

TÜV SÜD Danmark ApS

Strandvejen 125, 2900 Hellerup

CVR no. 35 02 99 23

Annual report for 2019

Company information etc.	3
Statement of the Board of Directors on the annual report	4
Independent auditor's report	5 - 7
Management's review	8
Income statement	9
Balance sheet	10 - 11
Statement of changes in equity	12
Notes	13 - 18

The company

TÜV SÜD Danmark ApS
Strandvejen 125
2900 Hellerup
Registered office: Gentofte
CVR no.: 35 02 99 23
Financial year: 01.01 - 31.12

Executive Boards

Lars Henrik Brockhoff
Gregory John Riggall

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab

Parent company

Tüv Süd AG, München

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 for TÜV SÜD Danmark ApS.

The annual report is presented in accordance with Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position as at 31.12.19 and of the results of the activities for the financial year 01.01.19 - 31.12.19.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Gentofte, March 5, 2020

Executive Boards

Lars Henrik Brockhoff

Gregory John Riggall

To the capital owner of TÜV SÜD Danmark ApS**Opinion**

We have audited the financial statements of TÜV SÜD Danmark ApS for the financial year 01.01.19 - 31.12.19, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with 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 31.12.19 and of the results of the company's operations for the financial year 01.01.19 - 31.12.19 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, March 5, 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Kyhnav
State Authorized Public Accountant
MNE-no. mne40028

Primary activities

TÜV SÜD Danmark is operating company of the Rail Division of the TÜV SÜD Group in Denmark.

Development in activities and financial affairs

The income statement for the period 01.01.19 - 31.12.19 shows a profit of DKK 556,564 against DKK 315,342 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK 7,463,806.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	2019 DKK	2018 DKK
Gross profit	10,252,706	8,926,759
1 Staff costs	-8,966,001	-7,913,930
Depreciation, amortisation and impairment	-516,667	-516,667
Operating profit	770,038	496,162
Financial income	3,965	7,318
2 Financial expenses	-60,459	-99,195
Profit before tax	713,544	404,285
3 Tax on profit for the year	-156,980	-88,943
Profit for the year	556,564	315,342
Proposed appropriation account		
Retained earnings	556,564	315,342
Total	556,564	315,342

Balance sheet

ASSETS		31.12.19	31.12.18
		DKK	DKK
Note			
	Goodwill	1,550,020	2,066,687
	Total intangible assets	1,550,020	2,066,687
	Deposits	359,446	134,446
	Total investments	359,446	134,446
	Total non-current assets	1,909,466	2,201,133
	Trade receivables	3,800,274	2,409,420
	Receivables from group enterprises	649,853	460,501
	Deferred tax asset	46,879	203,859
	Prepayments	271,559	202,342
	Total receivables	4,768,565	3,276,122
	Cash	5,104,942	4,134,665
	Total current assets	9,873,507	7,410,787
	Total assets	11,782,973	9,611,920

EQUITY AND LIABILITIES		31.12.19	31.12.18
		DKK	DKK
Note			
	Share capital	126,000	126,000
	Share premium	7,503,980	7,503,980
	Retained earnings	-166,174	-722,738
	Total equity	7,463,806	6,907,242
	Other payables	308,430	0
	Total long-term payables	308,430	0
	Trade payables	774,240	467,680
	Payables to group enterprises	1,066,131	0
	Other payables	2,170,366	2,236,998
	Total short-term payables	4,010,737	2,704,678
	Total liabilities	4,319,167	2,704,678
	Total equity and liabilities	11,782,973	9,611,920

4 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Retained earnings
Statement of changes in equity for 01.01.18 - 31.12.18			
Balance as at 01.01.18	126,000	7,503,980	-1,038,080
Net profit/loss for the year	0	0	315,342
Balance as at 31.12.18	126,000	7,503,980	-722,738
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance as at 01.01.19	126,000	7,503,980	-722,738
Net profit/loss for the year	0	0	556,564
Balance as at 31.12.19	126,000	7,503,980	-166,174

	2019	2018
	DKK	DKK
1. Staff costs		
Wages and salaries	7,319,101	6,345,924
Pensions	1,259,950	1,205,510
Other social security costs	89,012	71,662
Other staff costs	297,938	290,834
Total	8,966,001	7,913,930
Average number of employees during the year	11	10

2. Financial expenses

Other interest expenses	32,435	22,485
Foreign currency translation adjustments	28,024	76,710
Total	60,459	99,195

3. Tax on profit for the year

Adjustment of deferred tax for the year	156,980	88,943
Total	156,980	88,943

4. Contingent liabilities*Lease commitments*

The company has concluded lease agreements with terms to maturity of 24 months and a total lease payments of DKK 1,668k.

5. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to , and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from , and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

5. Accounting policies - continued -**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and other operating income and other external expenses.

Revenue

Income from the delivery of services is recognised on the basis of the stage of completion, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise other variable costs, selling costs, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

5. Accounting policies - continued -

	Useful life, year per cent	Residual value, year per cent
Goodwill	10	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET**Intangible assets***Goodwill*

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Amortisation and impairment losses' section.

5. Accounting policies - continued -

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by .

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

5. Accounting policies - continued -

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Liabilities

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.