IFRS16 by the Group and challenge

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Key Audit Matter	How the Key Audit Matter was addressed in our audit
1 January 2019: the recognition of a ROU of 483.7 MEUR, an increase of lease liabilities of 512.7 MEUR, a decrease in equity of 21.4 MEUR and an increase of DTA of 7.6 MEUR. This first time adoption also implied the exercise of judgment from management and created situations increasing the risk of accounting errors: • Identification of all contracts in the scope of IFRS 16 and collection of all related relevant data. This step was critical considering that the Group is considerably decentralized and has more than 950 subsidiaries; • Determination of lease terms considering termination and renewal options; • Application of exemptions allowed by IFRS 16; • Valuation of incremental borrowing rates at country level; • Measurement of ROU and lease liabilities. Considering the above, the effect of the first adoption of IFRS 16 had a material impact on our audit, and was therefore considered as a key audit matter.	whether their exclusion met standard's requirements • Testing the incremental borrowing rate for a selection of countries • Testing the valuation of deferred tax assets We also assessed the adequacy of the Group's related disclosures in note 1.2.1 to the consolidated financial statements.
Data Security Incident As disclosed in note 4.12 "Cyber-attack" to the consolidated financial statements, in June 2019, the IT systems of the Group were subject to a cyberattack impacting the majority of its IT systems supporting both operating and administrative activities across the world. During a few weeks, certain Group's IT systems were not accessible by the end users of the concerned Eurofins entities. This attack had a considerable impact on the operations of the Group, its 2019 financial performance but also on operational and accounting systems. As part of our audit, we focused on this area to assess whether the principal financial systems used in the	Our audit procedures included amongst others: • Inquiring the Group Management and the Group Chief Information Officer to understand their assessment of the risks related to the cyber security and the measures put in place to mitigate these risks • Involving IT specialists in order to assess the Group's IT deficiencies that made the cyber-attack achievable and the conclusions of the Group's IT experts • Identifying potential breach of data privacy and potential associated litigations and liabilities • Testing the amount of insurance reimbursement booked by the Group as of 31 December 2019 related to this cyberattack

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Key Audit Matter	How the Key Audit Matter was addressed in our audit
preparation of the Group financial statements were compromised during the attack. In addition, we focused on the judgement made by management in their assessment of both the potential related liability and the adequacy of the amount to be recovered by the insurers. Due to the significant impact of the cyber-attack into the Group's activities as well as the dependency of the Group on its IT structure, we considered this area to be a key audit matter.	We also assessed the adequacy of the Group's related disclosures in note 4.12 to 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 report of the "Réviseur d'Entreprises Agréé" 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 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 this 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 these 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 alternative but to do so.

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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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" 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 N° 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 N° 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 skepticism 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 report of the "Réviseur d'Entreprises Agréé" 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 report of the "Réviseur d'Entreprises Agréé". 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 report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 25 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is three years.

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 accounts / financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

David Osville, *Réviseur d’Entreprises Agréé*

Partner

3 March 2020

3 Annual accounts - EUROFINS SCIENTIFIC S.E.

Profit and Loss Account

For the year ended 31 December 2019

EUR Millions	Notes	2019	2018
Net turnover	4.1	**0.4**	**0.8**
Other operating income	4.1	-	0.4
Raw materials and consumables		-0.1	-0.4
Other external expenses	4.1	-2.2	-1.7
Wages and salaries		-0.4	-0.1
Social security costs		-0.1	-0.1
Staff costs	5.2	-0.6	-0.2
Value adjustments			
a) in respect of tangible and intangible fixed assets		-	-
Other operating expenses		-0.1	-0.2
Income from participating interests			
a) derived from affiliated undertakings	4.2	34.8	11.3
Other interest receivable and similar income	4.3		
a) derived from affiliated undertakings		101.8	133.8
b) other interest and similar income		28.8	55.4
Value adjustments in respect of financial assets and of investments held as current assets	3.1 / 3.2 / 4.4	2.7	1.0
Interest payable and similar expenses			
a) concerning affiliated undertakings		-	-
b) other interest and similar expenses	4.5	-112.6	-106.2
Tax on profit or loss	4.6	-0.4	0.8
Profit or loss for the financial year		**52.4**	**94.8**

The accompanying notes form an integral part of the annual accounts.

