RelyOn Nutec
360° Safety

ANNUAL REPORT
2020

The Annual Report was presented and adopted at the Annual General Meeting of the Company 30 June 2021.

Chairman of the General Meeting

(P-RelyOn Nutec 2018 A/S)

Address: Malmøgade 3, DK-2100 Copenhagen
Company reg. no 39 82 66 58

Your global partner for safety critical industries

We support you saving lives and protecting the environment

CONTENTS

www.relyonnutec.com

P-RelyOn Nutec 2018 A/S
Company reg. no. 39 82 66 58
Malmøgade 3
2100 Copenhagen

MANAGEMENT'S REVIEW

Introduction

Our business

Governance and risk

FINANCIAL STATEMENTS

Consolidated financial statements

Parent company financial statements

Management statement, auditor's reports and definitions

Introduction

2020 AT A GLANCE

Your global partner for safety critical industries

We support you saving lives and protecting the environment

- Training
- Applications
- E-learning
- Consultancy
- Managed services
- Simulation

Industries

Oil and gas	~62%
Maritime	~11%
Renewables	~9%
Other safety critial industries	~18%

Locations

Americas	~27%
Europe	~58%
Asia	~11%
Middle East	~4%

Activites in Africa were divested in 2020

Revenue	EBITDA	Free cash flow	Total assets	NIBD
DKKm 535	DKKm 31	DKKm 34	DKKm 1,064	DKKm 702
2019: 819m	2019: 148m	2019: (17)	2019: 1,301	2019: 742

MANAGEMENTS SUMMARY

The sudden outbreak of COVID-19 and the rapid spread of the global pandemic led to an unprecedented year for people, businesses and the global society. The global health crisis had massive negative impact on most of the industries we serve. Particularly hard hit were: 1) the cruise line and passenger carrying part of the maritime industry that came to a complete halt and 2) the oil and gas sector with demand destruction led to a crash in oil prices, numerous redundancies and filings for bankruptcy protection in the supply chain.

For RelyOn Nutec, the unpredicted pandemic and consequent lockdown measures from governments across the world led to a temporary shutdown of most of our facilities across the world. Multiple re-openings and reinstated lockdowns remained a challenge.

Strong management teams across regions and incomparable commitment from our employees became invaluable during the year. I am truly thankful for the pledge from the organisation, and I am sorry for the competent staff that unfortunately had to leave us during the pandemic.

Financial performance COVID-19 impacted

Following a strong growth in the first two months of 2020, with performance above budget, revenue and EBITDA from mid-March and onwards, negatively impacted by the outbreak of COVID-19 and governmentally forced shutdown of most facilities across the world. Naturally, this impacted our 2020-revenue and while we responded with determination and firm cost base adjustment, earnings were significantly negatively impacted.

Revenue for 2020 came in at DKKm 535, which was 35% below 2019, while EBITDA before special items for 2020 dropped from DKKm 148 in 2019 to DKKm 31 in 2020.

Given the very difficult circumstances I am pleased we still managed to deliver a positive free cash flow of DKKm 34, thanks to working capital optimisations.

I am thankful to our shareholders, bond investors and financial partners for the trust and commitment they have shown us during these unpredicted and unprecedented times.

Healthy recovery potential beyond 2021

At the beginning of 2021, the global society is still held hostage by the pandemic and also in RelyOn Nutec we are juggling challenging restrictions. However, the increasing approval of COVID-19 vaccines and the roll-out of the different vaccination programmes create stimulus to the global economy and provide optimism across the sectors we serve.

The renewable sector is already blooming and oil majors continue to reposition themselves to engage in the renewable play, further accelerating the development of this sector in the coming years.

In the maritime sector, passenger carriers will expectedly resume operation during 2021 and the recrewing will drive demand for our services.

While the oil demand has not fully recovered to balance production capacity, oil prices have improved to pre COVID levels underlining medium- to long-term post-pandemic recovery potential in the oil and gas sector given prudent behaviour from OPEC+ and Saudi Arabia.

“In 2021, we will continue our transformation toward becoming the leading competence house for safety critical industries”

Equally, safety and sustainability measures are becoming increasingly important across a range of sectors, while digital advancement is taking place to support traditional safety and competence development.

In RelyOn Nutec, we are well positioned to develop and transform with our current customers supported by our increasingly digi-physical service platform and likewise to put our experience into play across a range of new sectors.

Accelerated digital journey

Following the acquisition of three technology platforms toward the end of 2019, we have continued the digital capabilities built during 2020 and we are positioned to bring these services forcefully to market post pandemic. In preparation for the global rollout of our digital services and applications, we launched a new web universe in February 2021 to accelerate the repositioning of RelyOn Nutec as an end-to-end competence house for safety critical industries.

The digital acceleration will fuel the penetration of our services into new industries and reduce our historical dependencies on the oil and gas sector.

RelyOn Nutec accelerates its digital journey and launches a new web universe to support it

Proof of concept for software applications

During 2020 we delivered “proof of concept” for our newly acquired suite of applications offering customers in the safety critical industries a modular approach to managing safety, training and competence across their business.

By the end of 2020, we had 138 active installations of our different SaaS-based applications. The number of users increased from 18,000 at the beginning of the year to 42,000 at the end of the year.

By the end of the year, we had further added to the application development teams focusing on completing the implementation of a flexible multi-tenant architecture, which allows a fully scalable client base to run from a single cloud-based platform. This will greatly optimise the ability to maintain and continuously upgrade the system.

Building digitised managed service offering

Despite challenging business conditions, there is a keen interest in our training and competence application which has now been rolled out to support a total of 16 customers. During the year we onboarded our first customers from the offshore wind, maritime and petrochemical industries.

By successfully centring our managed service offerings around our new purpose-built and dedicated application, we have created a robust and uniform foundation for the delivery of our services globally.

We have a growing pipeline across safety critical industries and our upskilled employees are well-prepared to meet the increased demand.

Rapidly growing e-learning library

We entered 2020 with an e-learning portfolio of 42 course titles available only in the English language. During the year we have put a strong effort into the development of additional courses and brought our portfolio to 138 course titles. We will continue the rapid expansion of our course portfolio through 2021. Likewise, we have completed translation of a selection of these to suit our geographies. Everything is available in the latest technology.

Although delivery of e-learning courses is still marginal, it has increased from 1,000 courses per month to 3,000 courses per month through the year.

Simulation technology with excellent customer feedback

With the acquisition of Oiltec Solutions in 2019, we gained access to cutting-edge simulation technology originally built and deployed for research purposes. In 2020, the company was fully integrated and the service line rebranded RelyOn Nutec Simulation Technology.

We have accelerated the already powerful development and added a cloud-based simulation solution allowing us to seamlessly stream onto single screen platforms, desktops, laptops, tablets, and smartphones. The cloud-based solution is an important milestone in bringing our simulation capabilities further to the market and closer to our customers.

We have successfully installed state-of-the-art simulators in our training facilities in Stavanger, Houston, and Aberdeen with additional geographies soon to follow. We will use these to support the increasing demand from our customers in consultancy and training of very high-profile projects.

Sustainability at our heart

Sustainability is built into our purpose of helping customers across safety critical industries to ensure a healthy and safe work environment by upskilling their workforce and support them with application to manage competence and safety critical processes avoiding life-threatening situations, protection assets and the environment.

We are promoting the UN objectives and agenda for sustainable development and responsible business practices and we have committed to the UN Global Compact.

In 2020, we measured our own carbon footprint for the first time. We are committed to reducing the environmental footprint of our operations through efficient use of resources and continuous focus on reducing our energy consumption and CO_2 emissions.

We are making annual impact assessments, and we communicate how we manage such impacts. The Sustainable Development Goals (SDGs) also play a part in assessing where our business activities have the greatest impact and in conveying to our stakeholders how we seek to make a difference. All SDGs are relevant to us, however our business activities have a bigger impact on reaching some goals more than others. We want to contribute by doing what we do best.

Corporate Social Responsibility (CSR) and Environmental Social Governance (ESG) have been – and will continue to be – a key areas of focus.

COVID-19 safety measures

Safety is in our DNA and with respect to COVID-19 we have taken strong measures to protect our customers and staff. Already in January 2020 we implemented the first precautions in our Asian operation and in February before the escalation of the pandemic we had implemented temperature screenings etc. at all our facilities across the world. We swiftly developed digital COVID-19 awareness courses, and made them available free of charge to all delegates and implemented very strong precautions at our facilities.

Strategic priorities for 2021

The COVID-19 pandemic has been much more than a bump on the road, and it has driven efficiencies across industries, accelerated digitalisation and speeded up a sustainable energy transition.

RelyOn Nutec is well positioned to take part in this new and enhanced transformational play. Building on our 50 years of experience in delivering services to safety critical industries and +30 strategically located facilities across the world, we will accelerate the build of capabilities within applications, simulation, managed services, consultancy, and e-learning.

Through 2021 it is a top priority to fasten the commercial and digital capability build and we are determined to increasingly become our customers' preferred end-to-end partner for developing and maintaining a safe workplace while protecting the environment.

We will continue to invest in our digital portfolio, and we will rapidly expand our library of e-learning courses to serve multiple industries.

The technology behind our state-of-the-art simulation products will further accelerate, and we will utilise the technology in adjacent industries as well roll out the product in select geographies.

We will accelerate the growth in our suite of applications to meet the customer demands we see in the market, and we will be looking for candidates to supplement our suite of applications as and when the ideal candidates appear.

Outlook

The pandemic still has its impact across the world and although the roll-out of vaccination programmes gives sign of gradual normalisation, visibility is still reduced.

The initiatives within digital services and applications are expected to double revenue in these areas through 2021.

For 2021 we expect profit before depreciation and amortisation (EBITDA) in the range of DKKm 90 to DKKm 110.

FINANCIAL REVIEW

Realised expectations for 2020

The extent and duration of COVID-19 restrictions have been both more severe and longer than what we expected in the COVID-19 scenario we communicated on 29 May 2020. We have seen a further impact from prolonged lockdowns and mobility restrictions resulting in reduced activity levels, slower recovery and cancellations. Adjusted for divestment of our Nigerian shareholding, we therefore realised a revenue (DKKm 535) and EBITDA (DKKm 31) which was lower than expected.

Revenue

Revenue for 2020 was DKKm 535, which was DKKm 284 (35%) below 2019. The decrease was driven by the lockdown, strong restrictions and reduced activity levels following COVID-19.

By the end of the year, the activity level within the maritime and renewables sectors was back at pre COVID levels, while the activity level in the public sector was significantly negatively impacted by the strong restrictions, and the activity level within the oil and gas sector was below (41%) 2019.

Other income

Other income was DKKm 40 compared to DKKm 9 in 2019. The increase was driven by governmental grants from various local government aid programmes available to counter the negative impact from COVID-19.

EBITDA

EBITDA before special items ended at DKKm 31 compared to DKKm 148 in 2019. The reduction was driven by reduced activity levels following COVID-19. The EBITDA margin landed at 6% compared to 18% in 2019.

In 2020, we continued implementing the financial measures to reduce costs and preserve cashflow we had initiated as a consequence of COVID-19. Therefore, the total number of employees was reduced to 784 by the end of December 2020 compared to 910 by the end of December 2019.

EBITA

EBITA before special items ended at negative DKKm 44 compared to positive DKKm 72 in 2019.

Special items

Special items in 2020 amounted to DKKm 16 and were mainly related to restructuring cost following the outbreak of COVID-19.

Financial items, net

The financial items, net amounted to DKKm 75 compared to DKKm 54 in 2019. The increase was driven by increased bond interests of DKKm 8, unrealised foreign exchange rate adjustments of DKKm 10 and other financial expenses of DKKm 14.

Result for the year

The result for the year was negative and amounted to DKKm 172 compared to DKKm 49 (negative) in 2019.

The result in 2020 included a loss of DKKm 12m in connection with the divestment of our Nigerian activities. The proceeds from this divestment amounted to DKKm 13. For further information in respect of the divestment, we refer to notes 2.10 and 2.11 to the consolidated financial statements.

Trade working capital

Trade working capital came in at DKKm 8 (1% of revenue) compared to DKKm 88 (10% of revenue) at the end of December 2019. The improvement is driven by both strict cash management and reduction in activity.

Free cash flow

Despite a lower EBITDA, the free cash flow for 2020 was positive by DKKm 34 (DKKm -17). The improvement was driven by a net working capital reduction and a lower investment level.

Equity

Equity as of 31st December 2020 amounted to DKKm 85 (DKKm 235). This reduction was mainly attributable to the result for the year (DKKm 172) and unrealised exchange rate adjustments related to our foreign subsidiaries of DKKm 47. The solvency ratio was 8% (2019: 18%) at the end of December 2020.

Net interest-bearing debt (NIBD)

As of 31st December 2020, NIBD was DKKm 702 compared to DKKm 742 as of 31st December 2019. The change was primarily driven by deferral of bond interest for Q2, Q3 and Q4.

Capital resources

As announced in June, we secured additional financing to parry a potential liquidity shortfall from the COVID-19 pandemic. For further information, we refer to notes 4.4 and 5.3 to the consolidated financial statements.

The unused working capital facility amounted to DKKm 67 at the end of December and headroom to the liquidity covenant (DKKm 35) was DKKm 80.

KEY FIGURES AND RATIOS

DKKm	2020	2019	30.03 - 31.12.2018
Income statement			
Revenue	535	819	248
Operating result before depreciation, amortization, impairment losses and special items (EBITDA)	31	148	35
Operating result before amortization and special items (EBITA)	(44)	72	24
Operating result (EBIT)	(79)	25	(14)
Net financials	(75)	(54)	(6)
Result before tax	(154)	(29)	(20)
Result for the year of continuing operations	(156)	(51)	(19)
Result for the year	(172)	(49)	(19)
Statement of financial position			
Total assets	1.064	1.300	1.002
Property, plant and equipment	280	342	369
Total equity	85	235	304
Trade working capital	8	88	80
Net interest bearing debt (NIBD)	702	742	346
Statement of cash flows			
Operating activities	68	102	(1)
Investing activities	(34)	(119)	(482)
Hereof investments in tangible fixed assets	(32)	(47)	(19)
Free cash flow	34	(17)	(482)
Financing activities	(38)	(23)	590
Net cash flow for the year	(4)	(40)	107
Employees			
Number of employees for continuing operations	784	910	858
Number of employees of which are employed in Denmark	54	57	45
Key Ratios			
Return on assets (%)	-16%	-4%	-2%
Solvency ratio (%)	8%	18%	30%
Cash conversion	1,1	(0,1)	(13,8)

Supplementary information

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Figures in 2018 include figures from the acquisition of Falck Safety Service Holding A/S from 20th September 2018 to 31st December 2018.

Comparative figures and key figures in the income statement for 2020 and 2019 have been adjusted to take into account the Nigerian activities being presented as discontinued operations.

Our business

OUR BUSINESS AND INDUSTRIES

We are a global business delivering safety and competence services across the world, helping our customers protect their people, assets and the environment.

With headquarters in Copenhagen and a global footprint, we have a deep history in delivering compliance and competence services going back over 50 years. Since our beginning we have been leading the industry and through the intelligent application of leading edge technology we have developed into the preferred end-to-end partner for our customers developing and maintaining a safe workplace while protecting the environment.

TRANSFORMING INDUSTRIES WITH DIGITAL TECHNOLOGY

Our market-leading suite of digital applications offers customers in safety critical industries a modular approach to managing safety across their business processes while minimising risk. Utilising our innovative cloud-based technology, our suite of applications is built to allow customers to select from a range of applications to suit their needs, revolutionising the way companies track workforce safety, compliance and competence.

PUSHING FOR SUSTAINABILITY

Our clients operate across a range of safety critical industries including those driving the transition to a more sustainable energy supply, delivering state-of-the-art technologies, services and training solutions that keep people safe and protect the environment.

With safety in our DNA, all our services and solutions are built for this purpose and cover the needs of our customers entire workforce from frontline operations to back office.

SAFETY AND TECHNICAL TRAINING DELIVERED TO THE POINT

Complemented by our digital learning, leading training simulators and applications, we deliver safety and technical training to customers across the world. Whether training is remotely delivered from one of our applications, at one of our global facilities or at our customers' locations, we deliver training to the point of need.

DEVELOPING WORKFORCES

We serve industries that perceive a high risk to the safety of their people, their assets and the environment.

In short, what we do is:

- **Manage people and workforces** to ensure that people are compliant and competent entering high-risk environments via our managed service solution
- **Develop, deliver, and maintain world-class simulators** to the place of our customers' choice and ensure up-to-date cloud-based applications
- **Share our subject matter expertise** to help our customers build and sustain a safe workplace and protect their assets and the environment
- **Develop and provide state-of-the-art standalone software applications and technology** that are developed and tailored to meet the high safety and competence requirements of safety critical industries
- **Deliver training** using our advanced simulation technology, digitally via our fast-growing library of e-learning courses or practically at one of our facilities across the world.

