

Annual report 2020

Together into the future



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Annual report of the President 2020

Dear Shareholders
Dear Customers
Dear Employees

Of course – dear employees of the EASY-CERT group – the year under review was far from easy for us. Clearly – valued customers and trading partners – inspection and certification processes don't get any easier during a pandemic.

In February 2020, some of us who were at the Biofach in Nuremberg had an uncomfortable feeling: entire stands – mainly ones booked by Chinese companies – remained empty. Since then, working from home, compulsory masks, coronavirus vaccine and online conferences of all sorts have been the «new normal». The year under review was special in every respect for our group of companies: initially the main feature was uncertainty, but we were swiftly able to switch to combat mode to keep ourselves on track.

It is now clear that, thanks to discipline and hard work, our employees can look back on what is in the circumstances a splendid business year. It was also very important to bring the companies in the group even closer together. It was only the vision, willingness and extensive support of the CEOs of the various companies that made this possible. As an example of the work of our teams, let me mention Dora Studer and Franziska Staubli, who with dedication, passion and skill have worked on integrating CERES into the group of companies.

The task now is to expand and develop joint teams via the subsidiaries. We need uniform, future-oriented IT solutions, and we want to penetrate new business areas. The job of the board of directors and its chairman is to

support the CEOs and to turn the necessary strategic considerations into operative reality. At a time of online conferencing, this is a real challenge.

We are profiting now from years of preparatory work and established partnerships. Again and again, I am delighted by the exceptional dedication and commitment of our employees. This annual report provides impressive evidence of how successfully we have also been economically. It is quite something to be able to report good figures despite significant challenges in our international business.

CEOs Hans Matzenberger and Ueli Steiner have once again demonstrated that they are experienced, socially skilled and extraordinarily resilient crisis managers. The board of directors congratulates and appreciates them and the management teams and the teams in the various companies.

The coronavirus has triggered a change of course in various areas of life: organic foods and sustainable lifestyles are becoming more important to us – we have become hugely more aware of the need to respect animals and to use resources consciously and carefully. At the same time the crisis has increased our cohesion.

The board of directors' strategies have proved sound – in good times and bad. We were all courageously on board, and this was what was needed.

*The President of the Board of Directors
Peter Jossen*



*Peter Jossen,
President
of the Board of Directors
EASY-CERT group AG*

Management reports of the CEOs 2020

Dear Shareholders
Dear Employees

We can all be proud of what has been happening in the EASY-CERT group AG. As a result of the pandemic, 2020 was a particularly difficult year, but together we have coped with it extremely well both economically and in terms of inspections and audits. I should like to take this opportunity to express my heartfelt thanks to you all for your commitment and hard work.

But it was not only the management of existing business and current markets that kept us busy. The integration of the CERES Group (bought at the end of 2019) and the inspection body Kontrollservice BIKO Tirol in Austria and South Tyrol (at the beginning of 2020) was a highly complex and challenging activity for everyone involved with the project team. We wanted both to retain the markets and to motivate the staff who were taken over with the companies: both these objectives were almost entirely met. As a result, the EASY-CERT group AG has grown enormously as a holding company and has therefore become a more important player in the international organic inspection market.

Customers' requirements are changing, as are those of the market. As well as looking for a direct customer relationship (in inspections and in their dealings with

office staff), our customers need a strong partner in digital data management in order to ensure transparency and traceability throughout the various stages of their product flows. As a group we use our professional and technical know-how to develop cutting-edge IT solutions: we are pioneers in this field. Our strategy of developing solutions and systems for everyone as a group and not just as an individual inspection body is proving to be a good one. As CEOs we shall continue to pursue these developments in a consistent and coordinated manner and in consultation with the board of directors.

Best regards
Hans Matzenberger

«Collaboration as equals but with clear duties and responsibilities in our interaction with each other – this provides the basis for motivation, commitment and success. On behalf of our shareholders and stakeholders, we shall continue to adhere to this fundamental principle of our company culture!»

Hans Matzenberger



Hans Matzenberger,
CEO
EASY-CERT group AG

Management reports of the CEOs 2020

Dear Shareholders
Dear Employees

Our group of companies is successful when everyone is in their place and performing at their best. In addition, we must understand the Group's collective vision and find the right place within it for ourselves and our companies. During the year under review, our CEOs, our management teams and our teams have performed extraordinarily in this respect. Many thanks for that.

Our valued customers decide whether they want to work with us and what benefits they see in working together. In various areas of our business we have managed to consolidate these customer relationships through good customer service and this has also led to the acquisition of new customers. We need to be noted for our customer service and create customer benefit: marketing and business plans aren't useful on this front.