Balance Sheet

EUR Millions	Notes	31 December 2019	31 December 2018
Fixed assets			
Shares in affiliated undertakings		4,518.6	4,319.4
Other loans		-	-
Financial assets	3.1	4,518.6	4,319.4
		4,518.6	**4,319.4**
Current assets			
Debtors			
Trade debtors			
a) becoming due and payable within one year		0.5	0.6
Amounts owed by affiliated undertakings	3.2		
a) becoming due and payable within one year		158.7	483.7
b) becoming due and payable after more than one year		894.5	2,248.8
Other debtors			
a) becoming due and payable within one year		28.0	24.0
Cash at bank and in hand / Transferable securities	3.3	1.8	120.3
		1,083.8	**2,879.1**
Prepayments	3.4	**13.2**	**16.1**
Total Assets		**5,615.3**	**7,212.9**
Capital and reserves	3.5		
Subscribed Capital		1.8	1.8
Share premium account		982.4	958.9
Reserves			
1. Legal reserve		0.2	0.2
2. Other reserves		0.6	0.6
Profit or loss brought forward		111.2	67.5
Profit or loss for the financial year		52.4	94.8
		1,148.6	**1,123.8**
Provisions	3.6		
Provisions for pensions and similar obligations		0.1	0.1
Other provisions		-	-
		0.1	**0.1**
Creditors			
Non convertible loans	3.7 / 3.9		
a) becoming due and payable within one year		46.3	62.9
b) becoming due and payable after more than one year		2,650.0	2,650.0
Amounts owed to credit institutions	3.8 / 3.9		
a) becoming due and payable within one year		320.7	364.1
b) becoming due and payable after more than one year		955.0	1,040.0
Trade creditors	3.9		
a) becoming due and payable within one year		2.1	1.1
Amounts owed to affiliated undertakings	3.9 / 3.10		
a) becoming due and payable within one year		492.0	1,967.0
Other creditors	3.9		
a) Tax authorities		0.3	0.1
b) Social security authorities		0.1	-
c) Other creditors (becoming due and payable within one year)		-	0.9
		4,466.5	**6,086.1**
Deferred income	3.11	**0.1**	**3.0**
Total Capital, Reserves and Liabilities		**5,615.3**	**7,212.9**

The accompanying notes form an integral part of the annual accounts.

Notes to the annual accounts

Note 1 General information

In the annual accounts and the notes all amounts are shown in EUR millions (m) and differences of EUR +/- 0.1m 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 Scientific, through its subsidiaries (hereinafter "Eurofins" or "the Group"), believes it is a global leader in food, environmental, pharmaceutical and cosmetics products testing and in agroscience contract research organisation (CRO) services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, contract development and manufacturing organisation (CDMO), advanced material sciences and in the support of clinical studies. In addition, Eurofins is one of the leading global emerging players in esoteric clinical diagnostic testing. With over 47,000 staff across a network of more than 900 independent companies in over 50 countries generally specialised by end client markets and operating more than 800 laboratories, Eurofins offers a portfolio of over 200,000 analytical methods to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as providing innovative clinical diagnostic testing services.

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 31 December 2019 for a period of twelve months, from 1 January 2019 to 31 December 2019.

These annual accounts have been adopted for issue by the Board of Directors on 26 February 2020 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 19 December 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 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 discontinued 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

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 discontinued 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 discontinued 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 discontinued 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 discontinued 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 discontinued 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

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 covered the foreign exchange currency exposure of Eurofins GSC Finance NV (Note 5.3). This hedge has been terminated during 2019.

Exposure to other markets risks
The Group used 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 corresponded to listed equity derivatives.

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 3.11).