Safety is not only our business – it is in our DNA. Our fundamental belief is that safety requires a 360 degree perspective and mindset. Through the application of technology, we help our customers develop and sustain healthy and safe work environments ensuring they have the right skill set to stay safe in hazardous and potentially life-threatening situations.

We apply this 360 degree approach to how we develop our business and invest in new technology, services and solutions to prepare for and cover an increasing range of risks.

The industries we serve

Oil and gas

Our customers include some of the largest operators, contractors and service companies. With subject matter experts in the sector, we have knowledge and first-hand experience that can be applied to support customers

Maritime

From cruise ships to bulk tankers and fishing boats, the industry operates in dangerous and harsh environments and at significant distances from help. Our maritime solutions offer what the industry need to operate safely and competent.

Renewables

Our customers in the renewables industry are primarily from the offshore wind industry where safety competences requirements are high but also other growing industries such as onshore wind, solar and hydrogen

Other safety critical industries

A wide range of competency solutions for industries such as construction, utilities, manufacturing, production, industrial emergency response public services, aerospace and aviation

OUR SOLUTIONS

Our solutions are built on the solid foundation of past experience.

We have combined and leveraged our skills and knowledge within traditional safety and survival training and added state-of-the-art digital capabilities such as e-learning, software applications and simulation technology to become

A GLOBALLY CONNECTED DIGI-PHYSICAL SAFETY AND COMPETENCE HOUSE SERVING CUSTOMERS IN SAFETY CRITICAL INDUSTRIES

RelyOn Nutec
360° Safety

TRAINING

30+ training centres in 20 countries

E-LEARNING

Learning anywhere and at any time

MANAGED SERVICES

Outsourced training and competence management

CONSULTANCY

High-risk industry subject matter expertise

TECHNOLOGY

APPLICATIONS

Cloud and on premise

TECHNOLOGY

SIMULATION

Cloud and on premise

TRAINING

30+ training centres in 20 countries

Our training solutions are designed on the principle of providing realistic and fully immersive training experiences.

Globally our capability has developed beyond safety and survival training, to include more advanced and technical training and corporate services to help companies better manage their overall training and competence needs.

Knowledge and experience are transferable and we play an increasingly significant role in developing a safe workplace helping customers in safety critical industries improve safety.

Customer across the world choose and trust us year after year because we put reliability, competence and sustainability first.

***Simulation technology (Stavanger, Norway)** we have installed high-end simulators in select training facilities. The simulators are also sold as stand-alone products*

As our customers' operations and people have become more technical, we have invested in new digital ways of learning, making the training experience increasingly realistic – and increasingly efficient. We therefore offer blended learning where the theoretical part of a course can be taken via e-learning.

Simulators are an increasing part of our training offering in select geographies to mimic as close to real scenarios as it can get.

Our customers

We are the trusted global safety partner to more than 10,000 companies and more than 250,000 people trained every year in oil and gas, maritime, renewables and other safety critical industries. We work at all levels of the organisation to improve safety, from the executive suite to the worker on the floor, helping organisations address safety with a 360 degree perspective and mindset.

Our people

Our people are the backbone of the organisation; rock solid and dependable. Our capable people around the world include experienced instructors with relevant safety experience formed in safety critical industries.

We focus on helping people develop lifelong careers in our organisation. Our expert instructors have personal experience and insights that create an engaging and powerful training experience.

Our training facilities

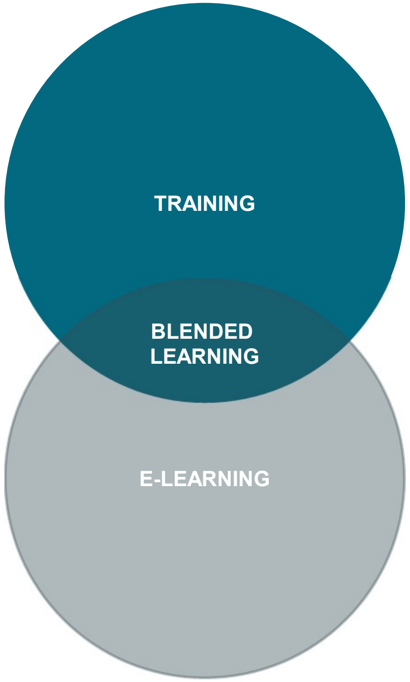
Our modern training facilities are easily accessible to delegates in the global energy and maritime hubs and they play an important role in our offering. They are built to simulate real-life environments, including modern classrooms and training simulators.

In 2020, we completed the upgrade of our facilities in Houma, the US and Miri, Malaysia.

State-of-the-art simulators

Our full-scale simulators are located in multiple training centres across Europe, the US, the Middle East and Asia. These fixed facilities are equipped with our full-size simulators, offering you the opportunity to train with the best solution on the market.

The combination of a world-class simulation development team and our operationally experienced coaches is bringing our unique solutions to the forefront of technical training.



Our training services

We have more than 750 courses delivered in more than 30 training facilities.

- **Advanced firefighting:** We have real-life experience in the coordination of response to fire emergencies; and our teams have first-hand firefighting experience from careers as professional firefighters
- **Lifting and crane operations:** We offer world-leading crane training and advanced crane simulation technology, and decades of experience through our technical and lifting trainers and subject matter experts
- **Drilling and well control:** We offer world-leading well control training, advanced simulation technology, and decades of experience with the full integration of Aberdeen Drilling Schools services into the global RelyOn Nutec Network
- **Crisis management and emergency response:** Combining consultancy and training, we give our customers the confidence that if a crisis should occur, they will be prepared and able to respond effectively
- **Health and safety:** We specialise in helping our customers mitigate the potential for accidents and reduce employee injury and illness
- **Safety and survival:** We deliver survival training for safety critical industries accredited to internationally recognised standards, including OPITO, STCW, and GWO

***Blended learning** is where the traditional classroom-based training is conducted via e-learning and the practical element is done in one of our 30+ centres*

The world's largest provider of specialist safety training for safety critical industries

20 Countries

+30 Training centres

+250k Trained annually

+30 International certifications

E-LEARNING

Learning anywhere and at any time

E-learning enables users to learn anywhere and at any time. Our e-learning offers the ability to share materials in many different formats such as videos, slideshows, animated guided training and simple documents.

We provide our trainees with the ability to fit learning around their lifestyle, effectively allowing the busiest person to further a career and gain new skills.

Our extensive library of e-learning titles covers a wide range of topics for safety critical industries. Working with our subject matter experts, we are continuously developing new courses to add to our digital library.

THE BENEFITS OF E-LEARNING

Faster delivery, less cost, higher knowledge retention, increased productivity and consistent delivery are amongst the many benefits of applying e-learning.

Faster delivery

E-learning reduces employee training time. It typically requires less employee time than learning in a traditional classroom setting. It enables much faster delivery because trainees can access e-learning material anytime they want, and anywhere they are, setting their own pace and training whenever they have spare time.

Less costly

E-learning enables employees to train at home. This translates to much lower costs related to travel, training venues, learning material, and trainers, and immediately leads to lower costs by speeding up employee training.

Higher knowledge retention

Maximising knowledge retention is one of the most rewarding benefits of e-learning. E-learning provides employees with various types of interactive content and multimedia, they can retain much more of what they learn and improve their skills and performance quickly.

Increase productivity

Self-paced online learning leads to much higher productivity since employees can train at home, and then focus on their core tasks while at work. Learning in their free time will lead to better performance and higher efficiency, especially because e-learning software will enable them to revisit any information they need, whenever they need it.

Consistent delivery

Unlike human instructors, e-learning materials provide consistency of content and presentation style. E-learning materials can provide a consistent approach and message - and via different language versions of the same materials taking into account any cultural sensitivities in terms of the way these materials are presented.

OUR E-LEARNING SERVICES

Our e-learning services cover what you need to get an end-to-end e-learning experience, including a wide portfolio of courses for safety critical industries, LMS applications, bespoke options as well as translated content.

Portfolio

Our ever expanding e-learning portfolio provides the ideal solution to upskill workforces in safety critical industries.

We continuously expand a best-in-class e-learning portfolio that caters for multiple safety critical industries. In order to achieve this, systematic analysis and justification are heavily in place to ensure our product development is focused and aligned with industry requirements.

The development of new content is constant. We are on hand with extensive knowledge and experience to ensure accuracy in order to generate focused learning objectives and scripts. We are constantly finding new techniques and use innovative technologies to ensure that our trainees get the best learning experience.

Our developed content is meticulously written to current data, statistics and legislation to remain relevant to learners. Every course developed uses engaging, modern and a refined mix of rich media, including animation, video, illustration and audio techniques.

Bespoke

We also create engaging, interactive e-learning, safety videos or site inductions bespoke to our customers. Our techniques for developing bespoke courses are well established – they've evolved since we first pioneered e-learning in the oil & gas industry in the mid-1990s. Our team creates the final product, adopting a strict but flexible development process to ensure that quality standards, timescales and budgets are met.

We screen and quality control our products to make sure that the course content is accurate, visual appealing and fulfils the technical requirements from the customer. We ensure that methods and means of communication match the target audience, and factor in cultural and language considerations to literacy, age range, etc.

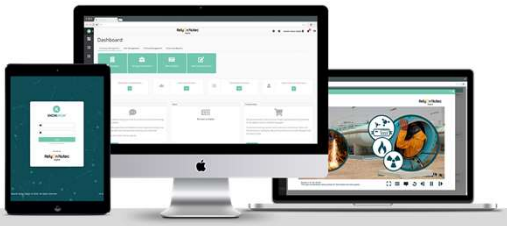
Applications

Know-How is our Learning Management System (LMS) developed to manage the administration, documentation, reporting and delivery of online e-learning courses efficiently. Know-How is one of our suite of applications and described in greater detail in the application section later.

Translations

In addition to our standard services, we also offer multi-language, bespoke courses and translation services. If certain criteria are covered, all of our portfolio courses can be translated on request. We can also translate any digital material you have.

Our LMS is also translated into 5 languages.



PORTFOLIO

E-learning courses for specialised industries, to meet our customers' training requirements at a competitive price

Applications

A Learning Management System developed to manage our online e-learning courses efficiently

RelyOn Nutec Digital

BESPOKE

Unique, interactive e-learning solutions designed around the customers' exact requirements

TRANSLATIONS

Solution on both our own and bespoke products. Competitively priced in over 80 languages

E-LEARNING

RelyOn Nutec Digital

+140 Digital learning titles

+100 Titles added annually

Titles in multiple languages and tailored for local legislation

MANAGED SERVICES

Outsourced training and competence management

OUR MANAGED SERVICES

Our managed services customers have access to our world-leading training provision. With multiple facilities in 20 countries, and more than 250,000 people trained every year on over 2,000 courses, we are the world's largest safety training provider.

In addition, we have access to a large 3rd party supplier portfolio, carefully chosen for their ability to deliver reductions in training costs while maintaining safety performance, quality of training and customer satisfaction.

With this network of RelyOn Nutec and 3rd party training facilities, we can ensure that our customers' workforce can train at a location of their choice and at a time that suits them, while still delivering significant cost savings.

Some of the benefits of managed services our customers can expect:

- Reduced overall training spend by up to 30%
- Handling of the training administration process and all associated logistics
- Flexible support service that scales to suit our customers business needs
- Simple financial administration by providing configurable consolidated (monthly) invoices
- Access to our sophisticated applications that automate our service and integrate with their own systems
- Consolidation of suppliers into one single point of management with access to thousands of courses globally
- Full compliance in line with approved training matrices

Our managed services focus on simplifying the operation so our customers can focus on their core business.

We offer training management and competence management.

TRAINING MANAGEMENT

For over 10 years, we've been delivering training management services to a growing portfolio of global customers. We currently process the full suite of training transactions to some of the biggest organisations in safety critical industries.

Our team of training experts is an extension of our customers' business, managing their investment in the training and development of their most important asset: their people.

Using our dedicated applications, our team will identify and process all training bookings through our own facilities or 3rd party providers.

We will manage all cancellations, amendments, no-shows, last-minute changes and more, liaising directly with individual employees and taking into account crew rotations, holiday commitments and geographical location, to ensure that the best option for training is selected. All training bookings will be consolidated into one invoice per legal entity (or per asset on request).

Market-leading training management applications

We have developed a market-leading, cloud-based solution which manages training matrices, tracks training and certifications, and improves compliance by automating manual tasks, providing real-time dashboard and management reports on critical business KPIs.

With the ability to integrate with our customers' own software solutions and applications, it has been designed to meet the needs of our customers, delivering both cost and time efficiencies.

Compliance management

Current and predicted training compliance percentages are visible in real time in our software applications, making it easy to identify and remedy instances of non-compliance before any deadlines are reached.

Training courses and preferred vendors are matched with any gap in requirements, reducing the risk for human error while minimising the time required to create a booking.

With over 100 years of combined experience and our global footprint, our managed services team has a comprehensive knowledge of the current training requirements of any safety critical industry. We proactively provide support to the management of our clients to make sure they are aware of any regulatory changes, updates to any course catalogues of RelyOn Nutec or approved 3rd party training providers.

Logistics

Our managed services team can handle all travel, accommodation and other logistics associated with training. Using our customers' preferred suppliers or our own extensive network of providers, we deliver a seamless training experience from beginning to end.

Our team will liaise directly with the delegates to identify the best travel and accommodation arrangements for their needs, and all logistics can be integrated into one single invoice for easy financial tracking.

Dashboard and reporting

Our software features performance dashboards displaying customisable KPIs and a dedicated portal for our customers' workforce, tracking compliance of training, checking requirements, and generating a variety of reports at the click of a button.

COMPETENCE MANAGEMENT

Our competence management services can help with all aspects of keeping our customers' workforce fully competent. Our competence management service ensures our customers develop the correct framework and maintain that framework in line with international standards. Our service makes sure the competence framework remains relevant and up to date with global industry standards. We can develop a full competence framework or improve existing framework to be internationally accredited by an accreditation body of choice.

Our network of subject matter experts help develop or maintain job competence profiles in line with international industry requirements and standards. We can utilise our own accredited assessors and verifiers in support of customers or we can also help build internal capacity enabling the organisation to perform its own assessment requirements.

Our main competence management services
- Support the design or development of competence framework
- Support with achieving (international) accreditation
- Provision of SMEs to support organisations with the design and development of job competence profiles
- Maintain job profiles, ensuring they remain relevant and up to date
- We can support with experienced assessors to perform assessments of workforce or the verification of the assessment done
- Ongoing support oversees and continuously improves the deployment competence framework within the organisation
- Provide audit services and improvement plans on existing competence framework

Market-leading competence management application
Implementing our state-of-the-art competence management application provides real-time visibility of the competence status of the workforce, supports pro-active planning of assessments and maintains and provides a full record of all assessments done, aligned to global accreditation body requirements.

Applying technology to simplify and manage assessment, our dedicated assessment app works online and offline, providing a highly flexible and efficient method of assessment. The app includes the creation of image or video evidence and automatic updating of central records the instant the assessment is complete.

Key features
- Dynamic design which is configurable to competence framework requirements
- Fully integrated with our training management system and training delivery platform offering seamless access to training compliance, digital learning, assessments and booking via one portal
- Fully enabled online and offline assessments via a dedicated app
- Allow for individual self-assessment and portfolio building as well as assessor only
- Dedicated full assessment process, including verification
- Easy interfacing with our customers' existing systems
- Provide highly efficient competence management process delivering cost savings of up to 40%

Why competence management
A robust competence system will deliver real value to a business by not only satisfying the expectations of clients and regulators, but also providing a platform for continuous improvement.

In addition, a quality robust and sustainable competence management system will improve business performance and help secure new contracts, therefore increasing an organisation's revenue and potentially reducing corporate insurance premiums.

CONSULTANCY

High-risk industry subject matter expertise

We have for years helped organisations become competent, compliant and sustainable and ultimately in saving lives and protecting the environment.

With our consultancy service, we can help create a safety culture which will reduce operational costs and deliver a competent and efficient workforce.

Adding value through experience, best practices and technology

Operating in safety critical industries requires substantial knowledge, procedures, technology and leadership to protect the people, the environment and the assets.

Industry standards and best practices exist, but implementing them in an organisational context requires a combination of industrial knowledge, practical experience and an understanding of how technology can be a value-add. Rarely one size fits all and therefore we know that working in these environments requires processes, procedures and technology that meet our customers' specific situation and requirements.

Our specialist consultancy services take safety a step further, bringing together the expertise and experience that come from being the world's leading safety brand.

Our safety consultancy can consult in all aspects of safety related to working in safety critical industries, including processes, policy review, procedures, culture, equipment, environment, risk management, preplanning, scenario management, emergency planning, contingency planning and other foreseen and unforeseen risks to safety that a customer might face.

Our consultants are based all over the world and can perform assessment and analysis onsite or where ever it is most appropriate given the customer need.

Our footprint and client list ensure we keep up to date with changing local and global requirements and practical and digital trends in protecting employees, the environment and assets.

