

P-Holding RelyOn Nutec A/S

Kalvebod Brygge 45 3, 1560 København V

CVR no. 39 44 54 41

Annual report for 2019

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 31.08.20

Birgitte Poulsen
Dirigent

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The company

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

Registered office: Copenhagen
CVR no.: 39 44 54 41
Financial year: 01.01 - 31.12

Executive Board

Henrik Bonnerup

Board of Directors

Allan Bach Pedersen
Henrik Bonnerup
Jan Johan Kühl

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 P-Holding RelyOn Nutec 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 31, 2020

Executive Board

Henrik Bonnerup

Board of Directors

Allan Bach Pedersen
Chairman

Henrik Bonnerup

Jan Johan Kühl

To the Shareholder of P-Holding RelyOn Nutec A/S

Opinion

We have audited the financial statements of P-Holding RelyOn Nutec 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 31, 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

		27.03.18	31.12.18
		2019	31.12.18
Note		DKK	DKK
	Gross result	-50,000	0
3	Financial expenses	-2,473,353	-421,319
	Loss for the year	-2,523,353	-421,319
Proposed appropriation account			
	Retained earnings	-2,523,353	-421,319
	Total	-2,523,353	-421,319

Balance sheet

ASSETS		31.12.19	31.12.18
		DKK	DKK
Note			
4	Equity investments in group enterprises	368,432,288	300,200,297
	Total investments	368,432,288	300,200,297
	Total non-current assets	368,432,288	300,200,297
	Other receivables	750,574	0
	Total receivables	750,574	0
	Cash	17,672	499,254
	Total current assets	768,246	499,254
	Total assets	369,200,534	300,699,551

Balance sheet

EQUITY AND LIABILITIES		31.12.19	31.12.18
		DKK	DKK
Note			
	Share capital	2,889,468	2,757,019
	Retained earnings	290,259,183	272,521,959
5	Total equity	293,148,651	275,278,978
	Other payables	26,986,296	25,419,178
	Total long-term payables	26,986,296	25,419,178
	Trade payables	50,000	0
	Payables to group enterprises	49,015,587	1,395
	Total short-term payables	49,065,587	1,395
	Total payables	76,051,883	25,420,573
	Total equity and liabilities	369,200,534	300,699,551

- 1 Subsequent events
- 2 Primary activities
- 6 Contingent liabilities
- 7 Accounting policies

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 27.03.18 - 31.12.18			
Capital contributed on establishment	500,000	0	500,000
Capital increase	2,257,019	272,943,278	275,200,297
Net profit/loss for the year	0	-421,319	-421,319
Balance as at 31.12.18	2,757,019	272,521,959	275,278,978
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance as at 01.01.19	2,757,019	272,521,959	275,278,978
Capital increase	132,449	18,523,104	18,655,553
Issuing of warrants	0	1,937,447	1,937,447
Purchase of treasury shares and warrants	0	-1,883,377	-1,883,377
Sale of treasury shares and warrants	0	1,300,000	1,300,000
Loss on purchase of treasury shares and warrants	0	383,403	383,403
Net profit/loss for the year	0	-2,523,353	-2,523,353
Balance as at 31.12.19	2,889,468	290,259,183	293,148,651

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 Group 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 holding shares in a domestic company - 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.

		27.03.18
	2019	31.12.18
	DKK	DKK

3. Financial expenses

Interest, associates	515,587	0
Other interest expenses	1,574,363	421,319
Expense, management incentive program	383,403	0
Total	2,473,353	421,319

4. Equity investments in group enterprises

Figures in DKK	Equity invest- ments in group enterprises
Cost as at 01.01.19	300,200,297
Additions during the year	68,231,991
Cost as at 31.12.19	368,432,288
Carrying amount as at 31.12.19	368,432,288

5. Equity

The share capital consists of 275,701,894 shares of a nominal value of DKK 2,757,019. No shares carry any special rights.

Management Incentive Programme

In 2019, the company offered a share investment and warrant program to certain key employees in the subsidiary BidCo RelyOn Nutec AS. Under the program, participants made a combined share and warrant investment in P-Holding RelyOn Nutec A/S. The company holds all shares in Bidco RelyOn Nutec A/S and has no other activities.

5. Equity - continued -

As of 31 December 2019, the outstanding number of shares amount to 1.6% of the share capital in P-Holding RelyOn Nutec A/S and outstanding number of warrants amount to potential shares equal to 2.9% of the current share capital in P-Holding RelyOn Nutec A/S. None of the members of Management in P-Holding RelyOn nutec A/S are members of the program.

The shares and warrants were acquired at fair value and consequently, no cost is recognized. The warrants are exercisable upon an exit event such as transfer of at least 50% of the share capital/voting rights or an initial public offering. If no such exit event takes place before 20 September 2023, the participants are entitled to exercise the warrants

If a participant leaves the company (bad leaver) the company has a right but not an obligation to acquire the shares and warrants at an amount which may be below fair value. If the company terminates an employee (good leaver) the participant is entitled to sell the shares and warrants to the company at their fair value.

During 2019, P-Holding RelyOn Nutec A/S reacquired shares equal to 0.04% of the share capital and warrants equal to a potential shareholding of 0.4% due to a participant leaving the BidCo RelyOn Nutec A/S.

As of 31 December 2019, the settlement amount for all outstanding shares and warrants under the programme is approx. DKK 10 million.

Treasury shares

At the Company's extraordinary general meeting on 13 September 2019, the Company was authorised to acquire up to a nominal amount of DKK 10,856 as treasury shares.

The Company acquired 10,856 treasury shares and subsequently disposed of 9,788 treasury shares. At year-end 2019, the number of treasury shares amount to 1,068 equal to 0.04% of the share capital.

The average price of the acquired number of treasury shares was DKK 1.2671 per share corresponding to a total consideration of DKK 1,375,564. Further, the average price of the disposed number of treasury shares was DKK 1.0375 per share corresponding to a total consideration of DKK 1,015,458.

Finally, the Company acquired 32,568 warrants of which 21,390 subsequently were disposed off. At year-end 2019, the Company holds 11,178 warrants.

Treasury shares and warrants are acquired as part of the Management Incentive Programme issued by the Company, cf, description above.

6. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Accounting policies

GENERAL

The Annual Report of P-Holding RelyOn Nutec 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.

The Financial Statements for 2019 are presented in DKK.

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of P-RelyOn Nutec 2018 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.

INCOME STATEMENT

Gross result

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.

Other external expenses

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

7. Accounting policies - continued -

Other net financials

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

Equity investments in group enterprises

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 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 and amortisation.

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.

7. Accounting policies - continued -

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 at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

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

Equity

The value of incentive program, including share option and warrant plans offered to the Executive Board and a number of senior employees in the subsidiary BidCo RelyOn Nutec A/S for which the participants have paid fair value is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in note 5. The liability to repurchase shares and warrants from good leavers is not recognised as this is considered to be within the Group's control.

Treasury shares and warrants

In general, consideration from acquisition and disposal of treasury shares and warrants are recognised directly in equity. Gains and losses from sale of treasury shares to participants in the Management Incentive Programme are recognised in the income statement.

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

7. Accounting policies - continued -

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

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.