RelyOn Nutec Holding A/S

Kalvebod Brygge 45 3, 1560 København V

CVR no. 19 95 13 83

Annual report for 2019

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 12.08.20

Birgitte Poulsen
Dirigent

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Company information etc.

The company

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

Registered office: Copenhagen
CVR no.: 19 95 13 83
Financial year: 01.01 - 31.12

Executive Board

Torben Harring

Board of Directors

Jakob Bo Thomasen
Henrik Bonnerup
Jesper Teddy Lok
Jan Damsgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Statement by the Executive Board and 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 RelyOn Nutec Holding A/S.

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

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

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

Copenhagen, August 12, 2020

Executive Board

Torben Harring

Board of Directors

Jakob Bo Thomasen Chairman	Henrik Bonnerup
Jesper Teddy Lok	Jan Damsgaard

To the Shareholder of RelyOn Nutec Holding A/S

Opinion

We have audited the financial statements of RelyOn Nutec Holding A/S for the financial year 01.01.19 - 31.12.19, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

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 (Årsregnskabsloven).

Basis for conclusion

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.

Hellerup, August 12, 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Bo Schou-Jacobsen
State Authorized Public Accountant
MNE-no. mne28703

Thomas Wraae Holm
State Authorized Public Accountant
MNE-no. mne30141

Income statement

Note		2019 DKK '000	2018 DKK '000
	Gross loss	**-2,582**	**-4,459**
3	Staff costs	-19,762	-15,433
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,757	-1,955
	Loss before net financials	**-24,101**	**-21,847**
4	Income/loss from equity investments in group enterprises	21,386	-274,676
5	Financial income	30,683	40,790
6	Financial expenses	-7,372	-8,116
	Profit/loss before tax	**20,596**	**-263,849**
	Tax on profit or loss for the year	-2,161	-2,819
	Profit/loss for the year	**18,435**	**-266,668**

Proposed appropriation account		
Retained earnings	18,435	-266,668
Total	**18,435**	**-266,668**

Balance sheet

ASSETS

Note		31.12.19 DKK '000	31.12.18 DKK '000
	Acquired rights	11,149	4,018
	Prepayments for intangible assets	0	730
	Total intangible assets	**11,149**	**4,748**
	Leasehold improvements	1,260	239
	Other fixtures and fittings, tools and equipment	2,613	2,914
	Total property, plant and equipment	**3,873**	**3,153**
7	Equity investments in group enterprises	318,593	271,250
	Receivables from group enterprises	500,193	370,276
7	Other investments	1,866	1,866
	Total investments	**820,652**	**643,392**
	Total non-current assets	**835,674**	**651,293**
	Receivables from group enterprises	67,028	133,369
	Deferred tax asset	0	1,733
	Other receivables	2,709	5,364
	Prepayments	0	3,226
	Total receivables	**69,737**	**143,692**
	Cash	**8**	**6,768**
	Total current assets	**69,745**	**150,460**
	Total assets	**905,419**	**801,753**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.19 DKK '000	31.12.18 DKK '000
	Share capital	50,142	50,142
	Retained earnings	612,794	547,414
	Total equity	**662,936**	**597,556**
8	Payables to group enterprises	164,574	17,828
	Total long-term payables	**164,574**	**17,828**
8	Short-term part of long-term payables	27,653	114,422
	Payables to other credit institutions	41,635	11,749
	Trade payables	0	5,560
	Income taxes	1,268	360
	Other payables	7,353	54,278
	Total short-term payables	**77,909**	**186,369**
	Total payables	**242,483**	**204,197**
	Total equity and liabilities	**905,419**	**801,753**

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Statement of changes in equity

Figures in DKK '000	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.18 - 31.12.18			
Balance as at 01.01.18	50,000	351,902	401,902
Capital increase	142	462,180	462,322
Net profit/loss for the year	0	-266,668	-266,668
Balance as at 31.12.18	50,142	547,414	597,556
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance as at 01.01.19	50,142	547,414	597,556
Group contribution	0	46,945	46,945
Net profit/loss for the year	0	18,435	18,435
Balance as at 31.12.19	50,142	612,794	662,936

1. Subsequent events

The outbreak of the Coronavirus disease (COVID-19) is unfortunate and critical to the global society. We are committed to the health and safety of our customers and of course our own staff. Due to the measures introduced by the Governments in several countries, we have taken several measures since January 2020 to keep customers and employees safe during this unusual situation. This includes scaling down and closing temporarily some training sites and to lay off employees temporarily. The majority of the training centers has been reopened.