We are on the forefront of and up to speed with the latest trends and emerging technology developments.

We deliver tailored services and solutions to accommodate our customers' specific enquiries.

APPLICATIONS

Cloud and on premise

Our applications are tailored towards safety critical industries. They work independently, and by combining more you achieve synergies in an unrivalled ecosystem of applications.

Our applications are tailored towards safety critical industries and consist of:

- Learning management system
- Training compliance system
- Competence management system
- Digital procedure management system
- Control of work system

LEARNING MANAGEMENT SYSTEM

Deliver e-learning courses efficiently and effectively

Our Learning Management System (LMS) is a powerful and flexible system developed to manage the administration, documentation and reporting of training, including the delivery of online e-learning courses efficiently and effectively.

Designed specifically to remove the common challenges of more rigid solutions, our LMS provides an easy-to-set-up, easy-to-use, intuitive and configurable platform.

Supporting the management and access of course registrations, training records, and course certificates, it is designed to accommodate a broad set of events, including e-learning, simulation and classroom training. As well as e-learning the system is also capable of supporting learning materials in a number of formats, including video, PDF and PowerPoint.

Why use our LMS

There are three core benefits of our LMS:

- Re-engage students with their e-learning course materials
- Reduce the administrative burden of configuring and administering an LMS
- Increase productivity with both students and administrators in mind

Our LMS will allow you to:

- Access online training at any time, from anywhere
- Multi-language capability
- Full smartphone and tablet compatibility
- Low-bandwidth solution for organisations with locations with poor internet connectivity
- Our LMS and training content are fully compliant with capabilities to cater for both SCORM version 1.2 and SCORM 2004 standards
- Issue in-app notifications and applications
- Create customised and scheduled reports. Default reports:
  - Course completion reports show all completions broken down by course and include high-level statistics about the number of users at each stage of the course
  - User reports - show all courses that the user has been enrolled in, including any valid certificates
  - Certificate reports - allow a user to see all valid and in-date certificates throughout the system. The LMS will highlight any user certificates that are nearing expiration or have expired
  - Schedule reports - excel spreadsheets will be emailed to any email address required for the following report types: completion report, user report, course report, and certificate report
  - Reporting dashboard - a high-level look over all the users for your company to see how well trainees are progressing, how many certificates expire or the most popular courses

TRAINING COMPLIANCE SYSTEM

The easiest way to be compliant while saving money on administration and training

The training compliance system offers full visibility and tracking of our customers' employees' training compliance levels according to internal or external regulations. Additionally, training requirements can be efficiently managed preventing or resolving training gaps, including the auto deployment of e-learning. Financial tracking of our customers' training expenditure and forecasting of future spend are also all available on demand.

The system functionality has been set up specifically to support the users in their day-to-day activity:

- **The employee portal** is home for all certification requirements, digital, simulation, practical and classroom training and can analyse compliance gaps today or against future promotion prospects or project-specific requirements. The employee can manage current training bookings or view existing status and communications.
- **The supervisor portal** allows supervisors or workforce development teams to track and manage individuals or group certification and requirements. Progress of multiple employees can be viewed and tracked to ensure the teams are in compliance with relevant internal or external requirements.
- **The training administration portal** is dedicated for the creation, tracking and management of training requests in real time. Specific functionality is embedded to make sure any potential compliance gaps are identified and communicated according to pre-configured escalation levels. Multi-level financial reporting is available allowing forecasting and expenditure for account, asset, project and all the way to individual training costs.

The training compliance system is fully compatible with the suite of applications we offer. In cases where the competence and/or digital procedure systems are also installed, management can be provided with a full view of the workforce readiness (certification, competence and digital procedure compliance and awareness).

LEARNING MANAGEMENT SYSTEM

Manages training and the delivery of online e-learning courses efficiently and effectively

TRAINING COMPLIANCE SYSTEM

Manage our customers' compliance in the most effective way while saving money on administration and training

COMPETENCE MANAGEMENT SYSTEM

End-to-end competence assessment, including data/evidence storage and audit capabilities as required by international accreditation bodies

DIGITAL PROCEDURE MANAGEMENT SYSTEM

Create and maintain an up-to-date digital procedural library that is readily available across the organisation

CONTROL OF WORK SYSTEM

Our control of work system holds work control procedures together – from risk assessments to permit to work, energy isolations, confined space entry and lifting operations

Why use our training compliance system

Manage our customers' compliance in the most effective way while saving money on administration and training:

- Efficient management of training allows higher compliance with less headcount involved
- Ensures all training is relevant for the role and ensures the training matrix requirements are accurate
- Optimises and streamlines the identification and selection of required training
- An automatic digital management process for training requirements
- Shows total cost of training reduction

Key features

The system digitalises and automates training processes so you can focus on what you do best:

- Dedicated screens and functionality for the users across the organisation (employee, supervisor, training staff, etc.)
- Flexible digital solution to the management of training requirements
- Specifically designed to operate across organisations with varying levels of complexity and risk
- Fully auditable training record repository
- Seamless integration with existing IT infrastructure and all major ERP systems
- Advanced reporting and dashboarding to allow detailed analysis of performance and measurement and production of KPIs
- Fully automatic notification and escalation system
- Customisable workflows for handling training requests
- Customisable reports and dashboard

COMPETENCE MANAGEMENT SYSTEM

Digitalising competence management reducing the effort required by up to 40%

The competence management system enables the digital and real-time tracking for employees towards their competence requirements as set by competence framework. The system offers end-to-end coverage of the assessment process, including comprehensive data/evidence storage and audit capabilities, all required by international accreditation bodies.

System functionality has been designed specifically to support the users in their day-to-day activity:

- **The employee portal** allows the employee access to the competence requirements for the current position or assigned location. The employee can start self-assessments and upload relevant documentation and evidence towards building his competence portfolio or review assessments done by the assessors. Profiles can be populated to include existing and future role requirements and assessment in preparation for project assignments or promotions
- **The assessor/verifier/supervisor portal** dedicated for registration and the review and verification of assessments whether completed by the employee or assessor. The progress of employees can be tracked and managed to make sure the teams comply with the required standards
- **Dedicated assessment App**. a digital assessment app is available, running on Android or iOS, and operating on- or offline. The app allows the assessor to perform the assessment, add evidence in the form of pictures, videos or documentations and automatically upload the assessment back to the central system after finishing or when connectivity resumes

The competence management system can be seamlessly integrated with other platform systems to provide a full management and visibility of workforce readiness (certification, competence, digital procedure compliance and awareness).

Why use our competence management system

Fully digitised the assessment and verification time can be reduced by up to 40%

- Can be flexibly configured to be meet our customers' competence framework (proficiency levels, criticality, competence profiles)
- Meets accreditation requirements of all major accreditation bodies
- Fully digital assessment using a custom app on- or offline
- Fully digitised, the assessment and verification time can be reduced by up to 40%

Key features

Fulfils competence framework accreditation requirements and it is easy to use for employees, assessors and verifiers

- Highly configurable
- Fulfils competence framework accreditation requirements
- Supports self-assessments and assessor led/only assessments
- Allows for competence profile and evidence building for assessments
- Dedicated assessor and verifier portal
- Easy-to-use interfaces for employees, assessors and verifiers
- Customisable reporting and dashboarding functionality

DIGITAL PROCEDURE MANAGEMENT SYSTEM

Creates and maintains an up-to-date digital procedural library that is readily available across the organisation

The procedure management system is used to digitise and store all procedures required across the organisation. Digital procedures can be assigned to those positions involved, ensuring easy access for resources responsible or required in a procedure.

Similar to our training and competence systems, the digital procedure management system allows real-time tracking verifying procedures have been read, and acknowledges they were understood. Digital deployment ensures only the latest procedure is available at any time. Verification can be achieved through e-learning or Q&As linked to the individual procedures, ensuring sufficient knowledge demonstrated before approval to proceed.

The digital procedure management system is fully compatible with our suite of applications. If deployed alongside the compliance and/or competence systems, an integrated view and management capability are available towards all three aspects of the workforce readiness (certification, competence, digital procedure compliance and awareness).

Why use our digital procedure management system

Create and maintain an up-to-date digital procedural library that is readily available across the organisation

- Creates and maintains an up-to-date digital procedural library that is readily available across the organisation
- Ensures people have access to the up-to-date latest procedures
- Tracks and verifies whether procedures have been reviewed and understood
- Immediate deployment of new and updated procedures
- Simple process to gather feedback on procedures ensuring continual best practices applied
- Continuously improves operational efficiency

Key features

Our digital procedure management system manages and handles all procedures while making sure our customers' employees have access to relevant (safety critical) procedures at their fingertips at the right time at the right place

- Clearly defined roles and responsibilities per procedural step for everyone involved
- All individual tasks and sub-tasks detailed and readily available during training or execution
- Includes all related hazards (per procedural step) or related safety rules (per sub-procedure)
- Includes relevant additional reference material (pictures, docs, PDFs, videos, e-learning) for each procedure or procedure step
- Is able to track execution of procedures in real time and analyses and optimises performance
- Identifies best practices and makes sure they are rolled out across the organisation
- Filters capabilities to ensure the same sub-procedure can be applied to different situations and circumstances
- Links e-learning and Q&As to verify the procedure was understood
- Makes sure our customers' employees have access to relevant (safety critical) procedures at their fingertips at the right time at the right place
- Customisable reporting and dashboarding tools

CONTROL OF WORK

The glue that holds work control procedures together

Our control of work application, WorkSafe®, supports organisations that operate in potentially hazardous work environments in safety critical industries.

Fully integrated control of work system

WorkSafe® is an Integrated Safe System of Work (ISSoW) product, the glue that holds many work control procedures together – from risk assessments to permit to work, energy isolations, confined space entry and lifting operations. Being entirely configurable ensures the system can be installed to meet the unique requirements of any company or site.

WorkSafe® was conceived, developed, and created by people who have a passion for simple yet robust work control systems: experienced oil and gas industry figures, such as operations, maintenance and safety professionals. People who understand what work control systems should achieve, and how they can really make a difference at the operational front line.

Increases compliance

WorkSafe® complies with the UK HSE guidance criteria, HSG 250: guidance on permit to work systems – a guide for the petroleum, chemical and allied industries and also HSG 253: the safe isolation of plant and equipment.

Flexible and adaptable

WorkSafe® is highly flexible and with hundreds of configurable elements, the look and feel of the system can be set up to what works for our customers' individual needs, and before it is implemented. Once installed, you can use the administration module directly to customise WorkSafe® whether allowing an area to cancel a permit or adding a new piece of equipment to the facility with corresponding isolation points, it can all be managed within the system with the correct approval levels. The system can be kept up to date easily on a daily basis directly by you without software upgrades and changes.

WorkSafe's® flexibility and configurability mean our customers manage the work in the way that suits them best. And as circumstances change, our customers adjust WorkSafe® to ensure it continues to meet their operational needs.

Easy-to-use, methodical and effective, intuitive system

The simple user interface and intuitive design philosophy mean users simply need to be able to use a mouse and a keyboard to operate the WorkSafe® software, no advance expertise is required; only our customers' system administrators will have this.

A built-in workflow 'walks' user through the process, no second guessing and no need to consider the next steps. WorkSafe® tells them on screen what their options are, and only allows them to select only their relevant options, ensuring that your potentially hazardous work is better controlled by people that fully understand what they can, and cannot, do.

Improves safety

WorkSafe® focuses on the thought processes of controlling potentially hazardous activities not on the paperwork. Wasted time on writing out the tags can be replaced by automatic planning and preparation of tags utilising data collected from a completed isolation certificate. Once an isolation scheme has been developed, it can be saved and used time after time, with every form and tag prepared and printed out automatically from the information saved.

The change in operational mindset; the benefits of repeatability from one job to the next; the time saved by automating tedious preparation activities; the positive changes it introduces to your workplace environment: all help reduce your risk from potentially hazardous work and drive a reduction in incidents.

WorkSafe® provides the foundation upon which a true step change in safety performance can be built, for any company and any site.

Reduces operating costs

WorkSafe® cuts your operating costs. The need for form filling and paperwork is replaced with productive time completing maintenance jobs, an efficient and effective operational environment that can improve your overall business performance.

Multi-language

A workforce may contain multiple nationalities all of which share a common language, but some people may prefer their first language for safety critical information. The WorkSafe® software allows your users to toggle between languages simply by clicking on the relevant country flag. Printed outputs, such as risk assessments, permits, and certificates can be produced in any of the languages available. It is a feature that promotes positive engagement with the system and enhances safety.

We can configure WorkSafe® to have as many additional languages as you need, ensuring you have the best possible system for communicating safety requirements to your multi-language workforce.

How it works

Our control of work system which has been developed following a unique collaboration between subject matter experts and a dedicated software team, using the latest programming techniques for development.

The modules in WorkSafe® include:

- **Task Risk Assessment (TRA)** module enables clients to identify hazards and implement controls to ensure residual risk As Low as Reasonably Practicable (ALARP)
- **Permit to work** is a formal recorded process used to control work which is identified as potentially hazardous and can be provided as a paper-based or electronic solution
- **Energy Isolations** module ensures that hazardous equipment is properly isolated and not able to be started up again prior to the completion of maintenance or servicing work
- **Operational Risk Assessment (ORA)** ensures that robust arrangements are in place to identify and evaluate major accident hazards
- **Conflict Manager** allows privileged system users to avoid conflicting work activities by moving work to a more suitable time
- **Graphical Planner** provides a multi-level visual overview of permit and non-permit maintenance work to assist with planning work to be undertaken and to minimise conflicts

SIMULATION

Cloud and on premise

Simulator training is a proven method of enriching the learning experience and increasing knowledge retention.

Simulators allow operators to train in a risk-free environment and to practice difficult operational procedures and challenges. Some of the benefits include:

- **Reduce operational risk and increase efficiency:** Testing procedures and identifying potential issues prior to operations
- **Increase competence levels:** Accelerating workforce development through training in a safe and controlled environment
- **Reduce non-productive time:** Refining complex operational procedures before putting them into practice in the real world

Our immersive technology can create highly realistic scenarios used for competence assessments as well as certification of new and experienced operators.

Our state-of-the-art technology is widely accepted as industry-leading and the technology is capable of being utilised in all the safety critical industries we serve.

By utilising our simulators, we can fully immerse teams into the real conditions they would experience on the job – enabling them to react to changes as they happen, and take actions necessary in a safe environment. The simulators can incorporate the client's actual data which is used to create realistic scenarios.

With the ability to manipulate environmental conditions, emulate rig facilities and specific wells, simulate different cranes/offshore platforms/cargo type and recreate critical events or failures, our simulators offer an optimal environment in which the workforce can train to identify and resolve any operational issues.

User-friendly with high-quality visualisation

Our fleet of simulators provides unique functionality and a user-friendly interface for drilling and crane operations training.

The simulators vary in size, from the full-size ADS4 to the portable ADS1 and ADS2, but each model, irrespective of size, provides our hallmark high-quality on-screen visualisation and real-time data analysis.

Reacts to input as live operations

The full-size ADS3-Drill and ADS4-Drill simulators are fully immersive with cyber chairs, emulated control systems and high-quality visuals presented across multiple large display monitors. With maximum visualisation, the software reacts to data input as rapidly as you would expect to see during live operations.

The full-size ADS3-offshore crane simulators are fully representative of an offshore crane cabin, with interchangeable panniers and a full-motion base allowing realistic movement within high-quality visuals presented on multiple display monitors images.

With our simulation solutions, you can simulate and optimise your drilling and crane operations improving safety, operational efficiency, and reducing costs.

Why use our simulations?

With our advanced simulator technology, we can produce, manage and customise our simulators to our customers' specifications, creating the high-quality simulation experience that international operators and contractors have long been asking for. The simulation technology gives us the opportunity to offer our customers the same world-class and true-to-life training facilities wherever their operations are located.

We deliver effective and realistic dynamic simulator solutions, i.e.:

- **Highly accurate with unmatched realism:** Our dynamic simulator technology provides a highly accurate learning experience with unmatched realism
- **Gathered under one roof:** By having our simulators, instructors and training courses under one roof, we can deliver high-quality and effective training programmes aimed at improving operational efficiency and safety
- **Highly customisable and flexible:** Our in-house technology allows us to customise the learning experience to individuals or crews

Having pioneered the development of high-fidelity simulation in the drilling and lifting industries since the late 1990s, Oiltec Solutions is now an integral part of RelyOn Nutec.

We develop and deliver world-leading drilling and crane simulator solutions within our network of global training centres. All solutions are focused on improving safety while increasing operational efficiency and reducing costs.

Applying our simulation technology allows you to decide the deployment strategy

We bring training to life through the use of advanced simulation solutions. Our state-of-the-art simulator systems are used to practice complex operations in a safe and controlled training environment, bringing real-life operational scenarios into your training programme.

We are different because:

- Our dynamic simulator technology provides a high-fidelity learning experience with unmatched realism.
- By having integrated our simulators, instructors and a broad library of training courses under one roof, we can deliver high-quality and effective training programmes aimed at improving operational efficiency and safety.
- Our in-house technology allows us to customise the learning experience to individuals or crews.

