

**Furmanite A/S**

**Isefjordvej 3, 6715 Esbjerg N**

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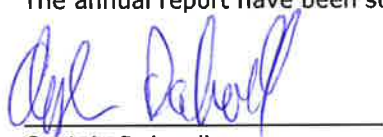
**Annual report**

**1 January - 31 December 2017**

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**Company reg. no. 33 04 31 47**

The annual report have been submitted and approved by the general meeting on the



Oystein Dalevoll  
Chairman of the meeting

## Management's report

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The board of directors and the managing director have today presented the annual report of Furmanite A/S for the financial year 1 January to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Esbjerg N, 28 May 2018

**Managing Director**



Oystein Dalevoll

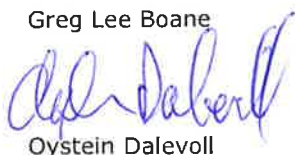
**Board of directors**

Frans Jan van Kogelenberg

Greg Lee Boane

Andre Charles Bouchard

Johannes Buijtink



Oystein Dalevoll

**Furmanite A/S**

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**Management letter of 28 May 2018**

**Audit of the annual accounts for 2017**

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**Company reg. no. 33 04 31 47**

**1. Audit of the annual accounts for 2017**

In our capacity as auditors appointed by the general meeting, we have performed the statutory audit of the annual accounts of Furmanite A/S for 2017. In this connection we have also read the management's review.

The annual accounts for 2017 show the following net result, assets and equity:

All amounts in DKK.	<u>2017</u>	<u>2016</u>
Results for the year	39.323	-831.876
Assets in total	4.256.610	3.207.613
Equity	2.103.388	2.064.065

The present management letter describes the general findings and observations in relation to the performed audit. Our observations and recommendations are solely for the use of the management.

**2. Conclusion from the performed audit and auditor's report**

The performed audit did not cause any modifications to auditor's opinion, emphasis of matter, or other information in the auditor's report.

If the the board of directors approves the annual report in its present form, we will provide the annual accounts with an auditor's report without any modifications to the auditor's opinion, emphasis of matter, or other information and issue a statement on the management's review without any comments.

**3. Purpose of the audit**

In engagement letter of 16. May 2018 we have described the purpose of the audit. In this connection we have also described the division of responsibilities between the management of the company and ourselves. We have performed the audit of the annual accounts for 2017 accordingly.

**4. Planning and performance of the audit**

The audit of the annual accounts was planned and performed in accordance with international standards on auditing and additional requirements under Danish audit regulation. The audit is performed in order to obtain reasonable assurance that the annual report is free from material misstatements, and the audit primarily comprised essential accounting records and areas, which involve a risk of material misstatements, including misstatements concerning the accounting estimates made.

As part of our preparation of the audit for 2017, we have discussed with the executive board the expectations for the financial development in 2017, including the risks relating to the activities of the company. Additionally, we have discussed the risks attached to the financial reporting and the steps taken by the executive board in order to manage such risks.

On this basis, we have prepared an audit strategy with the view to focus our efforts on risk areas. We have identified the following accounting records and areas which in our opinion involve particular risk of material misstatements and omissions or uncertainties in the annual accounts.

- Occurrence, completeness, and accrual of turnover
- Measurement of debtors, including writedown for bad debts
- Completeness and presentation of transactions with related parties, including documentation of the contractual basis

Furthermore, the audit comprised an evaluation whether the annual accounts prepared meet the regulations on accounting as stipulated by the Danish legislation and by the company's articles of association. In this connection we have evaluated the accounting policies used, the financial estimates made by the management, and other information submitted by the management.

#### **5. Significant findings from the audit**

During our audit for the financial year 2017 we have discovered an error in the calculated deferred tax assets as of 31. December 2016. As a result hereof we have corrected the deferred tax assets in the figures for 2016 resulting in a deduction in the result for the year -42.000 DKK and a deduction of the equity -42.000 DKK. No other figures have been changed in 2016 or 2017 due to the corrected deferred tax assets.

#### **6. Business procedures and internal control systems**

As a part of our audit we have reviewed the recording systems and the internal control systems of the company.

Due to the limited number of staff members employed with the administration of the company, it is not possible efficiently to delegate the administrative procedures to more persons. Consequently, the internal control is mainly based on the management supervising and inspecting the operations, the bookkeeping, and the financial reporting.

Due to the missing efficient segregation of procedures and to the missing efficient internal control, there is a risk of intentional or unintentional errors occurring within the administration of the company, and thereby losses may arise. Our audit will not always reliably disclose such mistakes.

