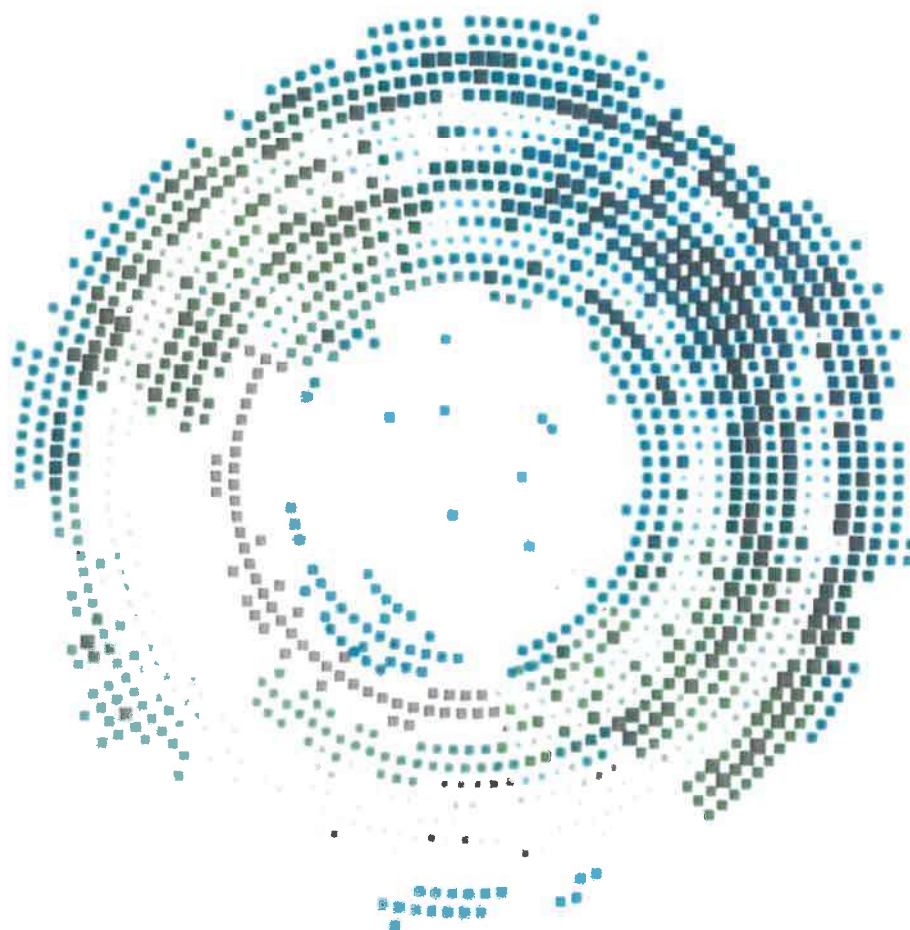


Deloitte.



SGS Danmark A/S

Stamholmen 153, 2.
2650 Hvidovre
CVR No. 55110417

Annual report 2020

The Annual General Meeting adopted the
annual report on 19.03.2021

Wim Hugo M. van Loon
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	13

Entity details

Entity

SGS Danmark A/S
Stamholmen 153, 2.
2650 Hvidovre

CVR No.: 55110417
Registered office: Hvidovre
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Wim Hugo M. van Loon, Chairman
Mika Tapani Richardt, board member
Michiel Wilhelmus Maria Ruikes, board member

Executive Board

Mika Tapani Richardt, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SGS Danmark A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.


Copenhagen, 19.03.2021

Executive Board



Mika Tapani Richardt
Director

Board of Directors



Wim Hugo M. van Loon
Chairman

Michiel Ruikes
Digitally signed by Michiel
Ruikes
Date: 2021.03.18 08:23:30
+01'00'

Michiel Wilhelmus Maria Ruikes
board member



Mika Tapani Richardt
board member

Independent auditor's report

To the shareholders of SGS Danmark A/S

Opinion

We have audited the financial statements of SGS Danmark A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 19.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

SGS Danmark A/S is part of the SGS Group which is the world's leading inspection, verification, testing and certification company. SGS Danmark A/S performs inspections and testing of goods and material. SGS Danmark A/S supports clients through the entire supply chain from raw materials to final consumption with services such as quality and quantity inspections, sampling of goods and materials, physical and chemical testing of components and products, social audits etc.

