

Furmanite A/S

Isefjordvej 3, 6715 Esbjerg N

Annual report

1 January - 31 December 2018

Company reg. no. 33 04 31 47

The annual report was submitted and approved by the general meeting on the 15 July 2019.

Frans Jan van Kogelenberg
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

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 2018.

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 at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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, 5 July 2019

Managing Director

Frans Jan van Kogelenberg

Board of directors

Frans Jan van Kogelenberg

Susan Michelle Ball

Andre Charles Bouchard

Johannes Buijtink

Independent auditor's report

To the shareholder of Furmanite A/S

Opinion

We have audited the annual accounts of Furmanite A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Esbjerg, 5 July 2019

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Lars Æbelø-Nielsen

State Authorised Public Accountant
mne33693

Company data

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
Susan Michelle Ball
Andre Charles Bouchard
Johannes Buijtink

Managing Director

Frans Jan van Kogelenberg

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Edison Park 4
6715 Esbjerg N

Parent company

Furmanite Holding B.V.

Management's review

The principal activities of the company

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 -1.787.594 against DKK 39.323 last year. The management consider the results unsatisfactory.

The result for the year before company tax has been negatively impacted by an approximate DKK 976.000 loss on intercompany accounts.

Accounting policies used

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.

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

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

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.

Accounting policies used

Depreciation, amortisation and writedown

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

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 concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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:

	Useful life
Other plants, operating assets, fixtures and furniture	10 years

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.

Accounting policies used

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 the 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.

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.

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.

Accounting policies used

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>2018</u>	<u>2017</u>
Gross profit	183	2.696.139
1 Staff costs	-1.680.969	-2.601.405
Depreciation and writedown relating to tangible fixed assets	-98.363	-91.668
Operating profit	-1.779.149	3.066
Other financial income from group enterprises	7.946	8.988
Other financial income	-13.806	41.205
2 Other financial costs	-2.585	-2.936
Results before tax	-1.787.594	50.323
Tax on ordinary results	0	-11.000
Results for the year	-1.787.594	39.323
 Proposed distribution of the results:		
Allocated to results brought forward	0	39.323
Allocated from results brought forward	-1.787.594	0
Distribution in total	-1.787.594	39.323

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Fixed assets		
3 Other plants, operating assets, and fixtures and furniture	271.055	213.640
Tangible fixed assets in total	<u>271.055</u>	<u>213.640</u>
Deposits	42.800	42.800
Financial fixed assets in total	<u>42.800</u>	<u>42.800</u>
Fixed assets in total	<u>313.855</u>	<u>256.440</u>
Current assets		
Raw materials and consumables	44.439	58.708
Inventories in total	<u>44.439</u>	<u>58.708</u>
Trade debtors	284.447	1.006.258
4 Work in progress for the account of others	47.656	0
Amounts owed by group enterprises	2.323	1.308.698
5 Deferred tax assets	178.000	178.000
Receivable corporate tax	66.000	116.000
Accrued income and deferred expenses	20.875	76.857
Debtors in total	<u>599.301</u>	<u>2.685.813</u>
Available funds	726.330	1.255.649
Current assets in total	<u>1.370.070</u>	<u>4.000.170</u>
Assets in total	<u>1.683.925</u>	<u>4.256.610</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2018</u>	<u>2017</u>
Note			
Equity			
6	Contributed capital	500.000	500.000
7	Results brought forward	-184.206	1.603.388
	Equity in total	<u>315.794</u>	<u>2.103.388</u>
Liabilities			
	Trade creditors	63.604	67.666
	Debt to group enterprises	733.865	983.410
	Other debts	570.662	1.102.146
	Short-term liabilities in total	<u>1.368.131</u>	<u>2.153.222</u>
	Liabilities in total	<u>1.368.131</u>	<u>2.153.222</u>
	Equity and liabilities in total	<u>1.683.925</u>	<u>4.256.610</u>

8 Mortgage and securities

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Salaries and wages	1.400.374	2.176.763
Pension costs	147.136	203.310
Other costs for social security	96.616	140.767
Other staff costs	36.843	80.565
	<u>1.680.969</u>	<u>2.601.405</u>
 Average number of employees	 <u>3</u>	 <u>4</u>
 2. Other financial costs		
Other financial costs	2.585	2.936
	<u>2.585</u>	<u>2.936</u>
	 <u>31/12 2018</u>	 <u>31/12 2017</u>
3. Other plants, operating assets, and fixtures and furniture		
Cost opening balance	714.384	714.384
Additions during the year	155.778	0
Cost closing balance	<u>870.162</u>	<u>714.384</u>
Depreciation and writedown opening balance	-500.744	-409.076
Depreciation for the year	-98.363	-91.668
Depreciation and writedown closing balance	<u>-599.107</u>	<u>-500.744</u>
 Book value closing balance	 <u>271.055</u>	 <u>213.640</u>
 4. Work in progress for the account of others		
Sales value of the production of the period	47.656	0
Work in progress for the account of others, net	<u>47.656</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Deferred tax assets		
Deferred tax assets opening balance	178.000	189.000
Deferred tax of the results for the year	<u>0</u>	<u>-11.000</u>
	<u>178.000</u>	<u>178.000</u>
6. Contributed capital		
Contributed capital opening balance	<u>500.000</u>	<u>500.000</u>
	<u>500.000</u>	<u>500.000</u>
7. Results brought forward		
Results brought forward opening balance	1.603.388	1.564.065
Profit or loss for the year brought forward	<u>-1.787.594</u>	<u>39.323</u>
	<u>-184.206</u>	<u>1.603.388</u>
8. Mortgage and securities		
None		