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 International Financial Reporting Standards (IFRS) adopted in the Europeen Union.

Note 3 Notes related to the Balance Sheet

3.1 Financial assets

EUR Millions	Opening	Additions	Merger	Disposals/ Reduction	Closing
Cost					
Shares in affiliated undertakings	4 337.6	1,615.7	-	1,417.9	4,535.4
Shares in participating interests	1.5	1.5	-	-	3.0
Other financial assets	-	-	-	-	-
Total	**4 339.1**	**1,617.2**	**-**	**1,417.9**	**4,538.4**
Value adjustment					
Shares in affiliated undertakings	19.7	0.1	-	-	19.8
Total	**19.7**	**0.1**	**-**	**-**	**19.8**
Net book value	**4 319.4**	**1,617.1**	**-**	**1,417.9**	**4,518.6**

Additions

Capital increases were carried out in the following subsidiaries during 2019 by contribution in cash or in kind for a total amount of EUR 1,617.2m:

- Eurofins Finance Luxembourg SARL for EUR 1,561.0m;
- Eurofins Genomics BV for EUR 41.5m;
- Eurofins Hydrologie France LUX Holding SARL for EUR 6.9m;
- Eurofins Pharma Services France Holding LUX SARL for EUR 6.1m;
- Eurofins Biologie Medicale Ile de France SELAS EUR 1.5m;
- Eurofins Product Service GmbH for EUR 0.2m.

Disposals/ Reduction

In 2019, Eurofins GSC Finance NV reduced its share capital, and the Company adjusted the value of its shares in Eurofins GSC Finance NV accordingly by EUR 1,417.9m (Note 3.10).

Value adjustment

As of 31 December 2019, depreciation on subsidiaries pertained to: Eurofins Product Service GmbH for EUR 5.7m (increase of EUR 0.1m during the period) and Eurofins Hydrologie France LUX Holding SARL for EUR 14.1m.

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. The Board of Directors concluded that no additional value adjustments should be recorded.

Shares in affiliated undertakings (information based on the Balance Sheet as at 31 December 2019):

EUR Millions	Registered office	Book value of capital held		% of capital held	Net turnover	Result for the financial year	Net equity	Income from financial assets (parent company)
		Gross	Net		(Unaudited)	(Unaudited)	(Unaudited)	
Eurofins Product Service GmbH	Storkower Str. 38c, DE-15526 Reichenwalde	10.6	4.9	100%	5.7	-0.1	4.9	-
Eurofins GSC Finance NV	Avenue Hermann-Debroux 48, BE-1160 Brussels	47.5	47.5	100%	-	-	132.0	-
Eurofins Genomics BV	Bergschot 71, NL-4817PA Breda	102.8	102.8	100%	-	-	119.3	-
Eurofins International Holdings Lux SARL	23 Val Fleuri, Grand Duchy of Luxembourg	1,962.1	1,962.1	100%	-	-7.0	2,323.9	-
Eurofins International Support Services Lux SARL	23 Val Fleuri, Grand Duchy of Luxembourg	-	-	100%	-	1.0	9.9	-
Eurofins Clinical Testing Services France Lux SARL	23 Val Fleuri, Grand Duchy of Luxembourg	378.5	378.5	100%	-	-0.1	419.0	23.0
Equipment Leasing Corporation Lux SARL	2 rue Heinrich Heine L-7720 Luxembourg	0.1	0.1	100%	-	-	0.1	-
Alpha Services Lux S.A.	2 rue Heinrich Heine L-7720 Luxembourg	0.1	0.1	100%	-	-0.5	-1.4	-
Eurofins Forensics Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	56.5	56.5	100%	-	-0.2	43.4	0.9
Eurofins Pharma Services France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	155.7	155.7	100%	-	-	160.2	-
Eurofins Food Chemistry Testing France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	64.0	64.0	100%	-	-	63.8	4.3
Eurofins Hygiène Alimentaire France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	42.5	42.5	100%	-	-	43.4	1.5
Eurofins Analyses pour la Construction France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	41.7	41.7	100%	-	-0.1	33.8	2.9
Eurofins Analyses pour l'Environnement France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	18.7	18.7	100%	-	-	4.0	1.0
Eurofins Analyses Environnementales pour les Industriels France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	33.1	33.1	100%	-	-0.1	34.4	1.3
Eurofins Hydrologie France Lux Holding SARL	23 Val Fleuri, Grand Duchy of Luxembourg	60.5	46.5	100%	-	-	46.6	-
Eurofins Finance Luxembourg SARL	23 Val Fleuri, Grand Duchy of Luxembourg	1,561.0	1,561.0	100%	-	57.4	1,618.4	-
		4,535.4	**4,515.6**					**34.8**