ADVANCED DRILLING SIMULATOR (ADS-DRILL)

SIMULATION FOR DRILLING OPERATIONS

Our full-sized simulator models, ADS3-Drill and ADS4-Drill, deliver unique functionality for drilling training with an innovative and realistic, dynamic drilling simulation experience.
We have 5 service levels of simulation available to our clients:

- **Level 1 -** Common simulator control system and subsurface application from our training library
- **Level 2 –** Creating a replica of the client's drilling rig
- **Level 3 –** Creating a precisely simulated subsurface analogue for the client's well application
- **Level 4 –** Creating a digital twin of the client's drilling rig and well operation
- **Level 5 –** Linking the live data stream to our simulator from the client's well site, which allows us to capture lessons learned and simulate the forecasted future operations

Our drilling simulators facilitate crew development and provide a number of benefits:

- Train in a safe and immersive environment
- Testing procedures for complex operations, such as MPD and AI well monitoring
- Substantially improve operational safety and efficiency
- Minimise the risk of human error in critical situations

ADVANCED DYNAMIC SIMULATOR-CRANE (ADS-CRANE)

SIMULATION FOR LIFTING OPERATIONS

Our Advanced Dynamic Simulator-crane (ADS-crane) simulators provide high-quality 3D visualisation of port operations and offshore lifting operations. Our port crane simulators can simulate container and bulk terminal operations, and our offshore crane simulators create offshore lifting operations. All our crane simulators offer an unparalleled level of realism and a very user-friendly interface.

Key simulation features:

- Multiple cranes available
- Multiple offshore installations
- Multiple cargo/boat types
- Various containers, goods, and deck objects
- Adjustable environmental conditions like wave height, wind, rain, fog, and snow
- Simulated crane failure operations like hydraulic failure, power outage, broken cable, unexpected load drop, and much more

Benefits include:

- Compliments on-the-job training
- Reduce risk and improve operational safety in operations
- Reinforce the importance of critical drills
- Crane operator competence assessment and assurance

With over two decades of experience working with leading IOCs, NOCs, service companies and drilling contractors, our technology platform has been thoroughly tested and proven highly valuable in enhancing training standards worldwide.

Governance and risk

BOARD OF DIRECTORS

ALLAN BACH PEDERSEN

Chairman

Male

Board member since 2018

Danish

Represents Polaris and is not regarded as independent

Experience with management, M&A, financial and strategy

Other directorships

ØstPeder Holding ApS, Kärnan Invest Aps, Menu A/S, Holding af 29. juni 2015, ProData A/S,Configit A/S, and other Companies related to Polaris

JAN JOHAN KÜHL

Board member

Male

Board member since 2018

Danish

Represents Polaris and is not regarded as independent

Experience with management, M&A, financial and strategy

Other directorships

Inter Primo A/S, Brøndum Holding A/S, Part Unique A/S, Holding af 29. juni 2015, Menu A/S, ADVANTAGE Investment Partners A/S, Det Danske Madhus A/S, Molslinjen A/S, and other companies related to Polaris

HENRIK BONNERUP

Board member

Male

Board member since 2018

Danish

Represents Polaris and is not regarded as independent

Experience with management, M&A, financial and strategy

Other directorships

CEKA Holding ApS, Allianceplus Holding A/S, ProData A/S, Link Logistic A/S, Det Danske Madhus A/S, Menu A/S, Molslinjen and other Companies related to Polaris

RISK MANAGEMENT

RelyOn Nutec consistently identifies, manages and monitors risks globally and rapidly shares risk mitigation solutions against critical risks.

RelyOn Nutec maintains a reporting and review process to create an overview of risks and full transparency into mitigating controls for the entire Group and its constituent entities, divisions and business streams.

The objective is to manage top risks in order to deliver the best possible service to customers, protect the value of the business, safeguard future earnings and reduce costs associated with risk events.

Risk is defined as "all threats to the current value of the business and its future cash flows".

Identification

Identification is made in a joint effort between Group functions and the local teams. Evaluation and control are performed through the global risk management platform.

Evaluation

All identified risks are evaluated through the global risk management platform. Risk assessment is rated for impact and likelihood.

Control

Risk response actions depend on the evaluation. Response actions have the nature of control, awareness, communication and/or other preventing actions.

Report

Communication and monitoring are made through the global risk management platform.

An overall report is presented to the management, which includes risk assessment and risk response for the following risks:

1. Global economic crisis
2. Material slowdown in the oil and gas industry
3. Safety incidents
4. Cybercrime and IT breakdown

The above risks are not prioritised or ranked. Definition and mitigation of risk are outlined on page 29. Financial risk and capital management are outlined in the section 4 and note 5.3 respectively.

Although the COVID-19 pandemic had a significant impact on the world in 2020, a risk on 'worldwide pandemic disease' is not included as a key risk. In general, pandemic outbreaks are rare events and have therefore not rated highly on likelihood. The COVID-19 pandemic is currently affecting businesses and will continue to do so in 2021. The Group Management Team will continue to monitor and address potential business risks arising from the COVID-19 situation.

RISK MANAGEMENT PRINCIPLES

The Board of Directors assists the Executive Management in overviewing the Company's overall risk-taking while the Executive Management is responsible for identifying and analysing material risks and developing the Company's risk management.

FINANCIAL REPORTING AND INTERNAL CONTROLS

The Board of Directors and the Executive Management regularly assess material risks and internal controls in connection with the Group's financial reporting process. The Board of Directors monitors the process of financial reporting on an ongoing basis, as well as the adequacy and effectiveness of the established internal controls.

The Board of Directors and the Executive Management define the guidelines for procedures and internal controls to which compliance must be kept.

The adopted policies, guidelines and procedures are updated and communicated internally on a regular basis. Any material weaknesses, inadequacies and violation of adopted policies, business procedures and internal controls are reported to the Board of Directors.

RISK MANAGEMENT - continued

1 Global economic crisis

Risk

Our operation and activities are global and a global economic crisis could affect us by customers cutting resources, lowering activity and limit travel.

Mitigation

Variable and flexible cost base.

Distributed foot print and global multi-skilled workforce.

2 Material slowdown in the oil and gas industry

Risk

The majority of activities is related to the oil and gas market. Profitability and cash flow are dependent on the level of oil and gas capital spending by such companies who are dependent on the market price of oil and gas.

Mitigation

Roll-out of competence and workforce management software and outsourced TMS, which ensures volume, stickiness and market intelligence.

Product development and entry into new industries are ongoing, however, with a decreased focus towards the oil and gas market.

3 Safety incidents

Risk

Incident occurs where a student is severely injured or even killed.

Mitigation

Safety instructions prior to the start of any training sessions. Documentation of incidents and close communication with customers about any incidents.

4 Cybercrime and IT breakdown

Risk

The Group depends on information technology to manage critical business processes, including administrative and financial functions. The increasing number of cyber attacks or failure of the Group's information technology systems could cause transaction errors and loss of customers, and could have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.

Mitigation

The Group has a dedicated IT Department to monitor business critical applications.

The Group aims at using standard systems, whenever possible and implementation of additional cyberattack mitigation measures. The purpose is to lower exposure and increase the ability to receive assistance from external resources.

CORPORATE SOCIAL RESPONSIBILITY

We are a safety and competence house delivering services and training to clients across the world, helping them protect their people, assets and the environment. In 2020, RelyOn Nutec underwent a transformation and in particular in the digital area. We have combined and leveraged our skills and knowledge within traditional safety and survival training and added state-of-the-art digital capabilities such as e-learning, software applications and simulation technology to become a globally connected digi-physical safety and competence house serving customers in safety critical industries.

Our market-leading suite of applications tracks workforce training, compliance and competence as well as holds applications for control of work and digital procedures.

Each of our applications is tailored towards safety critical operations and industries. Our applications work independently and by combining more you achieve synergies in an unrivalled ecosystem of applications. Our innovative, cloud-based technology revolutionises the way companies track workforce safety.

Safety is not only our business – it is in our DNA. Our fundamental belief is that safety requires a 360 degree perspective and mindset. We help our customers develop and sustain a healthy and safe work environment, taking pride in ensuring that our customers have the right skill set to stay safe in hazardous and potentially life-threatening situations.

We are committed to protecting the health, safety, and wellbeing of all employees, delegates, and visitors across the entire organisation. We focus on minimising risks and raising awareness about health and safety for our employees.

We conduct our business based on compliance with applicable anti-corruption laws and regulations, integrity, and high ethical standards. We reduce the risk of corruption by working actively to ensure that our employees have the right knowledge and skills.

RelyOn Nutec continuously identifies, prevents or mitigates its risks of adverse impacts on the core principles for sustainability. We are committed to reducing the environmental footprint of our operations through efficient use of resources and continuous focus on reducing our energy consumption and CO_2 emissions. We operate our business with respect for human and labour rights everywhere and expect the same from our business partners.

The framework for RelyOn Nutec’s social responsibility

RelyOn Nutec wants to contribute to promoting the UN objectives and agenda for sustainable development. We are doing this in several ways - primarily through our commitment to the UN's Guiding Principles on Business and Human Rights (hereinafter called UN’s Guidelines) and the implementation of management systems described herein and with the OECD’s Guidelines for Multinational Enterprises (hereinafter called OECD's Guidelines).

UN's Guidelines and OECD’s Guidelines cover the minimum for responsible business behaviour, something that will be expected of any business in the future, and will cover, respectively, social, environmental and economic sustainability. Implementing the management system means that we as a company relate to all the elements of sustainability that the UN considers important for companies. By systematically dealing with the risks of impact on all these areas, and by that initiating actions to prevent or mitigate identified risks, we help promote the UN Guidelines. The Sustainable Development Goals (SDGs) are a subset of the fields we relate to.

RelyOn Nutec works consciously in line with the UN framework and management system for responsible corporate behaviour because we believe that globally agreed rules are necessary to solve global challenges and find sustainable solutions for the whole world. The framework also ensures that the initiatives we take actually contribute to sustainable development, and are not dependent on random trends or agendas.

The UN 's Global Compact

The UN 's Global Compact is the world's largest CSR initiative. The registration obliges RelyOn Nutec and thousands of other members to prepare an annual progress report, in which the participating companies describe the work of translating the UN Global Compact's ten principles into the company's strategy and actions.

As part of the initiative we publish a CSR report every year, which constitutes the company's progress report ("Communication on Progress“. The report describes RelyOn Nutec’s work to systematically act responsibly in relation to the three bottom lines: social, environmental and economic sustainability.

RelyOn Nutec effected a significant transformation and optimisation in 2020. Corporate Social Responsibility (CSR) and Environmental Social Governance (ESG) have been – and will continue to be one of the key areas of focus (CSR commitments; https://relyonnutec.com/en/about/csr/

Our annual report together with our Communication on Progress (COP) (and our Diversity Statement has been prepared pursuant to and in accordance with the requirements of sections 99a and 99b of the Danish Financial Statements Act:

https://relyonnutec.com/media/15tdrfet/communication-on-progress-2020.pdf)

Commitment and implementation

RelyOn Nutec’s commitment is based on the agreed core principles for sustainable development. We naturally comply with local legislation wherever we operate. In addition to this, our commitment means that RelyOn Nutec continuously identifies, prevents or mitigates its risks of adverse impacts in relation to the core principles for sustainability. We are making impact assessments and we communicate how we manage such impacts. We will continuously seek to contribute proactively to sustainable development, where it makes most sense and where we can have the best impact. The Sustainable Development Goals (SDGs) also play a part in assessing where our business activities have the greatest impact and in conveying to our stakeholders how we seek to make a difference. All SDGs are relevant to RelyOn Nutec, however our business activities have a bigger impact on reaching some goals more than others. We want to help by doing what we do best.

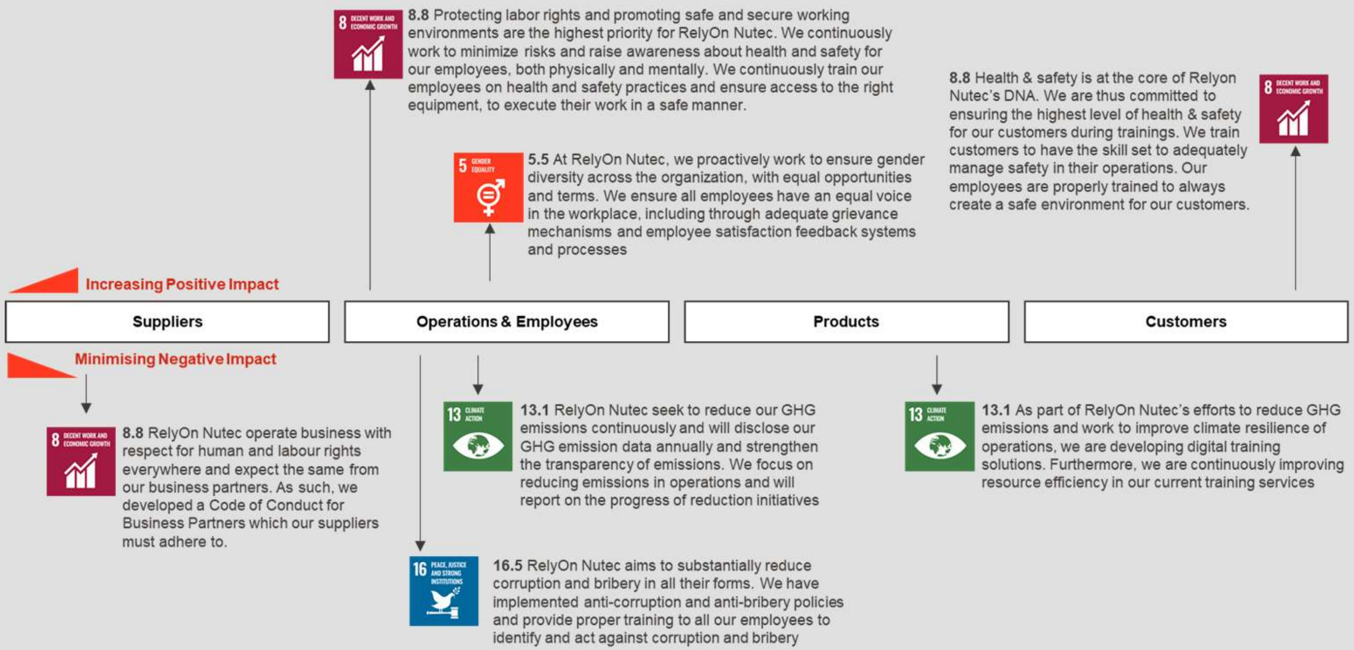
Due diligence

In 2020, RelyOn Nutec, with the help from external experts, conducted an analysis of RelyOn Nutec's risk of possible impacts on the areas covered by the UN Guidelines. We are committed to performing two new impact assessments each year preferably in different continents starting with our largest centres.

For the vast majority of the risks, the analysis showed that RelyOn Nutec already had efforts to prevent or mitigate them, but the analysis led to focus areas where the work with social responsibility could be concretely clarified and optimised.

We realise that our investment and efforts in the CSR and ESG work are essential to ensure that the initiatives we take actually contribute to a sustainable development and to maintaining a profitable business and a healthy investment for our shareholders and bondholders. RelyOn Nutec works consciously in line with the UN framework and management system for responsible corporate behaviour, and we are committed to contributing to the sustainability initiatives and to minimising negative impact.

Overall, we continue to see our contribution to the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals as governing our strategic contribution to corporate social responsibility and sustainability.



8 DECENT WORK AND ECONOMIC GROWTH

Health and safety

The impact analysis clearly showed that we put safety first. It is our employees' and delegates' safety and health that are the highest priority for us. Rather cancel an exercise/course than expose anyone to unnecessary risks.

This not only applies to the many delegates, but also to our skilled employees. RelyOn Nutec has well-functioning procedures and routines for effective risk prevention to ensure a safe and healthy working environment for the employees. Here too, we do not compromise.

KPIs tracking lost-time injuries for employees and delegates have been defined and tracked for several years and are part of the monthly business review. We use a global thorough reporting system on near misses, incidents and unsafe conditions, which ensures consistent and continuous monitoring, assessment and improvement globally. Relevant incidents are scrutinised and discussed every month and experience and best practices are shared across the organisation and systematised. In 2020, this was e.g. applied to the Covid-19 relevant challenges.

We conduct thorough risk assessments and regular workplace assessments on all training stations and provide certified protective equipment (PPE) free of charge to all employees, delegates and visitors.

We have regular employee development talks on health and safety topics. Furthermore, employees are continuously trained to create and work in a safe environment for themselves and our customers to ensure that our customers have the skill set to adequately manage safety in their own operations.

5 GENDER EQUALITY

Diversity and inclusion

The core principle for diversity is that there must be equal conditions for all, i.e. both with respect to external candidates applying for leadership positions within RelyOn Nutec and internal promotions.

