

SGS DANMARK A/S

Stamholmen 153, 2., 2650 Hvidovre

Annual report for 2021

CVR no. 55 11 04 17

Adopted at the annual general meeting on 31 March 2022

chairman: Wim Hugo m. van Loon

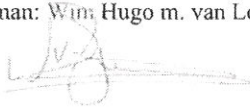
A handwritten signature in black ink, appearing to read 'Wim Hugo m. van Loon', is written over a horizontal line. The signature is somewhat stylized and includes a large flourish at the end.

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of SGS DANMARK A/S for the financial year 1. januar - 31. december 2021.

The annual report is 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 financial position at 31. december 2021 and of the results of the company's operations for the financial year 1. januar - 31. december 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Hvidovre, 31 March 2022

Executive board



Carl Johan Torbjörn Chung-Il
Bengtsson
Director



Wim Hugo m. van Loon
chairman



Carl Johan Torbjörn Chung-Il
Bengtsson
board member

Michiel
Ruikes

Digitaal ondertekend
door Michiel Ruikes
Datum: 2022.03.29
11:20:30 +02'00'

Michiel Wilhelmus Maria Ruikes
board member

Independent auditor's report

To the shareholder of SGS DANMARK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of SGS Danmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

Statement on 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, in our view, 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 in Management's Review.

Independent auditor's report

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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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.

Ringsted, 31 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Kenneth Østergaard

Statsautoriseret revisor

mne47262

Company details

The company	SGS DANMARK A/S Stamholmen 153, 2. 2650 Hvidovre
	CVR no.: 55 11 04 17
	Reporting period: 1. januar - 31. december 2021
	Domicile: Hvidovre
Supervisory board	Wim Hugo m. van Loon, chairman Carl Johan Torbjörn Chung-Il Bengtsson, Michiel Wilhelmus Maria Ruikes,
Executive board	Carl Johan Torbjörn Chung-Il Bengtsson, director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted

Management's review

Business review

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.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 2.128.990, and the balance sheet at 31. december 2021 shows equity of DKK 4.182.151.

The company's operations have not been influenced by COVID-19 and none of the COVID 19 relief packages have been applied.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement
1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit		11.090.058	10.571.867
Staff costs	1	<u>-8.838.610</u>	<u>-10.013.366</u>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-11.495	-37.172
Other operating costs		<u>-40.725</u>	<u>0</u>
Financial income		10.775	0
Financial costs		<u>-81.013</u>	<u>-12.879</u>
Profit/loss for the year		<u>2.128.990</u>	<u>508.450</u>
Retained earnings		<u>2.128.990</u>	<u>508.450</u>
		<u>2.128.990</u>	<u>508.450</u>

Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
Assets			
Other fixtures and fittings, tools and equipment		<u>13.247</u>	<u>77.563</u>
Tangible assets	3	<u>13.247</u>	<u>77.563</u>
Other receivables	4	<u>112.327</u>	<u>114.851</u>
Fixed asset investments		<u>112.327</u>	<u>114.851</u>
Total non-current assets		<u>125.574</u>	<u>192.414</u>
Trade receivables		3.069.586	1.916.084
Contract work in progress		0	220.598
Receivables from group enterprises		228.922	1.164.816
Prepayments		<u>149.727</u>	<u>29.820</u>
Receivables		<u>3.448.235</u>	<u>3.331.318</u>
Cash at bank and in hand		<u>4.564.075</u>	<u>3.658.952</u>
Total current assets		<u>8.012.310</u>	<u>6.990.270</u>
Total assets		<u>8.137.884</u>	<u>7.182.684</u>

Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
Equity and liabilities			
Share capital		700.000	700.000
Retained earnings		<u>3.482.151</u>	<u>1.353.161</u>
Equity		<u>4.182.151</u>	<u>2.053.161</u>
Other payables		<u>0</u>	<u>583.424</u>
Total non-current liabilities		<u>0</u>	<u>583.424</u>
Prepayments received from customers		115.921	0
Trade payables		1.025.866	343.947
Payables to group enterprises		1.218.247	726.329
Other payables		<u>1.595.699</u>	<u>3.475.823</u>
Total current liabilities		<u>3.955.733</u>	<u>4.546.099</u>
Total liabilities		<u>3.955.733</u>	<u>5.129.523</u>
Total equity and liabilities		<u>8.137.884</u>	<u>7.182.684</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	700.000	1.353.161	2.053.161
Net profit/loss for the year	0	2.128.990	2.128.990
Equity at 31 December 2021	700.000	3.482.151	4.182.151

Notes

	<u>2021</u> DKK	<u>2020</u> DKK
1 Staff costs		
Wages and salaries	8.009.457	9.230.584
Pensions	588.721	590.743
Other social security costs	145.139	63.495
Other staff costs	<u>95.293</u>	<u>128.544</u>
	<u>8.838.610</u>	<u>10.013.366</u>
Average number of employees	<u>13</u>	<u>15</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation tangible assets	<u>11.495</u>	<u>37.172</u>
	<u>11.495</u>	<u>37.172</u>
3 Tangible assets		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2021		379.032
Disposals for the year		<u>-209.305</u>
Cost at 31 December 2021		<u>169.727</u>
Impairment losses and depreciation at 1 January 2021		301.469
Depreciation for the year		11.495
Reversal of impairment and depreciation of disposals		<u>-156.484</u>
Impairment losses and depreciation at 31 December 2021		<u>156.480</u>
Carrying amount at 31 December 2021		<u>13.247</u>

4 Fixed asset investments

	<u>Other receivables</u>
Cost at 1 January 2021	114.851
Disposals for the year	<u>-2.524</u>
Cost at 31 December 2021	<u>112.327</u>
Carrying amount at 31 December 2021	<u>112.327</u>

5 Provision for deferred tax

	<u>2021</u> DKK	<u>2020</u> DKK
Deferred tax asset		
Calculated tax asset	1.436.000	1.902.000
Write down to assessed value	<u>-1.436.000</u>	<u>-1.902.000</u>
Carrying amount	<u>0</u>	<u>0</u>

6 Rent and lease liabilities

Liabilities under rental or lease agreements until maturity in total	<u>430.089</u>	<u>774.997</u>
	<u>430.089</u>	<u>774.997</u>

7 Contingent liabilities

The company is jointly taxed with its danish group entities. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities.

8 Related parties and ownership structure

Name and registered office of the parent preparing consolidated financial statements for the smallest group:
Société Générale de Surveillance SA, Schweiz

Accounting policies

The annual report of SGS DANMARK A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less costs of other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

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).

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, and equipment	3- 10 years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

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 recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Prepayments received from customers

Prepayments received from customers recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and 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.