3.2 Amounts owed by affiliated undertakings

EUR Millions	2019	2018
Eurofins GSC Finance NV	1.4	325.8
Eurofins Clinical Testing Services France Lux SARL	47.3	-
Eurofins International Holdings LUX SARL	-	16.5
Other direct ownership[1]	26.3	44.1
Total direct ownership	75.0	386.4
Indirect ownership[1]	46.9	75.2
Interests due on these advances	12.5	21.8
Debtors	24.3	0.3
Total short term advances	**158.7**	**483.7**
Direct ownership[1]	20.4	10.5
Eurofins Pharma US Holdings II Inc.	-	511.5
Eurofins EAG Materials Science, LLC	-	177.6
Eurofins Food Chemistry US, Inc.	-	102.4
France Biologie de Spécialité Holding S.A.S.	-	77.3
Eurofins Viracor, Inc.	-	61.0
Eurofins Labazur Provence S.E.L.A.S.	73.1	53.5
TestAmerica Laboratories, Inc.	-	52.3
Eurofins Clinical Testing Italia Holding Srl	43.8	43.8
Eurofins Labazur Nice S.E.L.A.S.	36.5	34.6
Eurofins Food Testing Netherlands Holding BV	34.2	34.2
Eurofins BioPharma Services Holding Germany GmbH	14.9	32.9
St. Marien Krankenhaus Lampertheim GmbH	18.4	32.6
Alphora Research, Inc.	-	30.6
EAG Materials Science US Holding, Inc.	-	29.7
Eurofins Product Testing US Holdings, Inc	-	24.7
Eurofins Lancaster Laboratories Inc.	-	24.2
Eurofins MWG Holding GmbH	23.9	23.9
Eurofins Megalab S.A.	21.1	23.1
Eagle Ventures S.A.S.	-	21.1
Eurofins Labazur Bretagne S.E.L.A.S.	20.6	20.6
Eurofins Product Testing Italia Holding Srl	22.2	-
Eurofins Bio Lab S.E.L.A.S	35.0	-
Eurofins Food Testing Hamburg Germany Holding GmbH	23.0	-
Other indirect ownership[1]	507.4	826.8
Total indirect ownership	874.1	2,238.3
Total medium term advances	**894.5**	**2,248.8**
Total	**1,053.2**	**2,732.5**

[1] Other direct and indirect ownership short and medium term advances concerns 262 subsidiaries of the Group as of 31 December 2019 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 decrease of the amounts owed by affiliated undertakings at the end of 2019 is mainly related to the reorganisation of the internal financing of the Group as from Q3 2019 onwards centralized through Eurofins Finance Luxembourg SARL.

The medium term advances have a maturity between 2 and 8 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 6.9m have a maturity of 10 years and a fixed interest rate based on local real estate financing markets conditions.

3.3 Cash at bank and in hand / Transferable securites

EUR Millions	2019	2018
Cash at bank and in hand	1.8	97.9
Short term deposits with banks	-	22.4
Total	**1.8**	**120.3**

Cash is owned by Eurofins Scientific S.E. in Luxemburg for EUR 0.4m and by the French branch of Eurofins Scientific S.E. for EUR 1.4m.