Following this principle, our approach to gender diversity is that the composition of the management levels, over a number of years, should reflect the composition of the wider group of employees.

Our composition of employees consists of 32 % women and 68 % men in 2020. The management level below Group Management (Global Management) consists of 13 % women and 87 % men. The Board of Directors consists of four men, while Group Management in 2020 consists of five men (83 %) and one woman (17 %). The target in relation to gender composition of the Board of Directors is that at least 40% of the Board is of the underrepresented gender. With respect to Group Management the target is that at least 30% of Group Management is of the underrepresented gender.

It has not been possible to improve the gender balance on the Board in 2020, but the owner is part of an initiative to attract more women which is expected to contribute to improving the gender balance on the Board. At RelyOn Nutec the work with improving the representation of the underrepresented gender at all levels of employment is an element of our continuous work with social sustainability.

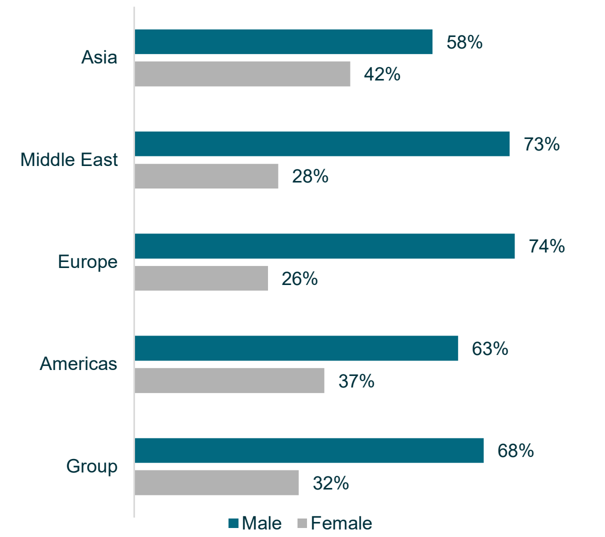
To prevent the challenges we have identified with respect to the representation of gender, we have taken several initiatives:

- We use statistics on the gender representation among employees and in the management team to strive to seek balanced representation
- We ensure that sexist and other discriminatory language and behaviour are not tolerated and may result in disciplinary consequences
- We use 'nudging' (show the way) as a means to increase representation, i.e. through ongoing focus on marketing the offshore industry to increase the number of trained women in it

Another area we focus on at RelyOn Nutec is the right to equal pay for equal work. Here, we continuously examine, as part of our due diligence process, whether there are significant pay differences between women and men for similar positions or job levels. If differences occur, these are addressed . We ensure that wage levels remain aligned for the same job categories and highlight to all managers that salaries and bonuses may only vary as a result of a special effort, special competences or seniority. In our due diligence in Denmark and Norway, we found no pay differences between women and men for similar positions or job levels.
We find it natural that a company reflects the society it is part of. The offshore sector is facing some particular challenges in terms of gender representation. That is why last year we put the theme on the agenda in RelyOn Nutec's management team. As part of our work with social sustainability, we will continue to make a dedicated effort to ensure that there are equal opportunities for all genders for being part of the offshore industry.

We always make job postings gender-neutral and we strive to ensure gender balance in the field of candidates. We believe that a diverse and inclusive organisation that reflects RelyOn Nutec's customer composition, makes the company stronger, increases competitiveness, and creates a good and innovative work environment.

Diversity in our regions



13 CLIMATE ACTION

Environment and climate

In 2020, we implemented initiatives to improve resource efficiency and improved the climate resilience of operations through working on increasing digital training solutions and increased resource efficiency in traditional services such as, for example, pool covers and use of renewable electricity.

Thus, all parts of the company participate in minimising energy consumption and air emissions completely. We plan and conduct our operation, including how we source, maintain and optimise our equipment and supplies to be as energy efficient as possible.

As per the recommendations of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), we have performed a scenario-based risk and opportunity analysis. The transitional risk assessment included an analysis of the financial impact from CO_2 taxation under different scenarios and we used this as a baseline for initiatives to decrease our CO_2 impact. In the opportunity analysis, we have identified opportunities to switch to less emitting fuels and energy sources and implemented best practice initiatives across sites to use resources more efficiently.

In a similar way we work systematically to optimise other impacts, e.g. noise, food waste, waste sorting, etc.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Compliance and anti-corruption

In the impact assessment, we found that RelyOn Nutec is considered a company with good practice in economic systems and financial security systems, and that we as a company have not allowed unethical behaviour to influence our decisions or actions. Nonetheless, we have decided to describe our zero-tolerance attitude to such unethical economic behaviour explicitly. In 2020, RelyOn Nutec initiated the work of updating and improving our policies, including the anti-corruption policy, covering any form of bribery, gifts and nepotism. We are implementing the updated and improved policies in Q1 2021, including an e-learning course for all relevant employees. By working actively to implement compliance policies and e-learning, we reduce the risk of e.g. corruption and warrant that our employees have the right knowledge and skills.

Consolidated financial statements 2020

1 January – 31 December

CONSOLIDATED INCOME STATEMENT

DKKm	Notes	2020	2019
Revenue	2.1	535	819
Other income	2.2	40	9
Cost of sales		(164)	(239)
Staff costs	2.3	(318)	(385)
Other external costs		(62)	(56)
Operating result before depreciation, amortization, impairment losses and special items (EBITDA)		**31**	**148**
Depreciation and impairment losses on property, plant and equipment	2.5	(75)	(76)
Operating result before amortization and special items (EBITA)		**(44)**	**72**
Amortization of intangible assets	2.5	(19)	(13)
Operating result before special items		**(63)**	**59**
Special items	2.6	(16)	(34)
Operating result (EBIT)		**(79)**	**25**
Financial income	2.7	7	5
Financial expenses	2.8	(82)	(59)
Result before tax		**(154)**	**(29)**
Income tax	2.9	(2)	(22)
Result for the year of continuing operations		**(156)**	**(51)**
Result for the year of discontinued operations	2.10	(16)	2
Result for the year		**(172)**	**(49)**
Income for the year is attributable to:			
Owners of P-RelyOn Nutec A/S		(173)	(52)
Non-controlling interests		1	3
Total		**(172)**	**(49)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKKm	2020	2019
Result for the year	(172)	(49)
Other comprehensive income		
Exchange rate adjustments of foreign entities and intercompany loans classified as part of net investment	(54)	(3)
Recycling of exchange rate reserve at time of disposal of foreign entities	7	-
Total comprehensive income for the year	**(219)**	**(52)**
Total comprehensive income for the year is attributable to:		
Owners of P-RelyOn Nutec A/S	(212)	(56)
Non-controlling interests	(7)	4
Total	**(219)**	**(52)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKKm	Notes	31 December 2020	31 December 2019
Goodwill	3.1	179	186
Brands	3.1	51	57
Customer contracts	3.1	52	58
Knowhow	3.1	20	24
Software	3.1	28	53
Other intangible assets	3.1	17	8
Total Intangible assets		**347**	**386**
Property and plant	3.2	159	196
Equipment	3.2	87	107
Leasehold improvement	3.2	33	38
Asset under construction	3.2	1	1
Total property, plant and equipment		**280**	**342**
Right-of-use asset	3.3	221	242
Deferred tax asset	3.5	26	17
Other non-current assets		16	6
Total non-current assets		**890**	**993**
Trade receivables	3.4	69	170
Contract assets	3.4	9	13
Prepayments		11	15
Other receivables	3.6	15	33
Cash and cash equivalents	4.4	70	77
Total current assets		**174**	**308**
Total assets		**1.064**	**1.301**

DKKm	Notes	31 December 2020	31 December 2019
Share capital	3.7	4	3
Foreign currency translation reserve		(45)	(6)
Retained earnings		106	195
Total equity attributable to owners of the parent company		**65**	**192**
Non-controlling interests		20	43
Total equity		**85**	**235**
Bond	4.4	400	371
Credit facility	4.4	40	-
Provisions	6.2	18	21
Lease liabilities	3.3	274	301
Deferred tax liabilities	3.5	5	10
Deferred consideration		-	27
Other payables	3.8	27	41
Total non-current liabilities		**764**	**771**
Credit facility	4.4	-	42
Trade payables	4.4	70	96
Deferred consideration	4.4	31	5
Lease liabilities	3.3	30	29
Other payables	3.8	84	123
Total current liabilities		**215**	**295**
Total liabilities		**979**	**1.066**
Total equity and liabilities		**1.064**	**1.301**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of P-RelyOn Nutec 2018 A/S	Non-controlling interests	Total
Equity at 01.01.2019	3	(2)	247	248	32	280
Result for the year	-	-	(52)	(52)	3	(49)
Other comprehensive income	-	(4)	-	(4)	1	(3)
Total comprehensive income for the year	**-**	**(4)**	**(52)**	**(56)**	**4**	**(52)**
Transactions with owners in their capacity as owners						
Capital increase	-	-	-	-	11	11
Dividend	-	-	-	-	(4)	(4)
Total transactions with shareholders	**-**	**-**	**-**	**-**	**7**	**7**
Equity at 31.12.2019	**3**	**(6)**	**195**	**192**	**43**	**235**
Result for the year	-	-	(173)	(173)	1	(172)
Other comprehensive income	-	(39)	-	(39)	(8)	(47)
Total comprehensive income for the year	**-**	**(39)**	**(173)**	**(212)**	**(7)**	**(219)**
Transactions with owners in their capacity as owners						
Capital increase	1	-	84	85	-	85
Divestment of non-controlling interests	-	-	-	-	(16)	(16)
Total transactions with shareholders	**1**	**-**	**84**	**85**	**(16)**	**69**
Equity at 31.12.2020	**4**	**(45)**	**106**	**65**	**20**	**85**

CONSOLIDATED STATEMENT OF CASH FLOWS

DKKm	Notes	2020	2019
Operating result (EBITDA), continuing operations		31	148
Operating result (EBITDA), discontinued operations	2.10	(3)	7
Operating result before depreciation, amortization, impairment losses and special items (EBITDA)		**28**	**155**
Changes in net working capital	6.3	75	5
Income taxes paid		(14)	(25)
Special items paid		(21)	(33)
Net cash flow from operating activities		**68**	**102**
Purchase of property, plant and equipment	3.2	(32)	(47)
Purchase of intangible assets	3.1	(13)	(9)
Purchase of subsidiaries, net of cash	6.1	(2)	(63)
Proceed from sale of businesses	2.11	13	-
Net cash flow from investing activities		**(34)**	**(119)**
Free cash flow		**34**	**(17)**
Interests paid		(41)	(52)
Proceeds from borrowings	5.2	-	47
Change of credit facilities	5.2	(51)	79
Installment on lease liabilities	3.3	(34)	(40)
Capital increase		85	11
Dividend paid, non-controlling interests		-	(4)
Deferred consideration paid	6.1	-	(47)
Change in other financing activities		3	(17)
Cash flow from financing activities		**(38)**	**(23)**
Net cash flow for the year		**(4)**	**(40)**
Cash and cash equivalents, beginning of the period		77	107
Exchange rate impact		(3)	10
Change in cash and cash equivalents		(4)	(40)
Cash and cash equivalents at end of the year	4.4	**70**	**77**

Notes

Section 1:
Basis of preparation

NOTE 1.1 - ACCOUNTING POLICIES

The Consolidated Financial Statements for P-RelyOn Nutec 2018 A/S have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further disclosure requirements in the Danish Financial Statements Act applying to entities of reporting class C.

The financial statements have been prepared under the historical cost convention, except that derivatives and financial instruments are measured at fair value. The financial statements are presented in Danish Kroner (DKK), which is the parent company's functional currency. The financial statements are presented in DKK million.

In general, the accounting policies are described in each of the specific notes to the financial statements, which also include additional description of the most significant accounting estimates and judgements.

Except as outlined below, the accounting policies, judgements and estimates are consistent with those applied in the consolidated financial statements for 2019.

Reclassifications and adjustments of the comparative figures have been made due to the accounting standard applied in respect of discontinued operations as well as the requirement of classification of discontinued operations.

Government grants

In 2020, income received from government aid programmes is presented as "Other income" Please see further information in note 2.2.

Adoption of new and amended standards

The following accounting standards, amendments (IAS and IFRS) and interpretations have been implemented as at 1st January 2020 as adopted by the European Union:

- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 3 "Business Combinations"
- Amendment to "References to the Conceptual Framework in IFRS Standards"
- Interest rate benchmark reform (Amendment to IFRS 9, IAS 39 and IFRS 7).

The implementation did not have a material impact on the Group's financial statements.

New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2021 consolidated financial statements. RelyOn Nutec expects to implement these standards when they take effect.

None of the new standards issued are currently expected to have any significant impact on the consolidated financial statements when implemented.

Basis of consolidation

The consolidated financial statements include the parent company, P-RelyOn Nutec 2018 A/S and its subsidiaries. Subsidiaries are entities that are controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On consolidation, investments in subsidiaries, intra-group income and expenses, intra-group balances and dividends and realized and unrealized gains and losses on transactions between Group entities are eliminated. The line items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as non-controlling interests' proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

When the Group assumes an obligation from a put option to acquire shares from a non-controlling interest, a financial liability is recognised, which is measured at the present value of the expected redemption amount. Where the significant risks and rewards of the shares have transferred to the Group, no non-controlling interest is recognised, and the liability related to the put option is treated as a contingent consideration liability. If risks and rewards related to the put option have not transferred to the Group, the non-controlling interest remains being recognised, and a corresponding entry is made against the Group's share of equity.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rates at the transaction date.

NOTE 1.1 - ACCOUNTING POLICIES - Continued

Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date when the receivable or payable arose or the exchange rate applied in the most recent financial statements is recognised in the income statement under financial income or financial expenses.

On recognition in the consolidated financial statements of entities with a functional currency other than DKK, income and expenses for the statement of comprehensive income are translated at the exchange rates at the transaction date. Average exchange rates for the month are used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions.

Assets and liabilities are translated at the exchange rates at the closing rate of the balance sheet date. All resulting exchange differences are recognised in other comprehensive income and classified in equity in a separate currency translation reserve.

Foreign exchange adjustments of receivables and payables in foreign subsidiaries that form part of the net investment are recognised under other comprehensive income in the consolidated financial statements and in the income statement of the parent company financial statements.

Income statement

Cost of sales

Cost of sales comprises expenses related to course material and subcontractors.

Other external costs

Other external costs comprise marketing, external consultancy, facilities, etc.

Balance

Financial liabilities

Financial liabilities primarily comprise of bonds, banks loans, trade payables, deferred considerations and contingent consideration liabilities. Financial liabilities, except for contingent liabilities, are initially recognised at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost.

Contingent consideration liabilities arising from business combinations are subsequently measured at fair value.

The initial fair value of the liability portion of the shareholder loan was determined using a market interest rate for an equivalent non-convertible loan at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the loan. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the operating profit before depreciation, amortisation, impairment losses and special items (EBITDA) adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise interests paid cash flows from the raising and repayment of long-term debt, including payments related to lease liabilities as well as payments to and from shareholders and non-controlling interests.

Cash and cash equivalents comprise cash at bank and in hand.

Key figures

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

NOTE 1.2 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates. Many financial statement items cannot be reliably measured but must be based on estimations as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgements, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Critical accounting estimates and judgements related to:

Accounting estimates:

- Deferred tax assets cf. note 2.9 and 3.5
- Goodwill and brands, cf. note 3.1
- Business combination, cf. note 6.1

Management judgements:

- Incentive program, cf. note 2.4
- Special items, cf. note 2.6
- Leases, cf. note 3.3

The judgements and estimates made by Management are specified in the relevant notes.

Section 2:
Consolidated income statement

NOTE 2.1 – SEGMENTS AND REVENUE

SEGMENTS

DKKm	Americas	Asia	Europe	Middle East	Non-allocated items and elimination	Total continuing operations
2020						
Revenue from external customers	146	59	307	23	-	**535**
EBITDA*	20	16	12	(8)	(9)	**31**
Non-current assets	228	120	595	29	(82)	**890**

DKKm	Americas	Asia	Europe	Middle East	Non-allocated items and elimination	Total continuing operations
2019						
Revenue from external customers	236	103	423	57	-	**819**
EBITDA*	55	46	39	22	(14)	**148**
Non-current assets	270	117	606	75	(75)	**993**

**: EBITDA = Operating result before depreciation, amortisation, impairment losses and special items*

§ | Accounting policy

Segment

The accounting policies of the reportable segments are the same as the Group's accounting policies described throughout the notes. Segment revenue and costs are based on the internal reporting and comprise items that can be directly referred to the individual segments. Unallocated items mainly consist of costs related to Group functions.

For the purpose of segment reporting, segment profit has been identified as EBITDA.

When presenting geographical information, segment revenue is based on the geographical location of the individual subsidiary from which the sales transaction originates.

Revenue

The Group generates revenue from delivering of safety training services to its customers within the oil and gas, renewables and maritime industry globally.

Revenue from providing services is recognised over time and in the accounting period in which the services are rendered.