In my view, 2020 was a year in which the board of directors again took decisions with much vision and foresight. We cannot automatically expect to have directors who do not get bogged down in details and who

delegate many tasks and responsibilities to the CEOs. I have no doubt that mutual trust and the dependable cooperation of past years also help us here.

Peter Jossen, the chairman of our board of directors, is outstandingly good at combining our strengths and selecting the right course of action. He is always aware that our everyday work with our customers is crucial and he has the necessary appreciation of that. It is only on this basis that viable strategies for the future can be developed in the first place.

Thank you for your trust
Ueli Steiner

«In future we must continue to be able to provide our customers with top-quality services at a fair price. I see creating a concrete customer benefit as what we must do on an ongoing basis. With a further combining of strengths in the EASY-CERT group, this is something that should be even easier for us in future.»

Ueli Steiner



*Ueli Steiner,
CEO
EASY-CERT group AG*



Income statement 2020

| | 2020 | 2019 |
|---|-------------------|-------------------|
| | CHF | CHF |
| Income from participations | 270'000.00 | 0.00 |
| Services | 604'690.03 | 247'203.40 |
| Other operating income | 37.70 | 27.15 |
| Net sales | 874'727.73 | 247'230.55 |
| Personnel expenses | -22'539.60 | -11'675.01 |
| Outside services | -3'294.00 | -1'848.64 |
| Gross profit | 848'894.13 | 233'706.90 |
| Facility expenses | 0.00 | 0.00 |
| Advertising expenses | 0.00 | 0.00 |
| IT expenses | 0.00 | 0.00 |
| Accreditation expenses | -1'250.00 | 0.00 |
| Administration expenses | -200'726.39 | -100'717.03 |
| Other business expenses | 0.00 | 0.00 |
| Operating profit (EBITDA) | 646'917.74 | 132'989.87 |
| Depreciation and amortisation | -300'000.00 | 0.00 |
| Operating profit (EBIT) | 346'917.74 | 132'989.87 |
| Financial income | 24'346.55 | 0.00 |
| Financial expenses | -7'348.92 | -2'893.87 |
| Profit before taxes and extraordinary result | 363'915.37 | 130'096.00 |
| Extraordinary and one-time income | 0.00 | 0.00 |
| Extraordinary and one-time expenses | 0.00 | 0.00 |
| Tax expenses | -17'265.45 | -23'865.45 |
| Annual profit | 346'649.92 | 106'230.55 |

Balance sheet per 31.12.2020

| Assets | 2020 | 2019 |
|--------------------------------------|---------------------|---------------------|
| Current assets | CHF | CHF |
| Cash and cash equivalents | 12'737.12 | 164'510.39 |
| Trade accounts receivables | 0.00 | 0.00 |
| Trade receivables a. participants | 0.00 | 0.00 |
| Trade receivables a. participations | 300.00 | 3'282.04 |
| Other current receivables | 0.00 | 150.80 |
| Prepaid expenses and accrued income | 1'588.00 | 0.00 |
| | 14'625.12 | 167'943.23 |
| Not-current assets | | |
| Participations | 3'195'012.25 | 3'177'170.00 |
| Value adjustment of shareholdings | -310'000.00 | -10'000.00 |
| Loan to participations | 30'792.31 | 0.00 |
| Property, plant and equipment | 0.00 | 0.00 |
| Intangible asset | 0.00 | 0.00 |
| | 2'915'804.56 | 3'167'170.00 |
| Total assets | 2'930'429.68 | 3'335'113.23 |
| Liabilities and Equity | | |
| Liabilities | | |
| <i>Short-term liabilities</i> | | |
| Trade accounts payable | 6'382.85 | 5'438.14 |
| Trade liabilities a. participants | 0.00 | 0.00 |
| Trade liabilities a. participations | 0.00 | 3'007.75 |
| Other short-term liabilities | 17'083.02 | 6'049.90 |
| Short-term financial liabilities | 522'500.00 | 550'000.00 |
| Accrued expenses and deferred income | 18'000.00 | 38'866.25 |
| | 563'965.87 | 603'362.04 |
| <i>Long-term liabilities</i> | | |
| Loans | 0.00 | 522'500.00 |
| Loans a. participations | 548'001.00 | 679'656.30 |
| Provisions | 0.00 | 0.00 |
| | 548'001.00 | 1'202'156.30 |
| Equity | | |
| Share capital | 201'608.00 | 201'608.00 |
| Own Shares | -193'827.00 | -136'045.00 |
| Statutory capital reserves | 862'855.00 | 870'459.41 |
| Statutory retained earnings | 145'300.00 | 145'300.00 |
| Voluntary retained earnings | 156'404.41 | 148'800.00 |
| Brought forward from preavious year | 299'472.48 | 193'241.93 |
| Annual profit | 346'649.92 | 106'230.55 |
| | 1'818'462.81 | 1'529'594.89 |
| Total liabilities and equity | 2'930'429.68 | 3'335'113.23 |