The short term deposits with banks consisted of money market funds as well as interest bearing accounts and deposit certificates in Euros and USD.

3.4 Prepayments

EUR Millions	2019	2018
Prepayments	13.2	16.1

EUR Millions	2019	2018
At beginning of the year	16.1	16.8
Issuance costs	2.8	3.9
Amortisation of deferred charges	-5.7	-4.6
At end of the year	**13.2**	**16.1**

Issuance costs are mainly related to Hybrid instruments, Eurobonds and Schuldschein loan outstanding (Notes 3.7 and 3.8).

The prepayments include caps for the Schuldschein loan for an amount of EUR 0.3m as of 31 December 2019 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.

3.5 Capital and reserves

The movements for the year are as follows:

EUR Millions	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	**1.8**	**958.9**	**0.2**	**0.6**	**67.5**	**94.8**	**1,123.8**
Allocation of previous year's profit/loss	-	-	-	-	f 94.8	-94.8	**-**
Dividend	-	-	-	-	-51.1	-	**-51.1**
Share capital and share premium increase	-	23.5	-	-	f -	-	**23.5**
Profit or loss for the financial year	-	-	-	-	-	52.4	**52.4**
At end of the year	**1.8**	**982.4**	**0.2**	**0.6**	**111.2**	**52.4**	**1,148.6**

Subscribed capital and share premium increased by EUR 23.5m through:

- Exercise of stock options by employees (124,810 new shares have been issued);

- 22,700 new shares issued from the exercice of Eurofins 2014 BSA Leaders warrants;

- On 28 March 2019, reserved capital increase by way of contribution in kind of shares in the company Eurofins Biologie Médicale Ile de France for an amount of EUR 1.5m with the issuance of 3,857 new shares at a subscription price of EUR 0.10 per share in relation to the acquisition of Eurofins Laboratoire Des Pyramides.

The issuance costs of capital for EUR 0.1m are recorded in the Income Statement.

The net gain of FY2018 (EUR 94.8m) has been fully allocated to retained earnings.

Additionally, an amount of EUR 51.1m has been taken out of retained earnings in order to distribute a dividend of EUR 2.88 per share for an amount of EUR 51.1m. Retained earnings stood at EUR 111.2m at the end of December 2019.

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	17,752,158	0.10	1,775,216
Shares issued	151,367	0.10	15,137
At end of the year	**17,903,525**	**0.10**	**1,790,353**

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	2019	2018
At beginning of the year	681,875	828,804
Options granted *	382 513	-
Options exercised	-124 810	-89,204
Options expired	-73 431	-57,725
At end of the year	**866,147**	**681,875**

* Under conditions (strike price, date of exercise, etc.) of new option plans.

As at 31 December 2019, 866,147 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 of the Company and of its direct and indirect subsidiaries.

Movements in the number of free shares outstanding are as follows:

Free shares	2019	2018
At beginning of the year	21,052	24,278
Free shares granted	23,816	-
Free shares lost	-4,337	-3,226
At end of the year	**40,531**	**21,052**

2014 BSA Leaders warrants

2014 BSA Leaders Warrants	2019	2018
At beginning of the year	89,600	117,820
Warrants exercised	-22,700	-13,120
Warrants lost	-	-15,100
At end of the year	**66,900**	**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 1 July 2018 and 30 June 2022. The subscription price was set at EUR 18.15 per warrant.

2018 BSA Leaders warrants

2018 BSA Leaders Warrants	2019	2018
At beginning of the year	124,460	-
Warrants granted	-	124,460
Warrants exercised	-	-
Warrants lost	-10,791	-
At end of the year	**113,669**	**124,460**

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 1 June 2022 and 31 May 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 31 December 2019, 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 20 April 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from 1 July 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 30 June 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 6,517,116 as of 31 December 2018 to 6,511,615 as of 31 December 2019.

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 30 June 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, June 2018 and May 2019 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (4,000,000 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 400,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units increased from 3,000,000 as of 31 December 2018 to 4,000,000 as of 31 December 2019.

