

Kiwa Consultancy A/S

Stades Krog 6
DK-2800 Kongens Lyngby

CVR no. 32 35 57 49

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

22 June 2022

Topi Kalevi Saarenhovi
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Kiwa Consultancy A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Kongens Lyngby, 22 June 2022
Executive Board:

Per Åke Niclas Gelang

Board of Directors:

Topi Kalevi Saarenhovi
Chairman

Per Åke Niclas Gelang

Kjetil Grønevik

Independent auditor's report

To the shareholder of Kiwa Consultancy A/S

Opinion

We have audited the financial statements of Kiwa Consultancy A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 22 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kenn Wolff Hansen
State Authorised
Public Accountant
mne30154

Kiwa Consultancy A/S
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Management's review

Company details

Kiwa Consultancy A/S
Stades Krog 6
2800 Kongens Lyngby

CVR no.:	32 35 57 49
Established:	4 March 2010
Registered office:	Kongens Lyngby
Financial year:	1 January – 31 December

Board of Directors

Topi Kalevi Saarenhovi, Chairman
Per Åke Niclas Gelang
Kjetil Grønevik

Executive Board

Per Åke Niclas Gelang

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

Besides its holding function, the Company did not have any activities during the year. The subsidiary primarily engage in welding coordination, welding consultancy services and certification.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK -7,054,682 as against DKK -27,651,832 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 24,392,266 as against DKK -6,953,052 at 31 December 2020.

In 2021, the Company has changed its accounting policies regarding recognition and measurement of equity investments in group entities, so that equity investments in group entities are measured at the proportionate share of the entities' net asset value. Previously, equity investments in group entities were measured at cost. The changes in accounting policies were made in order to give a more true and fair view of the Company's activities, results and financial position.

The change in accounting policy has no impact on the net profit/loss for the year, balance sheet total or equity. The comparative figures have been restated to reflect the changed accounting policies.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross loss		-45,142	-106,934
Income from equity investments in group entities		-7,942,378	-24,627,850
Other financial income	2	94,800	151,764
Other financial expenses	3	-648,996	-2,797,794
Loss before tax		-8,541,716	-27,380,814
Tax on profit/loss for the year	4	1,487,034	-271,018
Loss for the year		<u>-7,054,682</u>	<u>-27,651,832</u>
Proposed distribution of loss			
Retained earnings		<u>-7,054,682</u>	<u>-27,651,832</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	<u>31/12 2021</u>	<u>31/12 2020</u>
ASSETS			
Fixed assets			
Investments	5		
Equity investments in group entities		<u>31,244,486</u>	<u>8,940,473</u>
Total fixed assets		<u>31,244,486</u>	<u>8,940,473</u>
Current assets			
Receivables			
Receivables from group entities	6	13,745,487	11,569,085
Other receivables		14,099	11,424
Deferred tax asset		<u>131,854</u>	<u>0</u>
		<u>13,891,440</u>	<u>11,580,509</u>
Total current assets		<u>13,891,440</u>	<u>11,580,509</u>
TOTAL ASSETS		<u><u>45,135,926</u></u>	<u><u>20,520,982</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	7	500,000	500,000
Retained earnings		<u>23,892,266</u>	<u>-7,453,052</u>
Total equity		<u>24,392,266</u>	<u>-6,953,052</u>
Provisions			
Provision for negative equity in group entities	5	<u>0</u>	<u>7,153,609</u>
Total provisions		<u>0</u>	<u>7,153,609</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	8	<u>20,183,008</u>	<u>20,183,008</u>
Current liabilities other than provisions			
Trade payables		42,750	36,050
Payables to group entities	8	<u>517,902</u>	<u>101,367</u>
		<u>560,652</u>	<u>137,417</u>
Total liabilities other than provisions		<u>20,743,660</u>	<u>20,320,425</u>
TOTAL EQUITY AND LIABILITIES		<u>45,135,926</u>	<u>20,520,982</u>
Staff costs	9		
Contractual obligations, contingencies, etc.	10		
Related party disclosures	11		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	500,000	-36,027,073	-35,527,073
Net effect from change of accounting policy	0	10,674,147	10,674,147
Transferred over the distribution of loss	0	-38,325,979	-38,325,979
Contribution from group	0	66,900,000	63,668,043
Equity at 1 January 2021	500,000	-7,453,052	-6,953,052
Transferred over the distribution of loss	0	-7,054,682	-7,054,682
Contribution from group	0	38,400,000	38,400,000
Equity at 31 December 2021	500,000	23,892,266	24,392,266

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Kiwa Consultancy A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Kiwa Consultancy A/S and its subsidiaries are included in the consolidated financial statements of ACTA* Holding B.V.