Notes to the financial statements 2020

| | 2020 | 2019 |
|--|----------------------------|---------------------|
| Full-time equivalent (FTE) | 0.0 | 0.0 |
| Own shares (1'324 shares) | 193'827.00 | 136'045.00 |
| In % of share capital | 7.22% | 6.28% |
| Stock as of 01.01.2020 | 1'151 shares | |
| Share purchase 2020 | 173 shares with CHF 334.00 | 57'782.00 |
| Share sales 2020 | 0 shares with CHF 334.00 | 0.00 |
| Participation Austria Bio Garantie GmbH, Austria | 72'672.85 | 72'672.85 |
| Purpose: Inspection and certification body for products and services Share capital: EUR 72'672.85, Participation quote: 100 % | | |
| Participation bio.inspecta AG, Switzerland | 1'278'791.36 | 1'278'791.36 |
| Purpose: Inspection and certification body for products and services Share capital: CHF 900'000.00, Participation quote: 100 % | | |
| Participation CERES Certification of Environmental Standards GmbH, Germany | 1'512'500.00 | 1'512'500.00 |
| Purpose: Inspection and certification body for products and services Share capital: EUR 66'700.00, Participation quote: 100 % | | |
| Value adjustment | -300'000.00 | 0.00 |
| Participation EASY-CERT services AG, Switzerland | 191'284.30 | 191'284.30 |
| Purpose: Provision of information technology and communication services Share capital: CHF 126'000.00, Participation quote: 100 % | | |
| Value adjustment | -10'000.00 | -10'000.00 |
| Participation EASY-CERT services GmbH, Austria | 41'420.00 | 41'420.00 |
| Purpose: Provision of information technology and communication services Share capital: EUR 38'000.00, Participation quote: 100 % | | |
| Participation Hungária Öko Garancia Kft., Hungary | 78'343.74 | 60'501.49 |
| Purpose: Inspection and certification body for products and services Share capital: HUF 3'000'000.00, Participation quote: 100 % (Previous year 93.33 %) | | |
| Participation q.inspecta GmbH, Switzerland | 20'000.00 | 20'000.00 |
| Purpose: Inspection and certification body for products and services Share capital: CHF 20'000.00, Participation quote: 100 % | | |
| Participation agroVet GmbH, Austria | | |
| Purpose: Consultancy, inspection and certification body for products and services Share capital: EUR 38'000.00, Participation quote: 100 % (hold indirectly by Austria Bio Garantie GmbH) | | |
| Participation Albinspekt Sh.p.k, Albania | | |
| Purpose: Inspection and certification body for products and services Share capital: ALL 100.00, Participation quote: 100 % (hold indirectly by bio.inspecta AG) | | |
| Participation Austria Bio Garantie Croatia d.o.o., Croatia | | |
| Purpose: Inspection and certification body for products and services Share capital: HRK 20'000.00, Participation quote: 100 % (hold indirectly by Austria Bio Garantie GmbH) | | |
| Participation Austria Bio Garantie Landwirtschaft GmbH, Austria | | |
| Purpose: Inspection and certification body for products and services Share capital: EUR 72'672.85, Participation quote: 100 % (hold indirectly by Austria Bio Garantie GmbH) | | |
| Participation Bio Garantie GmbH, Italy | | |
| Purpose: Inspection and certification body for products and services Share capital: EUR 10'000.00, Participation quote: 100 % (hold indirectly by Austria Bio Garantie GmbH) | | |

The financial statements were prepared in accordance with the requirements of OR Art. 957 to 962.

Only those individual headings in accordance with Article 663b of the Swiss Code of Obligations are listed below for which information on the company's annual financial statements is required; items not required are omitted.

The preparation of the financial statements requires the Board of Directors to make estimates and judgments that may affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Board of Directors decides in each case at its own discretion whether to make use of the existing statutory valuation and accounting latitude. In the interests of the Company, depreciation, value adjustments and provisions may be made in excess of the extent required for business purposes, in accordance with the principle of prudence.