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 31 December 2019, a total amount of 10,511,615 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 28,414,740.

Own shares
As at 31 December 2019, the Company does not own any of its shares (same as of 31 December 2018). 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.

3.6 Provisions

EUR Millions	Opening	Changes	Closing
Retirement benefit obligation	0.1	-	0.1
Other provisions	-	-	-
Total provisions	**0.1**	**-**	**0.1**

3.7 Non convertible loans

The non convertible loans are composed of:

EUR Millions	2019	2018
Eurobonds – short term	-	-
Interest due – Eurobonds and hybrids	46.3	62.9
Total – short term	**46.3**	**62.9**
Eurobonds – more than one year	1,650.0	1,650.0
Hybrid instruments	1,000.0	1,000.0
Total – more than one year	**2,650.0**	**2,650.0**

Hybrid instruments

EUR Millions	2019	2018
Nominal amount	1,000.0	1,000.0
Interest due	14.3	30.8
Total	**1,014.3**	**1,030.8**

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 had a perpetual maturity, but was callable at par by Eurofins in January 2020. It bore 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 was listed on the Frankfurt open market (ISIN XS 0881803646).
In 2019 the Company repurchased this outstanding EUR 300m hybrid instrument.

Hybrid instrument with a first call date on 11 August 2022:

In September 2019, Eurofins raised a EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins in August and September 2022. This hybrid instrument bears a fixed annual coupon of 2.875% for the first three years, and a coupon of Euribor 3m + 605.8 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS2051471105).

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 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 hybrid instruments outstanding in 2019, 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%). In addition an amount of EUR 19.8m was paid in September and October 2019 in relation to the repurchase of EUR 300m hybrid instrument with a first call date on 31 January 2020.
This amount represents 1) the premium paid to repurchase the notes in September 2019 for EUR 6.4m and 2) the pro-rata coupon between 31 January 2019 (regular yearly coupon payment date) and the respective repurchase dates in September 2019 and October 2019.

Eurobonds

EUR Millions	2019	2018
Nominal amount	1,650.0	1,650.0
Interests due	32.0	32.0
Total	**1,682.0**	**1,682.0**

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 27 January 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 30 January 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 25 July 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 31 December 2019 is equal to EUR 512m for its Eurobond due in January 2022, to EUR 526m for its Eurobond due in January 2023 and to EUR 661m for its Eurobond due in July 2024.

3.8 Amounts owed to credit institutions

The amounts owed to credit institutions are detailed as follows:

EUR Millions	2019	2018
Borrowings	1,272.0	1,401.0
Interests and commissions due	3.7	3.1
Total	**1,275.7**	**1,404.1**

Commercial paper
In September 2017, Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") for a maximum amount of EUR 750m. This program is used to issue short term notes with a minimum size of EUR 0.2m and maturity of less than one year. At the end of December 2019, notes were outstanding for an amount of EUR 317m under this program.

Schuldschein loan
In 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 2019, Eurofins had used some of its bilateral credit lines for EUR 405m. In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2019 : in particular, as of 31 December 2019, Eurofins had access to over EUR 500m committed mid-term (3 to 5 years) bilateral bank credit lines in addition to those drawn or used to back commercial paper drawings. None of the bilateral credit lines are maturing in 2020.

3.9 Maturity of creditors

EUR Millions	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Hybrid instruments	1,014.3	14.3	-	1,000.0
Eurobonds	1,682.0	32.0	1,650.0	-
Borrowings	1,275.7	320.7	768.5	186.5
Trade creditors	2.1	2.1	-	-
Amounts owed to affiliated undertakings	492.0	492.0	-	-
Creditors for tax	0.3	0.3	-	-
Creditors for social security	0.1	0.1	-	-
Other creditors	-	-	-	-
Total	**4,466.5**	**861.5**	**2,418.5**	**1,186.5**