If we find any irregularities during our audit, we will extend the audit with the purpose of disclosing the reason of such irregularities. In connection with our audit of the annual accounts for 2017, we did not disclose any irregularities. However, as stated above we can not guarantee that irregularities do not exist.

## **7. Formalities in relation to company law**

### **7.1 Management responsibility**

During our audit, we have not identified any acts or omissions, which in our opinion cause reason to believe that the members of the management may incur civil or criminal liability.

### **7.2 Obligation to keep books etc.**

In accordance with the regulations of the Danish Companies Act, we have verified that the management has met its obligations as to establish and keep books, registers and records.

## **8. Non-adjusted misstatements**

According to international standards of auditing, we are to inform the board of directors of matters that have not been corrected in the annual accounts in their present form due to the fact that the executive board has evaluated these corrections, individually as well as aggregated, as being immaterial for the annual accounts in general.

This information must be provided in order to ensure that the board of directors has been informed of and accepts the evaluation made by the executive board.

No issues have been found which have not been included in the annual accounts in their present form.

## **9. Management representation letter**

In accordance with international standards on auditing, we have procured a management representation letter from the executive board, confirming the completeness of the annual accounts.

## **10. Fraud with material effect on the annual accounts**

During the audit, we have asked the executive board about the risk of the annual accounts containing material misstatements due to fraud, and whether the executive board has knowledge of any fraud, neither actual nor suspected.

The executive board has informed us that in their opinion no particular risk of fraud exists and that, considering its size and character, the company has an efficient control environment disclosing risk of material misstatements in the annual accounts, including misstatements due to fraud.

The executive board has to us confirmed that it has no knowledge of fraud, neither actual nor suspected.

Esbjerg, 28 May 2018

**Martinsen**

State Authorised Public Accountants  
CVR-nr. 32 28 52 01

**Lars Æbelø-Nielsen**

State Authorised Public Accountant  
MNE-nr. 33693

Submitted to the board of directors on the 28 May 2018.

Frans Jan van Kogelenberg

Greg Lee Boane

Andre Charles Bouchard

Johannes Buijtink



Oystein Dalevoll

## **Company data**

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**The company**

Furmanite A/S  
Isefjordvej 3  
6715 Esbjerg N

Company reg. no. 33 04 31 47

Financial year: 1 January - 31 December

**Board of directors**

Frans Jan van Kogelenberg  
Greg Lee Boane  
Andre Charles Bouchard  
Johannes Buijtink  
Oystein Dalevoll

**Managing Director**

Oystein Dalevoll

**Auditors**

Martinsen  
Statsautoriseret Revisionspartnerselskab  
Edison Park 4  
6715 Esbjerg N

**Parent company**

Furmanite Holding B.V.



## **Management's review**

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### **The principal activities of the enterprise**

The Company's principal activity consists of sale of industrial engineering and sealing services and sales of equipment and supplies in this context and related services

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK 39.323 against DKK -831.876 last year. The management consider the results satisfactory.

## **Accounting policies used**

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The annual report for Furmanite A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

## Accounting policies used

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### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## The balance sheet

### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	10 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### Leasing contracts

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

## **Accounting policies used**

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The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Work in progress for the account of others**

Work in progress for the account of others is measured at the cost value of the work performed.