Notes to the financial statements 2020

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Participation bio.inspecta Ltd., Turkey | | |
| Purpose: Inspection and certification body for products and services Share capital: TRY 200'000.00, Participation quote: 100 % (hold indirectly 80 % by bio.inspecta AG and 20% by q.inspecta GmbH) | | |
| Participation bio.inspecta Pty Ltd, Australia | | |
| Purpose: Inspection and certification body for products and services Share capital: AUD 150'000.00, Participation quote: 80 % (hold indirectly by bio.inspecta AG) | | |
| Participation CERES BULGARIA EOOD, Bulgaria | | |
| Purpose: Inspection and certification body for products and services Share capital: BGN 2.00, Participation quote: 100 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation CERES-Kazakhstan LLP, Kazakhstan | | |
| Purpose: Inspection body for products and services Share capital: KZT 0.00, Participation quote: 100 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation CERES RUSSLAND Ltd., Russia | | |
| Purpose: Inspection and certification body for products and services Share capital: RUB 10'000.00, Participation quote: 99 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation Ceres Kontrol Ve Belgelendirme Hizmetleri Ltd., Turkey | | |
| Purpose: Inspection and certification body for products and services Share capital: TRY 50'000.00, Participation quote: 30 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation Ceres Organic Cert SRL, Romania | | |
| Purpose: Inspection and certification body for products and services Share capital: RON 200.00, Participation quote: 100 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation CERESGMBH EASTERN AFRICA Ltd., Uganda | | |
| Purpose: Inspection and certification body for products and services Share capital: UGX 6'000'000.00, Participation quote: 60 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation CERESPERU S.A.C, Peru | | |
| Purpose: Inspection and certification body for products and services Share capital: PEN 1'000.00, Participation quote: 35 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation Certificadora Ecuatoriana de Estandares CER-ESECUADOR CIA. LTDA, Ecuador | | |
| Purpose: Inspection and certification body for products and services Share capital: USD 5'000.00, Participation quote: 88 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Participation Certification of Environmental Standards de México S.A., Mexico | | |
| Purpose: Inspection and certification body for products and services Share capital: MXN 50'000.00, Participation quote: 10 % (hold indirectly by CERES CERtification of Environmental Standards GmbH) | | |
| Contingent liabilities | 525'000.00 | 525'000.00 |
| Additional purchase price payment CERES CERtification of Environmental Standards GmbH (in EUR) | | |

Proposal for the appropriation of available earnings and legal reserves 2020

| | CHF |
|---|-------------------|
| Appropriation of retained earnings | |
| Profit carry forward 01.01.2020 | 299'472.48 |
| Annual profit 2020 | 346'649.92 |
| Available earnings 31.12.2020 | 646'122.40 |
| <i>Proposed allocation of income:</i> | |
| Allocation to legal retained earnings | – |
| Brought forward for next year | 646'122.40 |

Report of the statutory auditors 2020

RÖTHLISBERGER



Dr. Röthlisberger AG
Schönburgstrasse 41
Postfach 561
3000 Bern 22
T +41 (0)31 336 14 14
www.roethlisbergerag.ch

Partnergeseellschaft

G+S Treuhand AG
Bern

Mitglied von EXPERTsuisse

A member of
cpaai

Report of the statutory auditors on the limited statutory examination to the general meeting of

EASY-CERTgroup AG, Frick

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of EASY-CERTgroup AG for the year ended December 31, 2020.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Berne, April 23th, 2021 pe/gb
101050RB_2020_e

Dr. Röthlisberger AG

René Peterhans
Swiss CPA
Audit Expert
(Auditor in Charge)

Fabrizio Conoscenti
Swiss CPA
Audit Expert

- Financial statements (balance sheet, income statement and notes
Balance sheet CHF 2'930'429.68/Annual profit CHF 346'649.92
- Proposed appropriation of available earnings

Impressum

Editor
EASY-CERT group AG
Ackerstrasse 117
5070 Frick, Switzerland
Tel. +41 (0)62 865 63 00
www.easy-cert-group.com

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Peter Jossen, Hans Matzenberger, Ueli Steiner