3.10 Amounts owed to affiliated undertakings

EUR Millions	2019	2018
Eurofins NSC Finance France SAS	-	84.2
Eurofins Forensics Lux Holding SARL	-	0.9
Eurofins Analyses pour la construction Luxembourg Lux Holding SARL	-	9.9
Eurofins Analyses pour l'environnement France Lux Holding SARL	0.8	0.1
Eurofins GSC Finance NV	177.2	1,848.7
Eurofins Analyses Environnementales pour les industriels France Lux Holding SARL	0.9	-
Eurofins International Holding Lux SARL	157.9	-
Eurofins Finance Luxembourg SARL	126.2	-
Equipment Leasing Corporation LUX SARL	0.1	-
Total deposit from affiliates	**464.7**	**1,943.8**
Net amount due under the French Tax unity	27.2	22.3
Creditors	0.1	0.9
Total	**492.0**	**1,967.0**

In 2019, the amount owed to Eurofins GSC Finance NV has been mainly settled in the course of 2019 with the amounts owed by the subsidiary (Note 3.2: EUR 324m) and offset against a capital reduction of the subsidiary (Note 3.1: EUR 1,418m).

Other amounts owed to affiliated undertakings (payable within one year or less) are mainly related to cash advances, generating no interests.

3.11 Deferred income

EUR Millions	2019	2018
Deferred income	0.1	0.2
Premium received on hybrid instrument	-	2.8
Total	**0.1**	**3.0**

EUR Millions	2019	2018
Premium received	2.8	5.3
Amortisation	-2.8	-2.6
At end of the year	**-**	**2.8**

The premium paid above par value by holders of the hybrid instrument issued in July 2014 has been 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

EUR Millions	2019	2018
Dividends	34.8	11.3
Total	**34.8**	**11.3**

4.3 Other interest receivable and similar income

EUR Millions	2019	2018
Interests derived from affiliated undertakings	101.8	54.3
Capital gain on sale of shares in Amatsigroup SAS	-	3.2
Merger gain with Eurofins France Holding SAS (Note 3.1)	-	76.4
Total Interests derived from affiliated undertakings (Note 3.2)	**101.8**	**133.8**

EUR Millions	2019	2018
Other interests and financial income	28.8	55.2
Financial instruments	-	0.2
Total other interest and similar income	**28.8**	**55.4**

Interests derived from affiliated undertakings have been generated by intercompany loans. In 2018, the company realised a gain of EUR 11.9m on the intercompany hedge agreement with one of its indirect subsidiaries following the sale of the hedged instrument.

Other interests and financial income have been generated by interests and gains from transferable securities for EUR 0.5m and net foreign exchange gains for EUR 31.2m (foreign exchange losses for EUR 17.2m offset by foreign exchange gains for EUR 48.4m) (Notes 3.10 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 Millions	2019	2018
Value adjustments of shares in affiliated undertakings (Note 3.1)	-0.1	1.0
Value adjustments of amounts owed by affiliated undertakings (Note 3.2)	2.8	-
Total	**2.7**	**1.0**

4.5 – Interest payable and similar expenses

The other interest payable and similar expenses are composed of:

EUR Millions	2019	2018
Interest expenses accrued on borrowings	9.3	2.3
Bonds accrued interests	41.9	50.4
Schuldschein accrued interest expense	6.6	2.8
Hybrid instruments accrued expenses	49.1	46.0
Fair value loss on Caps Schuldschein (Note 3.11)	1.4	0.6
Financial expense on pension	-	-
Amortisation of deferred charges (Note 3.4)	4.3	3.9
Total	**112.6**	**106.2**

4.6 Tax on profit or loss

In 2019, the tax expense amounts to EUR -0.4m.

In 2019, the taxable income of Luxembourg tax unity which is headed by Eurofins Scientific S.E. in Luxembourg is a profit of EUR 88m. As of 31 December 2019, the Company held a tax loss to be carried forward of over EUR 24m in Luxembourg.

In 2019 the taxable income of the French tax unity which is headed by the French branch of the Company is a loss of EUR 7m. As of 31 December 2019, the French tax unity headed by the French branch of the Company held a tax loss to be carried forward of over EUR 151m.