Management is monitoring the impact of COVID-19 very closely to be able to take the necessary measures to mitigate adverse effects on the operating results, net working capital and liquidity.
Management has developed a number of scenarios and are prepared to implement contingency plans as and when deemed necessary.

Obviously, the outbreak of the COVID-19 will have a negative impact on the company's revenue as well as net profit for 2020; however, at this point the effect is still too early to quantify reliably. The extent of the impact will depend on how long the situation will continue.

During Q2 2020, the parent company, BidCo RelyOn Nutec A/S initiated and obtained a refinancing package. On this basis, Management assesses that the capital resources are sufficient.

Please refer to the separate company announcements of 29 May 2020 and 8 June 2020, respectively, for further information regarding the refinancing elements and written resolution (go to: https://relyonnutec.com/en/investor/).

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company and the Group. Management has not subsequently identified any material remeasurements of assets and liabilities.

2. Primary 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.

3. Staff costs

Wages and salaries	18,223	13,751
Pensions	1,456	1,492
Other social security costs	68	98
Other staff costs	15	92
Total	19,762	15,433
Average number of employees during the year	17	9

4. Income from equity investments in group enterprises

Dividend, group enterprises	21,386	25,324
Impairment losses on equity investments	0	-300,000
Total	21,386	-274,676

The Company has in 2018 performed an impairment test based on the recoverable amount. This has resulted in a writedown of DKK 300 million.

	2019 DKK '000	2018 DKK '000

5. Financial income

Interest, group enterprises	21,755	0
Other financial income	86	14,355
Exchange rate adjustments	8,842	26,435
Total	30,683	40,790

6. Financial expenses

Interest, group enterprises	798	719
Other financial expenses	6,574	7,397
Total	7,372	8,116

7. Investments

Figures in DKK '000	Equity investments in group enterprises	Other investments
Cost as at 01.01.19	571,250	1,866
Additions during the year	47,343	0
Cost as at 31.12.19	618,593	1,866
Depreciation and impairment losses as at 01.01.19	-300,000	0
Depreciation and impairment losses as at 31.12.19	-300,000	0
Carrying amount as at 31.12.19	318,593	1,866

8. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.19	Total payables at 31.12.18
Payables to group enterprises	27,653	0	192,227	132,250
Total	27,653	0	192,227	132,250

9. Contingent liabilities

Other 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 2.3 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.

10. Charges and security

Shares in subsidiaries, with a carrying value of DKK 318 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.

11. Related parties

Controlling influence	Basis of influence
BidCo RelyOn Nutec A/S	Immediate Parent

Transactions

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

Consolidated Financial Statements

The company is included in the consolidated report for the parent company: BidCo RelyOn Nutec A/S, Copenhagen V.

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

BidCo RelyOn Nutec A/S
Kalvebod Brygge 45,3.
DK-1560 Copenhagen V

12. Accounting policies

GENERAL

The Annual Report of RelyOn Nutec Holding A/S for 2019 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.

A reclassification of DKK 448 million between Long-term payables to Group enterprises (reduced) and equity (increased) have been made in the comparative figures.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

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.

Basis of 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.

CURRENCY

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

12. Accounting policies - continued -

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.

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

INCOME STATEMENT

Gross 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.

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.

Staff costs

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.

12. Accounting policies - continued -

Income from equity investments in group entreprises

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

Other net financials

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.

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 group enterprises. 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.

12. Accounting policies - continued -

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.

Equity investments in group entreprises

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

Impairment losses on 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.

12. Accounting policies - continued -

Other investments

Equity investments that are not classified as group enterprises or associates and which are not traded in an active market are measured in the balance sheet at cost.

Cash

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

Equity

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

Current and deferred tax

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 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 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.

12. Accounting policies - continued -

Payables

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.