Change in accounting policies

The Company has changed its accounting policies regarding recognition and measurement of equity investments in group entities, so that equity investments in group entities are measured at the proportionate share of the entities' net asset value. Previously, equity investments in group entities were measured at cost. The changes in accounting policies were made in order to give a more true and fair view of the Company's activities, results and financial position.

The change in accounting policy has no impact on the net profit/loss for the year, balance sheet total or equity. The comparative figures have been restated to reflect the changed accounting policies. In 2020, the change in accounting policies has led to an increase in provision for negative equity in group entities of DKK 7.1 Million. Consequently, the loss has decrease with DKK 3.5 Million in 2020. The balance sheet total has not changed, while the equity decrease with DKK 7.1 million.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

Other external costs include costs related to administration, etc.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is jointly taxed with affiliated entities. On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income.

Balance sheet

Investments

Equity investments in group entities are measured according to the equity method.

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Liabilities are measured at amortized cost, normally corresponding to net realisable value.

Financial statements 1 January – 31 December

Notes

DKK	<u>2021</u>	<u>2020</u>
2 Other financial income		
Interest income from group entities	94,800	94,800
Exchange gains	<u>0</u>	<u>56,964</u>
	<u>94,800</u>	<u>151,764</u>
3 Other financial expenses		
Interest expense to group entities	648,996	2,794,974
Other financial expenses	0	2,453
Exchange losses	<u>0</u>	<u>367</u>
	<u>648,996</u>	<u>2,797,794</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	271,018
Deferred tax for the year	-131,854	0
Adjustment of tax concerning previous years	<u>-1,355,180</u>	<u>0</u>
	<u>-1,487,034</u>	<u>271,018</u>
5 Investments		
Cost at 1 January	68,786,680	40,886,680
Additions for the year	<u>37,400,000</u>	<u>27,900,000</u>
Cost at 31 December	<u>106,186,680</u>	<u>68,786,680</u>
Revaluations at 1 January	-59,846,207	-31,697,819
Net effect from change of accounting policy	0	-10,674,147
Net profit/loss for the year	-7,942,378	-24,627,850
Equity investments with negative net asset value transferred to provisions	<u>-7,153,609</u>	<u>7,153,609</u>
Revaluations 31 December	<u>-74,942,194</u>	<u>-59,846,207</u>
Carrying amount at 31 December	<u>31,244,486</u>	<u>8,940,473</u>

Name	<u>Registered office</u>	<u>Voting rights and ownership interest</u>
KIWA Inspecta A/S	Kongens Lyngby	100%
Inspecta Project Services A/S	Esbjerg	100%

Financial statements 1 January – 31 December

Notes

DKK 31/12 2021 31/12 2020

6 Receivables from group entities

Receivables which fall due for payment more than 1 year after the end of the financial year 11,616,540 2,521,740

7 Equity

The contributed capital consists of 500 shares of a nominal value of DKK 1,000 each. All shares rank equally.

There have been no changes in the share capital during the last 5 years.

8 Non-current liabilities other than provisions

Payments due within 1 year are recognised in short-term debt. The debt falls due for payment as specified below:

Payables to group entities

Between 1 and 5 years	20,183,008	20,183,008
Within 1 year	<u>517,902</u>	<u>101,367</u>
	<u>20,700,910</u>	<u>20,284,375</u>

9 Staff costs

The Company does not have any employees (2020: 0).

10 Contractual obligations, contingencies, etc.

The Company is part of joint taxation with other Danish companies in the group, and is jointly and severally liable for Tax on the group's jointly taxed income and for certain possible withholding taxes, such as dividend tax and royalty tax, and for joint registration of VAT. Any subsequent corrections of the taxable joint taxation income or withholding tax on dividends etc. could lead to a larger amount of corporate liability. The Group as a whole is not liable to others.

11 Related party disclosures

Kiwa Consultancy A/S is part of the consolidated financial statements of ACTA* Holding B.V., Sir Winston Churchillaan 273, 2288EA Rijswijk, the Netherlands, which is the smallest group in which the Company is included as a subsidiary. The consolidated financial statements of ACTA* Holding B.V., can be obtained from the Company.