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 35.8% of the Company's shares and controls 59.1% of its voting rights as of 31 December 2019.

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 SARL.", 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 3.5.

5.2 Personnel

5.2.1 Weighted average Full Time Equivalent (FTE)

In 2019, the weighted average FTE increased to 5:

	2019	2018
Executive *	5	1
Total	**5**	**1**

* 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 165K for the year 2019 (EUR 130K for the year 2018).

5.3 – Off-balance sheet commitments

5.3.1 – Detail of guarantees given related to financing

EUR Millions	2019	2018
Guarantees given related to the financing of subsidiaries	11.4	31.8

- 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 10.2m.

- In the scope of a EUR 1.2m 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.

- The Company had 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 a realised exchange gain of EUR 2.7m for Eurofins Scientific S.E. in 2019. This agreement has been terminated in 2019.

- The Company had 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 was a realised gain of EUR 11.9m for Eurofins Scientific S.E. in 2019. This agreement has been terminated in 2019.

5.3.2 Detail of guarantees received

None.

5.4 Audit fees

Art. 65 Paragraph (1) 16° of the law of 19 December 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 the Company's statutory auditor and its controlled undertakings as defined by the Regulation (EU) N°537/2014, amounted to EUR 58K, and relate to a comfort letter for the 2019 hybrid capital issuance for EUR 55K and tax services for EUR 3K.

5.5 Post-closing events

None.

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4 Auditor's Report on Eurofins Scientific SE's Annual Accounts

To the Shareholders of

Eurofins Scientific S.E.

23, Val Fleuri

L-1526 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the annual accounts

Opinion

We have audited the annual accounts of Eurofins Scientific S.E. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2019, and 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.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 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 are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Other Matter

The annual accounts of Eurofins Scientific S.E. for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those accounts on 4 March 2019.

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. These matters were addressed in the context of the 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 the Key Audit Matter was addressed in our audit
Impairment of investments As disclosed in note Financial assets to the annual accounts, the Company holds investments in subsidiaries with a carrying value of 4,518.6 MEUR as of December 31, 2019 (80% of total assets). The list of the Company's subsidiaries can be found in the annual report on page 167 (refer to note 3.1). Under the Luxemburg laws and regulations, the Company is required to annually perform an impairment test. This annual impairment test was significant to our audit because the assessment process involves significant management judgement and was based on assumptions that are affected by expected future market and economic conditions. Due to the size of the financial assets balance and its dependence on management judgement, we considered this area to be a key audit matter. We have pinpointed the risk to those areas that are particularly sensitive to changes in key assumptions. The key assumptions used in the preparation of the impairment test are: • Adjusted EBITDA; • Long term growth rates; • Weighted average cost of capital	Our audit procedures included amongst others: • Obtaining an understanding of the management's annual impairment test as well as tested the design and implementation of related relevant controls • Evaluating and benchmarking against external sources, with the assistance of our valuation experts, the assumptions and the valuation methodologies used to determine the value in use in the annual impairment tests prepared by the Group • Challenging management's assumptions that were most sensitive including Adjusted EBITDA, weighted average cost of capital, long term growth rates. These procedures included corroborating management's judgements by comparing the assumptions to historic performance, local economic development and industry outlook. We also assessed the adequacy of the Company's related disclosures in note 3.1 to the annual accounts.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Management Report and the Corporate Governance Statement but does not include the annual accounts and our report of the "Réviseur d'Entreprises Agréé" 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 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 this 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 these 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.

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 annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" 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 N° 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.

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As part of an audit in accordance with the EU Regulation N° 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 skepticism 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 report of the "Réviseur d'Entreprises Agréé" 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 report of the "Réviseur d'Entreprises Agréé". 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 report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 25 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is three years.

The Management Report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on pages 74 to 94. 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 confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

David Osville, *Réviseur d’Entreprises Agréé*

Partner

3 March 2020

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