The activity is pay-per-use, and the payment terms for customers are up to 60 days, and invoicing is shortly after completion of the courses. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. A receivable is recognised when the receipt of payment is conditional on passage of time only. Where another party is involved in providing the services to the customer, the Group assesses on a contract by contract basis whether the Group is acting as a principal or as an agent. The Group is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself. On the contrary, the Group is acting as an agent when it is arranging for the services to be provided by the other party.

When the Group obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognises revenue on a gross basis. When the Group is acting as an agent, the commission rather than the gross income is recognised as revenue.

Supplementary information

RelyOn Nutec is a global operator that operates in more than 20 countries around the world. Operations are generally managed based on a geographical structure comprising 8 geographical areas. Management has concluded that the 8 geographical areas can be aggregated into 4 regions according to IFRS 8. An overview of the grouping of countries into regions is presented in note 6.8 - Group companies.

The regions have been identified based on a key principle of grouping countries that share market conditions resulting in similar expectations in respect of revenue growth, rates of return on assets and capital investments. Management has based the assessment that the 8 geographical areas can be aggregated into 4 reportable primarily on the following shared characteristics:

- The nature of the products is the same,
- The customers within the same class, primarily customers within the offshore oil industry operating in the same geographical area. There are subject to the same macroeconomic development, despite being located in different countries.

The segment reporting is prepared in a manner consistent with the Group's internal management and reporting structure. Transactions between reportable segments are made on market terms. Revenue and EBITDA can be reconciled directly to the income statement. The remaining reconciliation items to the loss for the year are disclosed directly in the income statement.

NOTE 2.1 – SEGMENTS AND REVENUE - continued

REVENUE

DKKm	Oil and gas	Maritime	Renewables	Other safety critical industries	Total continuing operations
2020					
Americas	122	11	-	13	**146**
Asia	45	2	-	12	**59**
Europe	141	44	49	73	**307**
Middle East	23	-	-	-	**23**
Total	**331**	**57**	**49**	**98**	**535**

DKKm	Oil and gas	Maritime	Renewables	Other safety critical industries	Total continuing operations
2019					
Americas	210	16	-	10	**236**
Asia	89	6	-	8	**103**
Europe	208	36	50	129	**423**
Middle East	57	-	-	-	**57**
Total	**564**	**58**	**50**	**147**	**819**

NOTE 2.2 – OTHER INCOME

DKKm	2020	2019
Government grants	31	-
Other operating income	9	9
Total other income	**40**	**9**

§ | Accounting policy

Government grants are recognised in the income statement on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Government grants are recognised in the income statement when there is reasonable assurance that Group will comply with the conditions attached to them.

Other operating income consists of compensation received, income from the sub-leasing of premises and other non-primary income.

Supplementary information

Geographies (except Denmark) with more than 10% of the Group revenue:

DKKm	2020	2019
United Kingdom	77	125
The Netherlands	65	105
Norway	80	99
US	52	94
Denmark	38	48
Other	223	348
Total	**535**	**819**

Supplementary information

Government grants in 2020 are related to COVID-19 relief packages, where the Group made use of certain governmental support packages in different countries to mitigate the effects of COVID-19. The governments grants primarily relate to reimbursement of salaries to employees, compensation of costs and negative effect from lost revenue.

During 2020, the Group has in total received DKKm 31, mainly in Europe, the US and Canada. For some of the received grants the usage and obligations are uncertain as per 31st December 2020, and accordingly the Group has only recognised the portion of the grants, which is expected to meet the terms and conditions relating to receiving the grants. The portion not expected to meet the terms and conditions amounts to DKKm 6, which is recognised as other payables.

NOTE 2.3 – STAFF COSTS

DKKm	2020	2019
Wages and salaries	(272)	(306)
Pensions, defined contribution plans	(14)	(13)
Other social security costs	(23)	(26)
Other staff costs	(24)	(50)
Total staff costs	**(333)**	**(395)**
of which is classified as special items, cf. note 2.6	15	10
Total staff cost excl. special items	**(318)**	**(385)**
Average number of employees	**784**	**910**

Supplementary information

Key Management consist of Board of Directors and Executive Management. None of the members have received any compensations.

§ | Accounting policy

Staff costs comprise wages and salaries as well as expenses for payroll and pensions.

NOTE 2.4 – INCENTIVE PROGRAMME

The parent company P-Holding RelyOn Nutec A/S offered a share investment and warrant programme to certain key employees. Under the programme, participants made a combined share and warrant investment in P-Holding RelyOn Nutec A/S. This Company holds all shares in Bidco RelyOn Nutec A/S and has no other activities. As of 31st December 2020, the outstanding number of shares amounts to 2.8% (4.0%) of the share capital in P-Holding RelyOn Nutec A/S and outstanding number of warrants amounts to potential shares equal to 0.05% (0.05%) of the current share capital in P-Holding RelyOn Nutec A/S. Hereof, the Group Management holds shares of 1.5% (1.2%) and warrants of 0.02% (0.02%) and the Board of Directors holds shares of 0.6% (0.6%) and warrants of 0.01% (0.01%).

The shares and warrants were acquired at fair value and consequently; no cost is recognised.

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 20th September 2023, the participants are entitled to exercise the warrants. The warrants are subject to customary leaver provisions. 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 0.04% due to a participant leaving the BidCo RelyOn Nutec A/S. During 2020, these shares and warrants have been acquired and granted as part of the existing management incentive programme.

If a participant leasves the company (bad leaver) the company has a right but not an obligation to acquire the Shares and warrants at the lower of cost price, fair value and intrinsic 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.

As of 31 December 2020, the settlement amount for all outstanding shares and warrants under the program is Approx. DKK 11 million.

§ | Accounting policy

The incentive program comprising a combined share and warrant investment made by the Executive Board And a number of senior employees in the subsidiary BidCo RelyOn Nutec A/S is classified as a cash settled share-based payment arrangement due to the call and put options in the arrangement. The amount initially Paid in is classified as a liability. The liability is subsequently measured at the probability weighted value of the amount payable to a participant becoming a good leaver on the balance sheet date and the amount payable to a participant becoming a bad leaver on the balance sheet date.

The carrying amount of the liability as of 31 December 2020 is DKKm 4. The liability is classified as other payables in the balance sheet. The liability was reduced by DKKm 2.6 during 2020. This gain is classified as Staff costs in the income statement.

Fair value of the shares and warrants is determined based on the price from the latest leaving member of the Program in 2020.

NOTE 2.5 – AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKKm	2020	2019
Depreciation on property, plant and equipment cf. note 3.2	(38)	(38)
Depreciation on property, plant and equipment - right-of-use asset cf. note 3.3	(37)	(38)
Total depreciation	**(75)**	**(76)**
Amortisation of intangible assets, cf. note 3.1	(19)	(13)
Total amortisation	**(19)**	**(13)**

No impairment losses have been recognised in 2020 and 2019.

NOTE 2.6 – SPECIAL ITEMS

DKKm	2020	2019
Transactions costs	(1)	(4)
Costs associated with listing of bond	-	(4)
Rebranding costs	-	(6)
Restructuring costs, termination benefits and severance payments etc.	(15)	(20)
Total	**(16)**	**(34)**

Special items reconcile to the income statement as specified in the table below:

	2020			2019		
	Before	Special items	After	Before	Special items	After
Revenue	535	-	535	819	-	819
Other income	40	-	40	9	-	9
Cost of sales	(164)	-	(164)	(239)	-	(239)
Staff costs	(334)	15	(318)	(395)	10	(385)
Other external costs	(63)	1	(62)	(84)	28	(56)
Operating result before depreciation, amortization, impairment losses and special items (EBITDA)	**14**	**16**	**31**	**110**	**38**	**148**
Depreciation and impairment losses on property, plant and equipment	(75)	-	(75)	(76)	-	(76)
Operating result before amortization and special items (EBITA)	**(61)**	**16**	**(44)**	**34**	**38**	**72**
Amortization of intangible assets	(19)		(19)	(13)	-	(13)
Operating result before special items	**(80)**	**16**	**(63)**	**21**	**38**	**59**
Special items	-	(16)	(16)	-	(34)	(34)
Operating result (EBIT)	**(79)**	**-**	**(79)**	**21**	**4**	**25**
Financial income	7	-	7	5	-	5
Financial expenses	(82)	-	(82)	(55)	(4)	(59)
Result before tax	**(154)**	**-**	**(154)**	**(29)**	**-**	**(29)**

§ | Accounting policy

Special items are used in connection with the presentation of income statement for the year to distinguish operating profit from non-recurring income and expenses, which by their nature are not related to the Group's ordinary operations, e.g. re-branding costs, restructuring costs relating to structural, procedural and managerial re-organisation as well as transaction and restructuring costs relating to acquisition of businesses.

≈ | Critical accounting judgements

The use of special items entails management judgement in the separation from the ordinary operations of the Group. In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

NOTE 2.7 – FINANCIAL INCOME

DKKm	2020	2019
Exchange rate gains	-	1
Fair value adjustment of contingent consideration, non-controlling interest cf. note 5.1	5	3
Other financial income	2	1
Total	**7**	**5**

NOTE 2.8 – FINANCIAL EXPENSES

DKKm	2020	2019
Bond interest	(34)	(26)
Lease liabilities, cf. note 3.3	(24)	(24)
Exchange rate losses	(10)	-
Other financial expenses	(14)	(9)
Total	**(82)**	**(59)**

§ | Accounting policy

Financial income and expenses represent interest income and interest expense, realised and unrealised exchange rate gains and losses, amortisation related to financial liabilities, including lease liabilities and fair value adjustments of contingent consideration liabilities.

NOTE 2.9 – TAX

DKKm	2020	2019
Current tax on result for the year	(13)	(21)
Deferred tax on result for the year and previous years	11	(1)
Total income tax	**(2)**	**(22)**
Calculated 22% tax on result for the year for continuing operations	34	6
Tax effects of:		
Non-taxable income	2	6
Non-deductible expenses	-	(2)
Adjustment of tax relating to previous year	(1)	(3)
Revaluation of deferred tax assets	(42)	(26)
Difference in foreign tax rates	3	(3)
Total income tax	**(2)**	**(22)**
Effective tax rate	**neg.**	**neg.**

≈ | Accounting estimates

Deferred tax assets are measured at the value at which they are expected to be realised. Deferred tax assets, including the tax base of tax loss carryforwards are recognised if it is assessed that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives.

The Group is subject to tax legislation in the countries in which it operates. Any significant accounting estimates relating to the statements of current tax, deferred tax and pending tax matters in the individual countries have been provided.

§ | Accounting policy

P-RelyOn Nutec A/S and the Group's Danish subsidiaries are jointly taxed. Danish corporation tax is allocated among the jointly taxed companies according to the taxable income of these companies. Income tax for the year, consisting of current tax for the year and changes in deferred tax, is recognised in profit for the year with respect to the part that can be attributed to profit for the year and in other comprehensive income with respect to the part that can be attributed to other comprehensive income or directly to equity.

Corporation tax payables include corporation taxes made up on the basis of estimated taxable income for the financial year and prior-year adjustments. Deferred tax is measured using the tax rate expected to apply when timing differences are reversed.

Deferred tax is calculated according to the balance sheet liability method and is based on all timing differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognised on goodwill that is not tax deductible, and deferred tax is not recognised on undistributed profits in subsidiaries and timing differences that arose at the time of recognition in the balance sheet other than for acquisitions, if such differences will not affect profit or taxable income. When alternative tax rules can be applied to determine the tax base, deferred tax is measured based on planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred tax assets and liabilities are offset within the same legal tax entity or jurisdiction. Changes in deferred tax as a result of changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to transactions which have been recognised previously under other comprehensive income or directly in equity.

NOTE 2.10 – DISCONTINUED OPERATIONS

DKKm	2020	2019
Revenue	19	51
Cost of sales	(4)	(12)
Staff costs	(15)	(25)
Other external costs	(3)	(7)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	**(3)**	**7**
Depreciation and impairment losses on property, plant and equipment	(3)	(3)
Operating result (EBIT)	**(6)**	**4**
Financial expenses	-	(1)
Loss on sale of businesses, cf. note 2.11	(12)	-
Result before tax	**(18)**	**3**
Income tax	2	(1)
Result for the year of discontinued operations	**(16)**	**2**
The result is split as follows:		
Owners of P-RelyOn Nutec A/S	(14)	1
Non-controlling interests	(2)	1
Result for the year of discontinued operations	**(16)**	**2**

THE EFFECT OF DISCONTINUED OPERATIONS ON THE STATEMENT OF CASH FLOWS IS AS FOLLOWS:

DKKm	2020	2019
Cash flow from operating activities	(3)	7
Cash flow from investing activities including sales proceeds	13	-
Cash flow from financing activities	-	(1)

§ | Accounting policy

Discontinued operations are geographical area or major line of businesses which have been divested. The results of discontinued operations are presented as separate items in the income statement consisting of the profit/loss after tax of the relevant operation and any gains or losses on fair value adjustment or sale of the assets relating thereto.

Cash flow from discontinued operations has been included in the consolidated statement of cash flows under cash flows from operating, investing and financing activities and has been explained in the notes.

On 30th October 2020, we entered into an agreement to sell two Nigerian subsidiaries (Prime Atlantic Emergency Response Services Ltd. and Prime Atlantic Safety Services Ltd.) to current partner and co-shareholder. The final closing of the sale was completed on 30th October 2020 after which the control of the operations and the acquired subsidiaries was transferred to the buyer. The acquisition price has been paid in cash.

There are no assets and liabilities held for sale as the transition closed on 30th October 2020.

NOTE 2.11 – SALE OF BUSINESSES

DKKm	2020
Intangible assets	6
Tangible assets	22
Non-current assets	**28**
Trade receivable	10
Other receivables	5
Prepaid expenses	1
Cash and cash equivalents	10
Current assets	**26**
Trade payables	1
Other payable	10
Current liabilities	**11**
Carrying amount of sold net assets	**43**
Non-controlling interest	16
Carrying amount of sold net assets, Rely On Nutec share	**27**
Payment in cash	**22**
Value of net assets cf. above	(27)
Recirculation of accumulated foreign currency translation adjustments in respect of foreign subsidiaries	(7)
Loss on sale	**(12)**

DKKm	2020
Cash flow effect	
Loss on sale	(12)
Value of net assets	27
Recirculing of accumulated exchange rate adjustment of subsidiary	7
Settlement of balance with P-RelyOn Nutec A/S	1
Disposed cash c.f. above	(10)
Cash flow effect recognised in the statement of cash flow for the year	**13**

§ | Accounting policy

Businesses sold or liquidated are recognised up to the date of disposal or liquidation. The date of disposal is the date when control of the business actually passes to a third party.

Gains or losses on disposal of subsidiaries are stated as the difference between the disposal amount and the carrying amount of net assets, including goodwill at the date of disposal, accumulated foreign exchange adjustments recognised under other comprehensive income and anticipated disposal costs. The disposal amount is measured as the fair value of the consideration received.

Section 3:
Statement of financial position

NOTE 3.1 – INTANGIBLE ASSETS

DKKm	Goodwill	Brand	Customer contracts	Knowhow	Software	Other intangible assets	Total
Cost:							
At 01.01.2019	136	55	63	27	-	8	289
Prior year adjustment, cf. note 6.1	17	-	-	-	-	-	17
Transfer from other asset classes	-	-	-	-	5	(5)	-
Acquisition of business, cf. note 6.1	30	-	6	-	41	5	82
Additions	-	-	-	-	9	-	9
Exchange differences	3	2	(1)	-	1	-	5
At 31.12.2019	**186**	**57**	**68**	**27**	**56**	**8**	**402**
Accumulated amortisation and impairment:							
At 01.01.2019	-	-	(3)	-	-	-	(3)
Amortisation for the year	-	-	(9)	(3)	(1)	-	(13)
Exchange differences	-	-	2	-	(2)	-	-
At 31.12.2019	**-**	**-**	**(10)**	**(3)**	**(3)**	**-**	**(16)**
Carrying amount 31.12.2019	**186**	**57**	**58**	**24**	**53**	**8**	**386**
Cost at. 01.01.2020	186	57	68	27	56	8	402
Prior year adjustment, cf. note 6.1	15	-	2	-	(18)		(1)
Disposal in connection with sale of businesses for the year c.f. note 2.11	(5)	(1)	-	-	-	-	(6)
Additions	-	-	-	-	2	11	13
Exchange differences	(17)	(5)	-	(1)	(3)	-	(26)
At. 31.12.2020	**179**	**51**	**70**	**26**	**37**	**19**	**382**
Accumulated amortisation and impairment:							
At 01.01.2020	-	-	(10)	(3)	(3)	-	(16)
Amortisation for the year	-	-	(9)	(3)	(5)	(2)	(19)
Exchange differences	-	-	1	-	(1)	-	-
At 31.12.2020	**-**	**-**	**(18)**	**(6)**	**(9)**	**(2)**	**(35)**
Carrying amount 31.12.2020	**179**	**51**	**52**	**20**	**28**	**17**	**347**

§ | Accounting policy

Goodwill

Goodwill is recognised in the balance sheet at cost of initial recognition as described under “Business combinations”, note 6.1. Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is not amortised but is tested for impairment at least once a year.

