
RelyOn Nutec Holding A/S

Kalvebod Brygge 45, 3, DK-1560 København V

Annual Report for 1 January - 31 December 2018

CVR No 19 95 13 83

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/03 2019

Andreas Nielsen
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of RelyOn Nutec Holding A/S for the financial year 1 January - 31 December 2018.

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 financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 20 March 2019

Executive Board

Torben Harring
CEO

Søren Strøm
Executive Officer

Board of Directors

Jakob Bo Thomasen
Chairman

Henrik Bonnerup

Jesper Teddy Lok

Independent Auditor's Report

To the Shareholder of RelyOn Nutec Holding 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of RelyOn Nutec Holding A/S for the financial year 1 January - 31 December 2018, 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' 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.

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 Financials 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.

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.

Independent Auditor's Report

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.
- 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

Independent Auditor's Report

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 20 March 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Company Information

The Company

RelyOn Nutec Holding A/S
Kalvebod Brygge 45, 3
DK-1560 København V

CVR No: 19 95 13 83

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Jakob Bo Thomasen , Chairman
Henrik Bonnerup
Jesper Teddy Lok

Executive Board

Torben Harring
Søren Strøm

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The purpose of the Company is directly - or indirectly by holding shares or other forms of equity investments in domestic and foreign companies - to engage in theoretical training and practical training in fire, rescue, security, offshore and related areas, as well as directly and / or indirectly through partners in Denmark and abroad to participate in another company which, in the opinion of the Board of Directors, is in connection with the above-mentioned purpose.

The Company has changed its name to RelyOn Nutec Holding A/S from Falck Safety Services Holding A/S after the separation from the Falck Group.

Development in the year

The income statement of the Company for 2018 shows a loss of TDKK 266,668, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 149,434.

The result is negatively effected by an impairment write-down of DKK 300 million on investment in subsidiaries.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Gross profit/loss		-4.459	1.679
Staff expenses	1	-15.433	-16.515
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.955	-4.283
Profit/loss before financial income and expenses		-21.847	-19.119
Income from investments in subsidiaries	2	-274.676	6.212
Financial income	3	40.790	1.630
Financial expenses	4	-8.116	-157.063
Profit/loss before tax		-263.849	-168.340
Tax on profit/loss for the year	5	-2.819	5.052
Net profit/loss for the year		-266.668	-163.288

Distribution of profit

Proposed distribution of profit

Retained earnings		-266.668	-163.288
		-266.668	-163.288

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Acquired licenses		4.018	1.683
Prepayment		730	0
Intangible assets	6	4.748	1.683
Other fixtures and fittings, tools and equipment		2.914	3.929
Leasehold improvements		239	0
Property, plant and equipment	7	3.153	3.929
Investments in subsidiaries	8	273.116	529.867
Receivables from group enterprises	9	370.276	83.018
Other investments	9	0	1.866
Fixed asset investments		643.392	614.751
Fixed assets		651.293	620.363
Trade receivables		0	17
Receivables from group enterprises		133.369	39.611
Other receivables		5.364	1.198
Deferred tax asset		1.733	3.020
Tax receivables		0	903
Prepayments		3.226	187
Receivables		143.692	44.936
Cash at bank and in hand		6.768	17
Currents assets		150.460	44.953
Assets		801.753	665.316

Balance Sheet 31 December

Liabilities and equity

	Note	2018 TDKK	2017 TDKK
Share capital		50.142	50.000
Retained earnings		99.292	351.902
Equity	10	149.434	401.902
Other provisions		0	2.233
Provisions		0	2.233
Payables to group enterprises		17.828	0
Long-term debt	11	17.828	0
Credit institutions		11.749	8
Trade payables		5.560	618
Payables to group enterprises	11	562.544	252.941
Corporation tax		360	0
Other payables		54.278	7.614
Short-term debt		634.491	261.181
Debt		652.319	261.181
Liabilities and equity		801.753	665.316
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting Policies	14		

Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	50.000	351.902	401.902
Cash capital increase	142	14.058	14.200
Net profit/loss for the year	0	-266.668	-266.668
Equity at 31 December	<u>50.142</u>	<u>99.292</u>	<u>149.434</u>

Notes to the Financial Statements

	2018	2017
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	13.751	15.456
Pensions	1.492	981
Other social security expenses	98	78
Other staff expenses	92	0
	<u>15.433</u>	<u>16.515</u>
Average number of employees	<u>9</u>	<u>10</u>
2 Income from investments in subsidiaries		
Impairment of investments in subsidiaries	-300.000	0
Dividend	25.324	6.212
	<u>-274.676</u>	<u>6.212</u>
<p>The Company has performed an impairment test based on the recoverable amount. This has resulted in a write-down of DKK 300 million.</p>		
3 Financial income		
Other financial income	14.355	14
Exchange rate adjustments	26.435	1.616
	<u>40.790</u>	<u>1.630</u>
4 Financial expenses		
Interest paid to group enterprises	719	600
Other financial expenses	7.397	149.605
Exchange rate adjustments, expenses	0	6.858
	<u>8.116</u>	<u>157.063</u>