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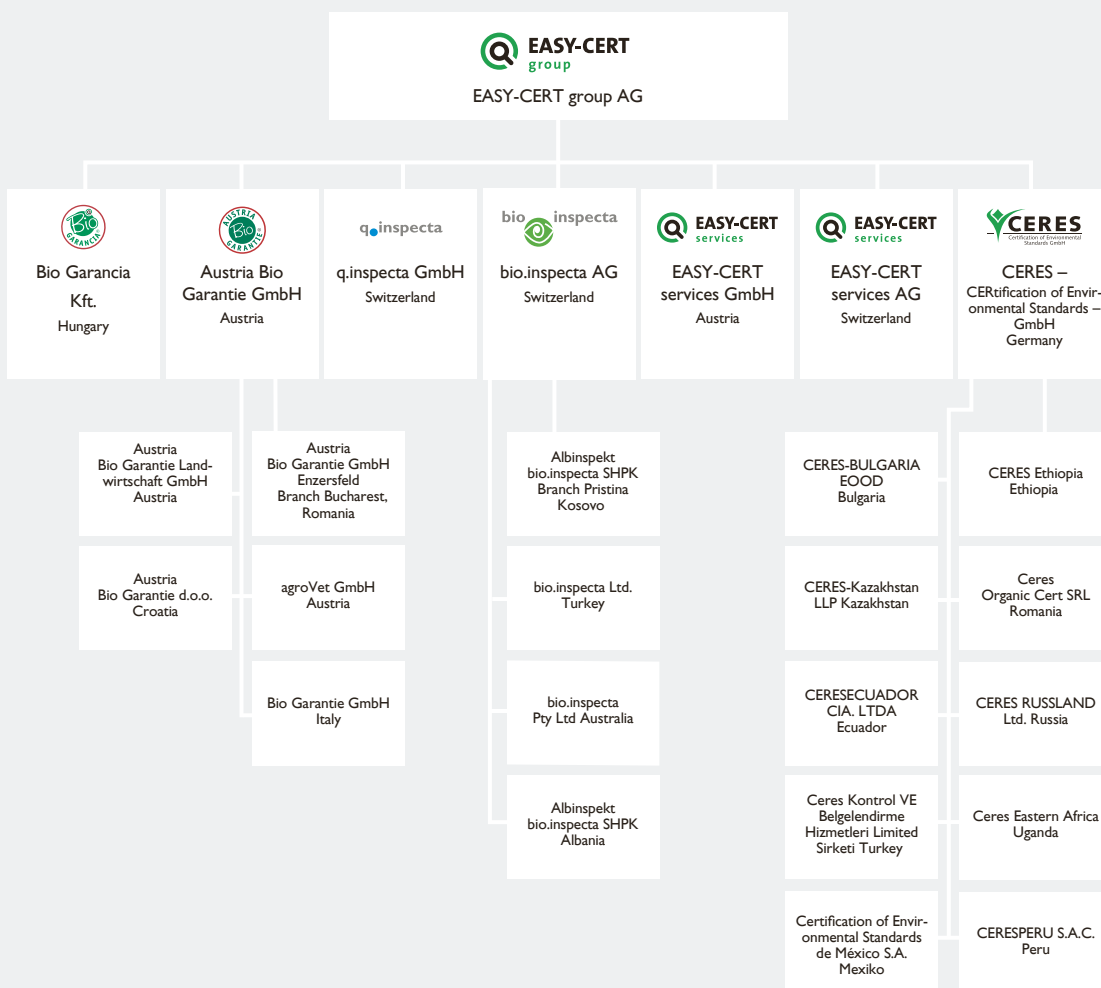
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Bernstrasse 103
3052 Zollikofen

Consolidated income statement 2020

| | 2020 | 2019 |
|--|---------------|---------------|
| | CHF in thou. | CHF in thou. |
| Turnover | 29'510 | 29'233 |
| Allowance for doubtful debts | -140 | -170 |
| Net sales | 29'370 | 29'063 |
| Personnel expenses | -18'444 | -18'435 |
| Outside services | -4'679 | -4'446 |
| Gross profits | 6'247 | 6'182 |
| Facility expenses | -401 | -372 |
| Advertising expenses | -276 | -466 |
| IT expenses | -488 | -324 |
| Accreditation expenses | -278 | -410 |
| Administration expenses | -207 | -888 |
| Other business expenses | -2'028 | -1'948 |
| Operating profit (EBITDA) | 2'568 | 1'774 |
| Depreciation tangible | -271 | -314 |
| Depreciation intangible | -547 | -76 |
| Operating profit (EBIT) | 1'750 | 1'384 |
| Financial income | 245 | 197 |
| Financial expenses | -82 | -65 |
| Profit before taxes and extraordinary results | 1'913 | -1'516 |
| Extraordinary and one-time income | 20 | 216 |
| Extraordinary and one-time expenses | -405 | -173 |
| Taxes | -454 | -452 |
| Annual profit before minority interests | 1'074 | 1'107 |
| Minority interests in profit | -11 | -9 |
| Annual profit | 1'063 | 1'098 |

Company Structure May 2021



EASY-CERT group AG
 Ackerstrasse 117
 CH-5070 Frick, Switzerland
 Tel. +41 (0)62 865 63 00
 info@easy-cert.com