Description of material changes in activities and finances

In 2020 revenue decreased with 10,1% mainly caused by the closure of our Oil, Gas and Chemicals laboratory that took place already in September 2019. Despite the decrease in revenue the company made a profit of DKK 508 thousand due to strong performance in other divisions. Last year's efforts to deliver new services within Industrial division and Agri Food and Life was done with success in 2020 with high growth in revenue in these business segments. The Industrial project will end May 2021 due to fulfillment towards the client but Agri Food and Life is growing further and the company has invested in more personnel to meet the clients request for 2021 and onwards.

Development in activities and finances

Due to the outbreak of the Coronavirus in 2020 the company suffered from cancelled and postponed inspections first quarter of the year. With development of new technology SGS could perform more remote inspections and postponed inspections took place later same year and therefore the impact on the profitability was less than expected. The company has taken measures to protect its profitability ongoing.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		18,373,488	20,430,611
Other operating income		0	56,051
Other external expenses		(7,801,621)	(10,450,277)
Gross profit/loss		10,571,867	10,036,385
Staff costs	1	(10,013,366)	(9,060,145)
Depreciation, amortisation and impairment losses		(37,172)	(381,870)
Operating profit/loss		521,329	594,370
Financial expenses from group enterprises		0	(19,667)
Other financial expenses		(12,879)	(8,930)
Profit/loss for the year		508,450	565,773
Proposed distribution of profit and loss:			
Retained earnings		508,450	565,773
Proposed distribution of profit and loss		508,450	565,773

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		77,563	46,869
Property, plant and equipment	2	77,563	46,869
Other receivables		114,851	109,859
Financial assets		114,851	109,859
Fixed assets		192,414	156,728
Trade receivables		1,916,084	1,558,926
Contract work in progress		220,598	337,491
Receivables from group enterprises		1,164,816	596,267
Prepayments		29,820	85,641
Receivables		3,331,318	2,578,325
Cash		3,658,952	3,217,300
Current assets		6,990,270	5,795,625
Assets		7,182,684	5,952,353

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		700,000	700,000
Retained earnings		1,353,161	844,711
Equity		2,053,161	1,544,711
Other payables		583,424	266,939
Non-current liabilities other than provisions		583,424	266,939
Trade payables		343,947	912,339
Payables to group enterprises		726,329	655,428
Other payables		3,475,823	2,572,936
Current liabilities other than provisions		4,546,099	4,140,703
Liabilities other than provisions		5,129,523	4,407,642
Equity and liabilities		7,182,684	5,952,353
Unrecognised rental and lease commitments	3		
Related parties with controlling interest	4		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	700,000	844,711	1,544,711
Profit/loss for the year	0	508,450	508,450
Equity end of year	700,000	1,353,161	2,053,161

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	9,230,584	8,275,032
Pension costs	590,743	661,463
Other social security costs	63,495	76,964
Other staff costs	128,544	46,686
	10,013,366	9,060,145
Average number of full-time employees	11	11

2 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	325,854
Additions	67,866
Disposals	(14,688)
Cost end of year	379,032
Depreciation and impairment losses beginning of year	(278,985)
Depreciation for the year	(37,172)
Reversal regarding disposals	14,688
Depreciation and impairment losses end of year	(301,469)
Carrying amount end of year	77,563

3 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	774,997	1,324,370

4 Related parties with controlling interest

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Société Générale de Surveillance SA, Schweiz

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as wekk as gains and losses from the sale of property, plant and equipment.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Property, plant and equipment**

Property, plant and machinery, as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
--	------------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at costs incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.