

RelyOn Nutec Denmark A/S

Uglviggårdsvej 3
6705 Esbjerg Ø
CVR no. 27 46 08 28

Annual report for 01.01.2023 - 31.12.2023

This annual report has been adopted at the annual general meeting on 26 June 2024

Birgitte Poulsen
Chairman of the general meeting

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Company information

The company

RelyOn Nutec Denmark A/S

Uglviggårdsvej 3

DK – 6705 Esbjerg Ø

Tel.: 76 12 13 14

Registered office: Esbjerg

CVR no.: 27 46 08 28

Financial year: 01.01.2023-31.12.2023

Executive Board

Claus Nexø Hansen

Board of Directors

Torben Harring

Torben Peder Korsgaard

Birgitte Poulsen

Jesper René Daugbjerg

Eva Christensen

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 01.01.2023 - 31.12.2023 for RelyOn Nutec Denmark A/S.

The annual report is presented in accordance with the 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 31.12.2023 and of the results of the company's activities for the financial year 01.01.2023 - 31.12.2023.

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

Esbjerg, 26 June 2024.

Executive Board

Claus Nexø Hansen
CEO

Board of Directors

Torben Harring
Chairman

Torben Peder Korsgaard

Birgitte Poulsen

Jesper René Daugbjerg

Eva Christensen

Independent auditor's report

To the shareholder of RelyOn Nutec Denmark 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 2023, and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial statements of RelyOn Nutec Denmark A/S for the financial year 1 January 2023 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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.

Management's responsibility 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 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, 26 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Allan Knudsen

State Authorised Public Accountant

mne29465

Frederik Tvedeskov Jantzen

State Authorised Public Accountant

mne47815

Income statement

DKK	Notes	2023	2022
Gross profit / loss		35.378.698	32.335.270
Staff costs	3	-28.253.328	-26.370.309
Depreciation, amortisation and impairment		-2.277.840	-1.943.763
Earnings before interest and taxes (EBIT)		4.847.530	4.021.198
Financial income	4	322.374	374.906
Financial expenses	5	-1.466.750	-1.105.306
Profit / loss before tax		3.703.154	3.290.798
Tax on profit / loss for the year	6	-576.048	-1.079.981
Profit / loss for the year		3.127.106	2.210.817

Proposed distribution of profit

Retained earnings		3.127.106	2.210.817
Total		3.127.106	2.210.817

Balance sheet

DKK	Notes	2023	2022
<u>Assets</u>			
Land and buildings	7	2.849.562	2.556.288
Leasehold improvements	7	2.064.129	2.487.714
Fixtures and fittings, tools and equipment	7	6.385.781	4.893.464
Total property, plant and equipment		11.299.472	9.937.466
Equity investments in group enterprises	8	28.041.104	28.041.104
Total financial fixed assets		28.041.104	28.041.104
Total non-current assets		39.340.576	37.978.570
Receivables from group enterprises		18.207.233	5.887.907
Trade receivables		3.167.844	6.335.193
Other receivables		3.391.020	2.741.794
Prepayments		780.224	622.160
Total receivables		25.546.321	15.587.054
Cash in bank and in hand		14.868	5.617.640
Total current assets		25.561.189	21.204.694
Total assets		64.901.765	59.183.264

DKK	Notes	2023	2022
<u>Equity and liabilities</u>			
Share capital		2.010.000	2.010.000
Retained earnings		35.002.271	31.875.165
Total equity		37.012.271	33.885.165
Lease obligations	9	147.576	384.784
Deferred tax liabilities		165.539	250.020
Payables to group enterprises	9	8.623.009	2.581.152
Total non-current payables		8.936.124	3.215.956
Short-term part of long-term payables	9	237.208	218.625
Trade payables		2.852.662	2.632.791
Payables to group enterprises		5.342.884	6.651.318
Other payables		10.520.616	12.579.409
Total current payables		18.953.370	22.082.143
Total liabilities		27.889.494	25.298.099
Total equity and liabilities		64.901.765	59.183.264
Primary activities	1		
Subsequent events	2		
Contingent liabilities	10		
Related parties	11		
Accounting policies	12		

Statement of changes in equity

DKK '000	Share capital	Retained earnings	Total equity
Balance at 1 January 2022	2.010.000	29.705.102	31.715.102
Net profit/loss for the year	0	2.210.817	2.210.817
Prior year adjustment	0	-40.754	-40.754
Balance at 31 December 2022	2.010.000	31.875.165	33.885.165
Balance at 1 January 2023	2.010.000	31.875.165	33.885.165
Net profit/loss for the year	0	3.127.106	3.127.106
Balance at 31 December 2023	2.010.000	35.002.271	37.012.271

Notes

1. Primary activities

The Entity's primary activity is to provide safety training and consultancy services to relevant high-risk industries, from facilities in Denmark and the subsidiary in Germany.