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>
5 Tax on profit/loss for the year		
Current tax for the year	1.663	-4.053
Deferred tax for the year	1.287	-1.004
Adjustment of tax concerning previous years	-131	5
	<u>2.819</u>	<u>-5.052</u>
 6 Intangible assets		
	Acquired licenses <u>TDKK</u>	Prepayment <u>TDKK</u>
Cost at 1 January	17.739	0
Additions for the year	<u>3.344</u>	<u>730</u>
Cost at 31 December	<u>21.083</u>	<u>730</u>
Impairment losses and amortisation at 1 January	16.057	0
Amortisation for the year	<u>1.008</u>	<u>0</u>
Impairment losses and amortisation at 31 December	<u>17.065</u>	<u>0</u>
 Carrying amount at 31 December	<u>4.018</u>	<u>730</u>

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <u>TDKK</u>	Leasehold improvements <u>TDKK</u>
Cost at 1 January	17.760	0
Additions for the year	0	239
Disposals for the year	<u>-8.239</u>	<u>0</u>
Cost at 31 December	<u>9.521</u>	<u>239</u>
Impairment losses and depreciation at 1 January	13.832	0
Depreciation for the year	947	0
Reversal of impairment and depreciation of sold assets	<u>-8.172</u>	<u>0</u>
Impairment losses and depreciation at 31 December	<u>6.607</u>	<u>0</u>
Carrying amount at 31 December	<u>2.914</u>	<u>239</u>

8 Investments in subsidiaries

Cost at 1 January	529.867	529.867
Additions for the year	39.500	0
Transfers for the year	<u>3.749</u>	<u>0</u>
Cost at 31 December	<u>573.116</u>	<u>529.867</u>
Impairments for the year, net	<u>-300.000</u>	<u>0</u>
Value adjustments at 31 December	<u>-300.000</u>	<u>0</u>
Carrying amount at 31 December	<u>273.116</u>	<u>529.867</u>

Notes to the Financial Statements

9 Other fixed asset investments

	Receivables from group enterprises	Other investments
	TDKK	TDKK
Cost at 1 January	358.711	1.866
Additions for the year	11.565	1.883
Transfers for the year	0	-3.749
Cost at 31 December	<u>370.276</u>	<u>0</u>
Carrying amount at 31 December	<u>370.276</u>	<u>0</u>

10 Equity

The share capital consists of 50,142,100 shares of a nominal value of TDKK 100. No shares carry any special rights.

11 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2018	2017
	TDKK	TDKK
Payables to group enterprises		
Between 1 and 5 years	<u>17.828</u>	<u>0</u>
Long-term part	17.828	0
Other short-term debt to group enterprises	<u>562.544</u>	<u>252.941</u>
	<u>580.372</u>	<u>252.941</u>

Notes to the Financial Statements

	2018 TDKK	2017 TDKK
--	--------------	--------------

12 Contingent assets, liabilities and other financial obligations

Charges and security:

Shares in subsidiaries, with a carrying value of DKK 269 millions have been pledged as security in connection with the bond financing in the parent company BidCo RelyOn Nutec A/S and the credit institutions in the Company.

Charges and security

The following assets have been placed as security with credit institutions:

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of P-RelyOn Nutec A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Company has provided a bank guarantee of DKK 4.5 million related to its subsidiaries.

The Group is currently involved in pending litigations, claims and investigations arising out of the normal course of business. Management does not expect any pending claims or investigations to have a material impact on the Groups financial position, operating profit or cash flows.

There are no other material security and contingent liabilities at 31 December 2018.

13 Related parties

Basis

Controlling interest

BidCo RelyOn Nutec A/S

Immediate Parent

Transactions

Transactions with related parties have been carried out on arm's length terms.

Notes to the Financial Statements

13 Related parties (continued)

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
BidCo RelyOn Nutec A/S	Copenhagen

The Group Annual Report of BidCo RelyOn Nutec A/S may be obtained at the following address:

BidCo RelyOn Nutec A/S
Kalvebod Brygge45, 3.
DK-1560 Copenhagen V

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of RelyOn Nutec Holding A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of BidCo RelyOn Nutec A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

14 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from sale is recognised when the risks and rewards relating is transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, consultants, office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

Notes to the Financial Statements

14 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

14 Accounting Policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of investments which are not traded in an active market and are measured at the lower of cost and recoverable amount.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax

Notes to the Financial Statements

14 Accounting Policies (continued)

entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.