On initial recognition, goodwill is allocated to those of the Group’s activities that generate separate cash flows (cash-generating units), however, not a higher level than operating segments.

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life and are subsequently carried at cost less accumulated impairment losses.

Customer contracts and knowhow

Customer contracts and knowhow acquired in a business combination are recognised at fair value at the acquisition date. Knowhow is based on obtaining business required certificates to perform the operation. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Customer contracts and knowhow are amortised over the expected economic life, estimated to be 10 years.

Software

Software acquired in a business combination is recognised at replacement cost at the acquisition date. Software bought or developed for internal use is measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount. Cost comprises payments for the software and other directly attributable expenses of preparing the software for its intended use. Software is amortised over the expected economic life, estimated to be 3 to 5 years.

Other intangible assets

Other intangible assets mainly include assets (software) under construction.

Supplementary information

Brands include active brands within RelyOn Nutec Group; RelyOn Nutec, Aberdeen Drilling School and MSTS. Nutec is our heritage. Nutec is dated back to 2004 and it is a symbol for safety training in multiple parts of the world. Aberdeen Drilling School is a world-renowned brand to deliver well control training. MSTS is the local brand in the Asian region, which is associated with high-quality safety training. **Know-How** includes the knowledge for obtaining business critical certificates, such as OPITO, GWO, ISO etc.

NOTE 3.1 – INTANGIBLE ASSETS - continued

Impairment test

Each year, the assets are reviewed in order to assess whether there are indications of impairment. If such indications exist, the recoverable amount, determined as the higher amount of the fair value of the asset adjusted for expected costs to sell and the value in use of the asset, is calculated. The value in use is calculated based on the estimated future cash flows, discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or its cash-generating unit is lower than the carrying amount, an impairment charge is recognised in respect of the asset. The impairment loss is recognised in the income statement. In addition, for goodwill and other intangible assets with indefinite useful lives, impairment tests are performed at each balance sheet date, regardless of whether there are any indications of impairment. For acquisitions, the first impairment test is performed before the end of the year of acquisition.

Goodwill and brands are monitored by Management at an operating segment level. Goodwill and brands are allocated to CGUs as per below.

Goodwill and brands with an indefinite life have been tested for impairment at 31st December 2020.The tests did not result in any impairment of carrying amounts. The impairment test is based on value in use.

For the year 2021 and projections for subsequent years up to and including 2025, the expected future net cash flows are determined based on budgets and business plans approved by Management.

The table below provides an overview of the carrying amount and key assumptions applied for each cash-generating unit for which the carrying amount of goodwill and brands is material.

The key assumptions for each cash-generating unit are annual revenue growth and EBITDA margin as well as net working capital and investments. The assumptions are based on past experience, internal as well external benchmarks and statistics, management's expectations for the market development, market trends and initiated digitalisation projects and projects in general.

The discount rates applied are generally based on the cost of capital applicable for RelyOn Nutec.

The terminal growth rate is in line with industry expectations.

Please note that the key assumptions and growth rates for 2019 is pre-COVID-19 as COVID-19 was considered as a subsequent event to the financial statements for 2019. Consequently, the disclosed revenue growth rates in 2020 is higher than 2019 as the baseline is the 2020 revenue (post-COVID-19).

DKKm	Asia	Golf of Mexico	Partnerships	Portfolio	Other	Total
2020						
Carrying amount of goodwill	40	47	17	33	42	179
Carrying amount of brands	23	6	3	4	15	51
Annual revenue growth rate	17.0%	14.0%	6.0%	50.0%	10.0%-28.0%	
EBITDA margin	37.0%	20.0%	33.0%	31.0%	9.0% - 29.0%	
Terminal period growth rate	2.0%	1.5%	4.0%	1.5%	1.5% - 2.5%	
Pre-tax discount rate	8.8%	9.6%	8.4%	8.2%	7.9% - 13.2%	
2019						
Carrying amount of goodwill	43	49	36	26	32	186
Carrying amount of brands	25	7	5	5	15	57
Annual revenue growth rate	3.7%	1.8%	2.2%	13.6%	9.0% - 4.0%	
EBITDA margin	42.7%	21.7%	23.8%	34.9%	9.0% - 52.0%	
Terminal period growth rate	2.0%	1.5%	4.0%	1.5%	1.5% - 2.5%	
Pre-tax discount rate	9.9%	10.5%	11.4%	10.0%	9.7% - 10.7%	

Note 3.1

≈ | Critical accounting estimates

Estimates are applied in the assessment of future revenues, operating margins, discount rates and growth expectations in the terminal period in the impairment testing (value-in-use calculation). These are based on an assessment of current and future developments in the cash-generating units and on historical data and assumptions of expected future development.

Goodwill and brands have an indefinite lifetime since there is no foreseeable limit to the period over which goodwill and brands are expected to generate net cash inflows. Goodwill and brands with indefinite lifetime are not amortised, but subject to an impairment test once a year. The Group tests whether goodwill has suffered any impairment on an annual basis.

Factors that played a significant role in determining that brands have an indefinite useful lifetime; 1) brands have existed in decades, 2) the strategy is based on the brands, and 3) the brands have low maintenance costs attached.

Supplementary information

The category "other" contains operation in Brazil, Central Europe, Middle East, Scandinavia and United Kingdom as these are assessed individually insignificant.

NOTE 3.2 – PROPERTY, PLANT AND EQUIPMENT

DKKm	Property and plant	Equipment	Leasehold improvement	Assets under construction	Total
Cost:					
At 01.01.2019	208	118	32	17	375
Prior year adjustment, cf. note 6.1	(3)	-	-	-	(3)
Acquisition of business, cf. note 6.1	-	3	-	-	3
Right-of-use assets - reclassification cf. note 3.3	(12)	(16)	(2)	-	(30)
Additions	8	28	6	4	47
Transferred	15	-	5	(20)	-
Disposals	(12)	(6)	(1)	-	(19)
Exchange differences	1	9	5	-	15
At 31.12.2019	**205**	**136**	**45**	**1**	**387**
Accumulated depreciation and impairment:					
At 01.01.2019	(3)	(1)	(2)	-	(6)
Depreciation for the year*	(5)	(31)	(5)	-	(41)
Reversals regarding disposals	2	4	1	-	7
Exchange differences	(3)	(1)	(1)	-	(5)
At 31.12.2019	**(9)**	**(29)**	**(7)**	**-**	**(45)**
Carrying amount 31.12.2019	**196**	**107**	**38**	**1**	**342**
Cost:					
At 01.01.2020	205	136	45	1	387
Additions	10	19	3	-	32
Reclassifications	4	3	-	-	7
Disposals	-	-	(3)	-	(3)
Disposals in connection with sale of businesses for the year c.f. note 2.11	(28)	(24)	-	-	(52)
Exchange difference	(27)	(6)	(12)	-	(45)
At 31.12.2020	**164**	**128**	**33**	**1**	**326**
Accumulated depreciation and impairment:					
At 01.01.2020	(9)	(29)	(7)	-	(45)
Depreciation for the year*	(10)	(26)	(5)	-	(41)
Reversals regarding disposals	-	-	1	-	1
Disposals in connection with sale of businesses for the year c.f. note 2.11	11	19	-	-	30
Transferred	-	(5)	5	-	-
Exchange difference	3	-	6	-	9
At 31.12.2020	**(5)**	**(41)**	**-**	**-**	**(46)**
Carrying amount 31.12.2020	**159**	**87**	**33**	**1**	**280**

*Of which continuing operations accounted for DKKm 38 (DKKm 38) and sale of businesses accounted for DKKm 3 (DKKm 3) cf. note 2.10.

§ | Accounting policy

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset during the period that is required to complete and prepare the asset for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

Depreciations are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Buildings: 25 - 33 years
Equipment: 3 - 20 years
Leasehold improvements: Term of lease
Land: Not depreciated

The residual value and useful life are determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognised in the income statement as other operating income and expenses, respectively.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life, as described above, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Each year, the assets are reviewed in order to assess whether there are any indicators of impairment, cf. note 3.1.

Supplementary information

Committed CAPEX on 31st December 2020 was related to completion of upgrade of facility in Canada, total DKKm 1. Committed CAPEX on 31st December 2019, was related to completion of the new facility in the US, total DKKm 4.

NOTE 3.3 – LEASES

Right-of-use assets

DKKm	Property and plant	Equipment	Total
Cost:			
At 01.01.2019 (previously recognised under land and buildings, equipment and leasehold improvement)	12	18	30
Adjustment on transition to IFRS 16	220	9	229
Carrying amount 01.01.2019	**232**	**27**	**259**
Increases	17	1	18
Exchange differences	5	-	5
At 31.12.2019	**254**	**28**	**282**
Depreciation and impairment:			
At 01.01.2019	-	-	-
Depreciation for the year, cf. note 2.5	(33)	(5)	(38)
Exchange differences	1	(3)	(2)
At 31.12.2019	**(32)**	**(8)**	**(40)**
Carrying amount 31.12.2019	**222**	**20**	**242**
Cost:			
At 01.01.2020	254	28	282
Increases	47	5	52
Decreases	(30)	(1)	(31)
Exchange differences	(5)	-	(5)
At 31.12.2020	**266**	**32**	**298**
Depreciation and impairment:			
At 01.01.2020	(32)	(8)	(40)
Depreciation for the year, cf. note 2.5	(32)	(5)	(37)
At 31.12.2020	**(64)**	**(13)**	**(77)**
Carrying amount 31.12.2020	**202**	**19**	**221**

§ | Accounting policy

Lease assets

Lease assets are 'right-of-use assets' arising from a lease agreement. Lease assets are initially measured at cost consisting of the amount of the initial measurement of the liability of the leases plus any lease payments made to the lessor at or before the commencement date less any lease incentives received and the initial estimate of refurbishment costs and any initial directs costs incurred by RelyOn Nutec as the lessee.

RelyOn Nutec has primarily these types of leases:

- Rental of premises
- Equipment

The lease assets are depreciated on a straight-line basis over the lease term. The lease asset can be adjusted due to modifications to the lease agreement or reassessment of lease term. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less at inception. Low-value assets typically comprise IT-equipment and small items of office furniture with an initial value of TDKK 35 or less.

Each year, the assets are reviewed in order to assess whether there are any indicators of impairment, cf. note 3.1

Lease liabilities

Lease liabilities arise from a lease agreement. Lease liabilities are initially equal to the present value of the lease payments during the lease term that are not yet due.

At initial recognition RelyOn Nutec assesses for each contract individually the likelihood of exercising a potential extension option in the contract. The option to extend the contract period will be included in the calculation of the lease liability if it is reasonably likely that RelyOn Nutec will exercise the option. When calculating the net present value, RelyOn Nutec uses a discount rate corresponding to the incremental borrowing rate.The weighted average discount rate was 8.5% as of 1st January 2020 (2019: 8.5%). In order to calculate the incremental borrowing rate, reference interest rates were derived – for a period of up to 4 years – from the yields of corporate bond.

NOTE 3.3 – LEASES - continued

Lease liabilities

DKKm	31.12.2020	31.12.2019
Maturity analysis - contractual undiscounted cash flows		
Less than one year	34	50
One to five years	181	199
More than five years	136	145
Total undiscounted lease liabilities at 31 December	**351**	**394**
Lease liabilites included in the statement of financial position at 31 December	**304**	**330**
Current	30	29
Non-current	274	301

Amounts recognised in profit or loss

DKKm	31.12.2020	31.12.2019
Interest on lease liabilities, cf. note 2.8	(24)	(24)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(1)	(1)
Total	**(25)**	**(25)**

Amounts recognised in the statement of cashflows

DKKm	31.12.2020	31.12.2019
Installments on lease liabilities	(34)	(40)
Interest on lease liabilities, cf. note 2.8	(24)	(24)
Total	**(58)**	**(64)**

≈ | Accounting judgements

In accounting of lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of periods and applicable discount rates.

Supplementary information

At inspection of a contract, the Group assesses whether a contract contains a purchases, termination or extension option. For the contracts that contain either purchase, termination or extension options, Management has assessed it as reasonably certain to exercise the options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. The carrying out amount of the recognised extension and termination options on lease liabilities amounts to DKKm 2 (DKKm 29) and on right-of-use assets DKKm 0 (DKKm 28).

As a result of renegotiations of lease contracts in 2020, right-of-use assets and lease liabilities have been reduced by DKKm 22.

NOTE 3.4 – TRADE RECEIVABLES AND CONTRACT ASSETS

The Group has recognised the following assets and liabilities related to contracts with customers

DKKm	Contracts assets	Trade receivables
Balance at 31.12.2019	**13**	**170**
Balance at 31.12.2020	**9**	**69**

	Expected loss rate	Gross carrying amount, trade receivables	Expected credit loss	Trade receivables
As of 31st December 2019				
Current	2%	64	(1)	63
More than 1 day past due	0%	53	-	53
More than 30 days past due	2%	25	(1)	24
More than 60 days past due	5%	13	(1)	12
More than 90 days past due	20%	6	(1)	5
More than 120 days past due	12%	30	(4)	26
		191	**(8)**	**183**
As of 31st December 2020				
Current	1%	41	-	41
More than 1 day past due	1%	26	-	26
More than 30 days past due	2%	7	(1)	6
More than 60 days past due	8%	3	(1)	2
More than 90 days past due	60%	3	(2)	1
More than 120 days past due	83%	8	(6)	2
		88	**(10)**	**78**

§ | Accounting policy

On initial recognition, receivables are measured at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Trade receivables and contract assets are written down for expected credit losses. The Group applies the simplified approach in IFRS 9 to measuring expected credit losses which use a lifetime expected loss allowance for trade receivables and contract assets. The Group's impairment policies are further described in note 4.3.

A write-down is recognised in other external costs.

In 2019, the Group has entered into trade receivables transfer agreements in which the buyer takes on credit risk whereas the Group retains some late payment risk. Under the arrangements, the Group obtains an up-front payment of 80-85% of the nominal value of the trade receivables transferred. As of 31st December 2020, outstanding trade receivables in the amount of DKKm 11 have been transferred. Management has assessed that the late payment risk in the transferred portfolio is limited, and consequently, that transfer of the credit risk results in substantially all the risks and rewards that have been transferred to the counterpart. Consequently, the up-front amounts received are treated as a reduction of the outstanding trade receivables.

≈ | Accounting estimates

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a 12-month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. During 2020, we have been able to collect a significant amount of our outstanding receivables, but the uncertain market conditions prevail globally. This has been reflected in our expected credit losses (ECL).

Movement on the Group's provision for impairment of trade receivables

DKKm	2020	2019
Opening balances	(8)	(3)
Increase during the year	(2)	(5)
Receivables written off as uncollectible	-	-
Expected credit loss at 31st December	(10)	(8)

NOTE 3.5 – DEFERRED TAX

DKKm	Asset	Liability
Deferred tax at 01.01.2019	13	-
Addition of business, cf. note 6.1	-	7
Deferred tax recognised in the income statement	4	3
Deferred tax at 31.12.2019	**17**	**10**
Deferred tax at 01.01.2020	**17**	**10**
Prior year adjustment, cf. note 6.1	-	(3)
Deferred tax reccognised in the income statement	9	(2)
Deferred tax at 31.12.2020	**26**	**5**

Deferred tax at 31.12.2019 relates to:	Asset	Liability
Intangible assets	1	7
Tax loss carry forwards	14	1
Other	2	2
Total	**17**	**10**
Deferred tax at 31.12.2020 relates to:		
Intangible assets	1	4
Property, plant and equipment	1	-
Tax loss carry forwards	19	1
Other	5	-
Total	**26**	**5**

§ | Accounting policy

Accounting policy are listed within note 2.9.

Supplementary information

The Group has unrecognised tax losses to carry forwards, total DKKm 103 (DKKm 62 in 2019). The Group is of the opinion that utilisation within 3-5 years is not possible within the foreseeable future. There is no expiry date on the tax losses to carry forward. Further, there are unrecognised deferred tax assets related to property, plant and equipment, and trade receivables, total DKKm 6 (DKKm 8 in 2019).

Tax assets related to the tax loss carried forward have been recognised in countries where we expect to generate positive taxable income from 2021 and with the amount expected to be utilised within 3-5 years.

The deferred tax assets are recognised if there is convincing evidence to support future taxable income against which the Group expects to utilise those losses.