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

**Profit and loss account 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Gross profit</b>	<b>2.696.139</b>	<b>1.525.755</b>
1 Staff costs	-2.601.405	-2.474.092
Depreciation and writedown relating to tangible fixed assets	-91.668	-91.686
<b>Operating profit</b>	<b>3.066</b>	<b>-1.040.023</b>
Other financial income from group enterprises	8.988	13.300
Other financial income	41.205	0
2 Other financial costs	-2.936	-33.688
<b>Results before tax</b>	<b>50.323</b>	<b>-1.060.411</b>
Tax on ordinary results	-11.000	228.535
<b>Results for the year</b>	<b>39.323</b>	<b>-831.876</b>
 <b>Proposed distribution of the results:</b>		
Allocated to results brought forward	39.323	0
Allocated from results brought forward	0	-831.876
<b>Distribution in total</b>	<b>39.323</b>	<b>-831.876</b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Assets</b>	<u>2017</u>	<u>2016</u>
<u>Note</u>		
<b>Fixed assets</b>		
3 Other plants, operating assets, and fixtures and furniture	213.640	305.308
Tangible fixed assets in total	<u>213.640</u>	<u>305.308</u>
Deposits	42.800	42.800
Financial fixed assets in total	<u>42.800</u>	<u>42.800</u>
<b>Fixed assets in total</b>	<b><u>256.440</u></b>	<b><u>348.108</u></b>
<b>Current assets</b>		
Raw materials and consumables	58.708	0
Inventories in total	<u>58.708</u>	<u>0</u>
Trade debtors	1.006.258	820.457
4 Work in progress for the account of others	0	10.144
Amounts owed by group enterprises	1.308.698	1.049.797
5 Deferred tax assets	178.000	189.000
Receivable corporate tax	116.000	94.000
Accrued income and deferred expenses	76.857	103.909
Debtors in total	<u>2.685.813</u>	<u>2.267.307</u>
Available funds	1.255.649	592.198
<b>Current assets in total</b>	<b><u>4.000.170</u></b>	<b><u>2.859.505</u></b>
<b>Assets in total</b>	<b><u>4.256.610</u></b>	<b><u>3.207.613</u></b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2017</u>	<u>2016</u>
	<b>Equity</b>		
6	Contributed capital	500.000	500.000
7	Results brought forward	1.603.388	1.564.065
	<b>Equity in total</b>	<b><u>2.103.388</u></b>	<b><u>2.064.065</u></b>
	<b>Liabilities</b>		
	Trade creditors	67.666	164.917
	Debt to group enterprises	983.411	346.444
	Other debts	1.102.145	632.187
	Short-term liabilities in total	<u>2.153.222</u>	<u>1.143.548</u>
	<b>Liabilities in total</b>	<b><u>2.153.222</u></b>	<b><u>1.143.548</u></b>
	<b>Equity and liabilities in total</b>	<b><u>4.256.610</u></b>	<b><u>3.207.613</u></b>
<b>8</b>	<b>Mortgage and securities</b>		
<b>9</b>	<b>Contingencies</b>		

## Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
<b>1. Staff costs</b>		
Salaries and wages	2.176.763	2.015.206
Pension costs	203.310	190.003
Other costs for social security	140.767	130.388
Other staff costs	80.565	138.495
	<b><u>2.601.405</u></b>	<b><u>2.474.092</u></b>
Average number of employees	<u>4</u>	<u>4</u>
<b>2. Other financial costs</b>		
Other financial costs	2.936	33.688
	<b><u>2.936</u></b>	<b><u>33.688</u></b>
	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>3. Other plants, operating assets, and fixtures and furniture</b>		
Cost opening balance	714.384	714.384
<b>Cost closing balance</b>	<b><u>714.384</u></b>	<b><u>714.384</u></b>
Depreciation and writedown opening balance	-409.076	-317.390
Depreciation for the year	-91.668	-91.686
<b>Depreciation and writedown closing balance</b>	<b><u>-500.744</u></b>	<b><u>-409.076</u></b>
<b>Book value closing balance</b>	<b><u>213.640</u></b>	<b><u>305.308</u></b>
<b>4. Work in progress for the account of others</b>		
Sales value of the production of the period	0	10.144
<b>Work in progress for the account of others, net</b>	<b><u>0</u></b>	<b><u>10.144</u></b>



## Notes

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All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>5. Deferred tax assets</b>		
Deferred tax assets opening balance	189.000	-43.000
	<u>-11.000</u>	<u>232.000</u>
	<b><u>178.000</u></b>	<b><u>189.000</u></b>
The following items are subject to deferred tax:		
Tangible fixed assets	-21.000	-33.000
Losses brought forward from previous years	<u>199.000</u>	<u>222.000</u>
	<b><u>178.000</u></b>	<b><u>189.000</u></b>
<b>6. Contributed capital</b>		
Contributed capital opening balance	<u>500.000</u>	<u>500.000</u>
	<b><u>500.000</u></b>	<b><u>500.000</u></b>
<b>7. Results brought forward</b>		
Results brought forward opening balance	1.564.065	2.395.941
Profit or loss for the year brought forward	<u>39.323</u>	<u>-831.876</u>
	<b><u>1.603.388</u></b>	<b><u>1.564.065</u></b>
<b>8. Mortgage and securities</b>		
None		
<b>9. Contingencies</b>		
<b>Contingent liabilities</b>		
Pending disputes		
During 2017 the company has been part in an internal dispute which was unsolved at 31. december 2017. The case has been settled in the spring 2018 and will not have significant affect to the expected results for the financial year 2018.		