2. Subsequent events

On 24 May 2024, the ultimate owner Polaris Private Equity IV K/S announced that it has entered into an agreement to divest RelyOn Nutec to Mubadala Capital, the wholly-owned asset management subsidiary of Mubadala Investment Company. The purchase price has not been disclosed. The transaction is subject to regulatory approvals and is expected to close during the summer of 2024.

3. Staff costs

DKK	2023	2022
Wages and salaries	22.029.163	19.992.249
Pensions	3.239.234	2.800.849
Other staff costs	2.984.931	3.577.211
Total	28.253.328	26.370.309
Average number of employees	43	39

4. Financial income

DKK	2023	2022
Interest received from group enterprises	0	45.800
Exchange rate gains	257.849	305.755
Other financial income	64.525	23.351
Total	322.374	374.906

5. Financial expenses

DKK	2023	2022
Exchange rate losses	226.962	314.187
Interest paid to group enterprises	133.093	1.763
Other financial expenses	1.106.695	789.356
Total	1.466.750	1.105.306

6. Tax on profit or loss for the year

DKK	2023	2022
Current tax for the year	650.756	370.847
Adjustment of deferred tax for the year	-84.481	707.390
Adjustment of current tax prior years	-69.192	0
Other	78.965	1.744
Total	576.048	1.079.981

7. Property, plant and equipment

DKK	Land and buildings	Leasehold improve- ments	Fixtures and fittings, tools and equipment
Cost at 1 January 2023	5.257.130	6.825.933	31.185.465
Additions during the year	679.236	0	2.960.610
Cost at 31 December 2023	5.936.366	6.825.933	34.146.075
Depreciation and impairments at 1 January 2023	-2.700.842	-4.338.219	-26.292.001
Depreciation during the year	-385.962	-423.585	-1.468.293
Depreciation and impairments at 31 December 2023	-3.086.804	-4.761.804	-27.760.294
Carrying amount at 31 December 2023	2.849.562	2.064.129	6.385.781

8. Equity investments in group enterprises

DKK	Equity investments in group enterprises
Cost as at 01.01.23	28.041.104
Cost as at 31.12.23	28.041.104
Carrying amount as at 31.12.23	28.041.104

Name and registered office:	Ownership interest
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Subsidiaries:

RelyOn Nutec Germany GmbH, Germany	100%
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9. Long-term payables

DKK	Due within 1 year	Due within 1-5 years	Due after 5 years	Total
Payables to group enterprises	0	2.581.152	0	2.581.152
Lease commitments	218.625	384.784	0	603.409
Payables at 31 December 2022	218.625	2.965.936	0	3.184.561
Payables to group enterprises	0	8.623.009	0	8.623.009
Lease commitments	237.208	147.576	0	384.784
Payables at 31 December 2023	237.208	8.770.585	0	9.007.793

10. Contingent liabilities*Other contingent liabilities*

The Company has signed an rental agreement effective until 30 September 2036 for its buildings. Annual rent amounts to DKK 2.880k. The total lease payments under this agreement amounts DKK 36.727k.

The Company has also signed other lease and rental agreements effective 4-55 months after the balance sheet date. Annual rent amounts to DKK 696k. The total lease payments under these agreements amount DKK 1.088k.

The Danish 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 Danish 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.

11. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

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 Denmark A/S for 2023 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 2023 are presented in DKK.

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 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.

LEASES

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

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.

Income from equity investments in group enterprises

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

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.

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**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:

Buildings	20 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Depreciation periods and residual values are reassessed annually.

Equity investments in group enterprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognized in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income

statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment. If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

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 incurred costs relating to subsequent financial years.

Cash

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

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability. Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Non-current 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.

Current payables are measured at amortised cost, normally corresponding to the nominal value of such payables.