NOTE 3.6 – OTHER RECEIVABLE

DKKm	2020	2019
Reimbursement of costs	1	11
Other receivables	14	21
Total	**15**	**32**

NOTE 3.7 – SHARE CAPITAL

The share capital comprise:	Number of shares	Nominal value (DKK'000)
Share capital 31.08.2018	500,000	-
Capital increase 19.09.2018	2,548,759	3
Capital increase 09.10.2018	167,000	-
Share capital 31.12.2018	**3,216,243**	**3**
Share capital 31.12.2019	**3,216,243**	**3**
Capital increase 29.01.2020	527,090	1
Capital increase 22.06.2020	300,000	-
Share capital 31.12.2020	**4,043,333**	**4**

Share capital is distributed as follows:		
A-shares	1,989,466	2
B-shares	2,053,867	2
Share capital 31.12.2020	**4,043,333**	**4**

Supplementary information

All shares have nominal value of DKK 1
All shares have the same rights, preferences and restrictions
All shares are fully paid up

NOTE 3.8 – OTHER PAYABLES

DKKm	2020	2019
Non-current liabilities		
Contingent consideration, non-controlling interest cf. note 5.1	5	22
Other liabilities	22	19
Total	**27**	**41**
Current liabilities		
Employee related liabilities	48	43
Contingent consideration, non-controlling interest cf. note 5.1	12	-
VAT	10	8
Income tax payable	1	12
Prepayments	7	8
Loan from related party	28	49
Other	6	2
Total	**112**	**122**

Section 4:
Financial Risk Management

NOTE 4.1 – FINANCIAL RISK MANAGEMENT

The Group's activities give rise to exposure to a variety of financial risks, including market risk (currency and interest risks), credit and liquidity risks. These financial risks are managed centrally by Group Finance.

Financial risks are described in the following sections:

- Market risk: note 4.2
- Credit risk: note 4.3
- Liquidity risk: note 4.4

It is the Group's policy to mitigate risk exposure derived from its business activities. The Group Policy does not allow taking speculative positions in the financial markets.

As part of a global operation, the Group is exposed to cash flow in multiple different currencies. The Group has adopted an expected credit loss model to calculate credit exposure relating to trade receivables. Liquidity risk arises from the financing facility for the Group.

At 31st December 2020, the exposure to credit risk related to cash and cash positions equivalents was DKKm 70 (2019: DKKm 77). It is the Group's policy to upstream as much cash as possible to its relationship bank with a credit rating A and keep local cash positions on a level only needed for the operations.

NOTE 4.2 – MARKET RISK

Currency risk

Fluctuating currency rates influence the Group's reported income statement, balance sheet and value of future cash flows denominated in foreign currencies. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose exchange controls that could adversely affect an applicable currency exchange rate.

Foreign exchange exposure in the Group consists of two types of risks (a) translation risk and (b) transaction risk. The objective is to minimise the impact from change in exchange rates.

Translation risk arises from the translation of subsidiaries' income statement and net assets into the Group's functional currency DKK. The majority of the current cash position is within low-risk foreign currency. No hedges were in place for currency translation risks at the end of 2020 and 2019.

Transaction risk arises from cash flows in currencies other than the functional currencies of the Group's subsidiaries. This can be due to the contracts with limited number of customers or suppliers paying/requiring payments in other currencies than functional currencies. The Group does not hedge with financial contracts against transaction risk, although natural hedges (income and expenses in same currency) minimise the impact on the profit and loss.

The internal borrowings/deposits are primarily made in local currencies.

The Group's bond and credit facilities are in EUR. The Group considers both DKK and EUR as base currencies due to the historically fixed currency band between DKK/EUR.

Sensitivity

The Group is primarily exposed to changes in GBP, MYR, NOK, USD, TTD and BRL exchange rates. The sensitivity – as per below - to reasonably possible changes in the exchange rates and impact on profit and loss and equity. The impact on profit after tax, intercompany balances and OCI is based on a 5% change to the year end exchange rates applied in the Group.

Currencies exposure - sensitivity analysis

Main currency exposures	2020			2019		
	Impact on profit/ loss after tax	Impact on IC balances profit/loss	Impact on OCI	Impact on profit/ loss after tax	Impact on IC balances profit/loss	Impact on OCI
DKKm	5%	5%	5%	5%	5%	5%
DKK / GBP	-	4	7	-	5	8
DKK / MYR	-	-	5	2	-	5
DKK / NOK	-	-	1	-	-	1
DKK / USD	1	16	14	1	17	14
DKK / TTD	-	-	2	-	-	2
DKK / BRL	-	-	1	-	-	2

NOTE 4.2 – MARKET RISK - continued

Interest rate risk

Interest rates on bonds and revolving credit facility depend on several factors, one of the most significant over time is the level of market interest. The interest rate on bonds and credit facilities is based on the 3M Euribor rate.

For further details regarding the applied margin please refer to note 4.4.

Sensitivity analysis

The sensitivity of profit or loss is based on changes in the reference interest rates (EURIBOR) on the borrowings on Group level only. Following a negative EURIBOR rate and the fact that the referent interest rate cannot be less than 0%, the sensitively analysis only assumes an increase in EURIBOR. An increase of the reference interest rate of 0.5% would result in an increase in the net finance cost of DKKm 2.2.

The analysis assumes a parallel shift in the relevant yield curves. The sensitivity analysis is based on annual interest expenses.

The Group is not using hedging instruments to mitigate the risk.

COVID-19

The extraordinary situation following the outbreak of the COVID-19 pandemic led to a temporary and sudden shutdown of most training centres across the world. Naturally, this has impacted RelyOn Nutec's 2020 revenue and while we responded with determination and firm cost base adjustment earnings were negatively impacted. Given the very difficult circumstances we still managed to deliver a positive free cash flow of DKKm 34.

The COVID-19 pandemic is currently still affecting our businesses and will continue to do so in 2021 although the roll-out of vaccination programs gives sign of gradual normalization. However, the COVID-19 pandemic also led to new ways of working and how we organize, manage and operate our business under these challenging circumstances. Therefore, RelyOn Nutec is well positioned for 2021.

NOTE 4.3 – CREDIT RISK

In accordance with IFRS 9, the Group is to recognise a loss allowance for expected credit loss ("ECL") on its trade receivables.

The ECL for the Group's "private and commercial" customers and "major oil companies or public companies" customers is estimated separately in the model due to differences in the credit characteristics of these customer segments. Expected credit losses are estimated on customers categorised as "private and commercial". Based on experience, actual credit losses for customers categorised as "major oil companies or public companies" are limited.

The impairment model is based on a roll rate method. The roll rate method is derived from the provision matrix described in IFRS 9 as a historical credit loss matrix based on number of days a trade receivable is overdue.

Probability of default ("PD") is based on historical roll rate for each category and based on Moody's' country-specific PDs.

Loss Given Default is estimated using a loss ratio calculated as the incurred loss divided by the outstanding balance of trade receivables.

The risk in monitored local, and global follow-up as per development in outstanding. For further information on the Group's credit loss allowance, refer to note 3.4.

Maximum credit risk is outlined below:

DKKm	Trade receivables and contract assets	Expected credit loss	Total
2020			
Cash and cash equivalents	70	-	70
Trade receivables and contract assets:			
Major oil companies or public companies	29	(1)	28
Private and commercial	59	(9)	50
Total	**158**	**(10)**	**148**
2019			
Cash and cash equivalents	77	-	77
Trade receivables and contract assets:			
Major oil companies or public companies	79	(1)	78
Private and commercial	112	(7)	105
Total	**268**	**(8)**	**260**

NOTE 4.4 - LIQUIDITY RISK

Liquidity risk results from the Group's potential inability or difficulty in meeting the contractual obligations associated with its financial liabilities due to insufficient liquidity.

Refinancing

As announced in June, Management has secured additional financing of approximately DKKm 100 less transaction costs of DKKm 7, to parry a potential liquidity shortfall. Please refer to the separate company announcements of 29th May 2020 and 8th June 2020, respectively, for further information on the refinancing elements and written resolution (https://relyonnutec.com/en/investor/). The refinancing has the following main elements:

- An amendment of the terms for the EURm 100 bond facility to defer interest payments for the interest payment date 11th June 2020 and a potential to defer three additional interest payments, in an aggregate amount of approximately EURm 3.7 (DKKm 27). The interest payment for 11th September 2020 and 11th December 2020 has been deferred. Any amount of deferred interest will be settled at a rate equivalent to the original interest rate 7 cent per annum plus 2.00 per cent per annum (the "PIK Bonds") and shall be repaid no later than on the maturity date of the bonds (11th September 2023). In the event that the market environment stabilises and improves faster than expected, BidCo shall have after 11th March 2021 have the right to make one or several voluntary amortisations of the PIK Bonds in a maximum amount equivalent to the total nominal amount of all PIK bonds.

- An additional working capital facility at the amount of EURm 5.35 (DKKm 40), which has been committed by the Group's existing working capital lender, and which will be guaranteed up to 70% by EKF, the Danish Export Credit Agency. The facility expires on 31st July 2023. The existing working capital facility of EURm 9.0 (DKKm 67) has been extended to 31st July 2023 with a repayment of EUR 500,000 on a quarterly basis from 31st December 2021 until maturity date. Interest rate is EURIBOR + a margin of 4.8%.The margin has been changed from 4%.

- Subordinated shareholder convertible loan by the ultimate owners of the Group in an amount of DKKm 30, which will be subordinated to the bonds and RCF. The Maturity date is 31st December 2024. The loan is installment-free and carries an interest rate of 10%. Interest payments are deferred until maturity date The lender is entitled to convert the loan amount into the same class of shares as the shares in the company owned by the lender of the date of this loan note. The subscription rate shall in such case be par value. If the lender chooses to convert the loan amount, the loan amount shall not be repaid.

Furthermore, in order to provide additional comfort to bondholders, RelyOn Nutec has committed to brief monthly reporting and to instate a minimum liquidity covenant to be tested monthly, which are to be in effect as long as RelyOn Nutec has the option to defer interest payments. The current headroom to the minimum liquidity covenant (DKKm 35) is DKKm 80 as of 31st December 2020.

Liquidity shall be measured on a consolidated basis for the Group and be based on the cash and cash equivalents and undrawn and available commitments under any credit facility but shall exclude the reported cash held in Trinidad and Tobago (due to the slow-moving nature of the cash),

Transaction costs associated with the refinancing amounted to approximately DKKm 7 of which DKK 1m was expensed immediately as financial expenses. The remaining part has been amortised over the remaining bond period.

Liquidity reserves

The Group's liquidity reserves mainly consist of liquid funds and unused credit facility. As at 31st December 2020, the Group's liquid reserves consisted of readily available liquid funds of DKKm 48 (2019: DKKm 61) and unused revolving credit facility of DKKm 67 (2019: DKKm 26).

DKKm 22 (2019: DKKm 16) of the total cash position at 31st December 2020 was placed on bank accounts in Trinidad with limited availability due to the slow-moving nature of the cash.

In addition, the Group has a bond facility available (maximum of DKKm 744) which can be used for acquisitions. The bond is listed on the Norwegian Stock Exchange (NO0010831373 named "BidCo nr. 2 af 15. marts 2018 A/S FRN Senior Secured Callable Bonds 2018/2023"). As of 31st December 2020, DKKm 385 has been drawn.

The bond facility expires in 2023. Upon expiry the settlement of the bond is expected to be made with cash flow from operating activities through re-refinancing or in connection with a sale of the company.

NOTE 4.4 - LIQUIDITY RISK - continued

To centralise and optimise liquidity, the Group utilises cash pooling in most of the entities in Western Europe as well as intercompany lending and borrowing between RelyOn Nutec Holding and subsidiaries.

Maturity analysis

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows incl. interest payments calculated under current conditions, and thus summarise the gross liquidity risk.

The risk implied by the values reflects the one-sided scenario of cash outflows only. Trade payables and other financial liabilities originate from the financing of assets in ongoing operations, such as property, plant and equipment, and investments in working capital, for example trade receivables.

Non-derivatives DKKm	Less than 1 year	Between 1 and 5 year	More than 5 years	Total	Net book value
2019					
Bond	24	450	-	474	371
Credit facility	42	-	-	42	42
Deferred consideration	5	32	-	37	32
Contingent consideration, non-controlling interest	-	22	-	22	22
Trade payables	96	-	-	96	96
Lease liabilities	50	199	145	394	330
Other payables	122	19	-	141	142
Total	**339**	**722**	**145**	**1,206**	**1,035**
2020					
Bond	22	508	-	530	400
Credit facility	-	40	-	40	40
Deferred consideration	31	-	-	31	31
Contingent consideration, non-controlling interest	12	5	-	17	17
Trade payables	70	-	-	70	70
Lease liabilities	34	181	136	351	304
Other payables	62	22	-	84	84
Total	**231**	**756**	**136**	**1,123**	**946**

Financial assets and liabilities per measurement category	**2020**	**2019**
Financial assets		
Financial assets at amortised cost:		
Trade receivables	69	170
Contract assets	9	13
Prepayments	11	15
Other receivable	15	26
Cash and cash equivalents	70	77
Total	**174**	**301**
Financial liabilities		
Liabilities at amortised cost:		
Bond	400	371
Trade payables	70	96
Credit facility	40	42
Deferred consideration	31	32
Lease liabilities	304	330
Other payables	84	142
	929	**1,018**
Liabilities at fair value		
Contingent consideration, non-controlling interest (part of other liabilities in the balance sheet)	17	22
Total	**946**	**1,035**

Section 5:
Capital Structure

NOTE 5.1 – MEASUREMENT AND FAIR VALUE HIERARCHY

Financial instruments measured at fair value are shown in accordance with the following accounting hierarchy:

- Level 1: Observable market prices of identical instruments.
- Level 2: Valuation models primarily based on observable prices or trading prices of comparable instruments.
- Level 3: Valuation models primarily based on non-observable prices.

DKKm	Carry Amount	Fair value Level 1	Fair value Level 2	Fair value Level 3
2019				
Fair value				
Contingent consideration, non-controlling interest	22	-	-	22
Amortised cost				
Loan from related party	49			49
Deferred consideration	27			28
Bond	371	384	-	
Total financial liabilities	**469**	**384**	**-**	**99**
2020				
Fair value:				
Contingent consideration, non-controlling interest	17	-	-	17
Amortised cost:				
Deferred consideration	28	-	-	28
Bond	400	306	-	-
Total financial liabilities	**445**	**306**	**-**	**45**

Fair value level 3 development	2020	2019
01.01	**22**	**344**
Listing of bond, change to level 1	-	(336)
Prior year adjustment cf. note 6.1	-	17
Fair value adjustment in the income statement cf. note 2.7	(5)	(3)
31.12	**17**	**22**

Net interest-bearing debt

DKKm	31.12.2020	31.12.2019
Cash and cash equivalents	70	77
Credit facilities	40	42
Bond	400	371
Loan from related party	28	76
Lease liabilities	304	330
Total interest-bearing debt	772	824
Net interest-bearing debt	**702**	**742**

§ | Accounting policy

Fair value is the price that would be received when an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation technics based on observable inputs from active markets. For financial liabilities where the fair value is disclosed, the fair value is estimated by discounting future contractual cash flows at the current market interest rate.

Supplementary information

The Group has entered into contingent consideration arrangements and has put option liabilities related to non-controlling interests treated as contingent consideration. The liabilities are measured at fair value and based on unobservable input (level 3). The amounts to be paid are based on earnings multiples. Fair value is determined on the basis of earnings forecasts for the respective subsidiaries. Fair value adjustment is recognised in financial items cf. note 2.7. A 10% percentage increase or decrease in forecasted earnings will increase or decrease the liability by DKKm 1.

NOTE 5.2 – CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Cash flows	Non-cash changes		
DKKm	31.12.2018		Acquisitions	Other	31.12.2019
Credit facility	12	30	-	-	42
Bond	326	47	-	(2)	371
Loan from related party	-	76	-	-	76
Lease liabilities	40	(40)	309	21	330
Total liabilities from financing activities	**378**	**113**	**309**	**19**	**819**

		Cash flows	Non-cash changes		
DKKm	31.12.2019		Acquisitions	Other	31.12.2020
Credit facility	42	(2)	-	-	40
Bond	371	30	-	30	431
Loan from related party	76	(48)	-	-	28
Capital increase	-	84	-	-	84
Lease liabilities	330	(34)	-	8	304
Total liabilities from financing activities	**819**	**30**	**-**	**38**	**887**

NOTE 5.3 – CAPITAL MANAGEMENT

The overall objective is to ensure the ability to continue as a going concern, so entities can continue to provide solid returns for shareholders and benefits for other stakeholders. The Group's objectives when managing capital are to;

- Maintain an optimal capital structure on a global scale
- Cash pool is used within some areas to optimise cash position
- Cash flow forecasting on a bi-weekly frequency and accuracy analysis
- Full cash transparency on a daily basis

The capital structure of the Group consists of net interest-bearing debt and equity of the Group, comprising issued capital, reserves and retained earnings. The Group is not subject to any externally imposed capital requirements. As mentioned in note 4.4., Management has secured additional financing of approximately DKKm 100 less transaction costs of DKKm 7, to parry a potential liquidity shortfall. The unused working capital facility amounted to DKKm 67 at the end of December 2020 and headroom to the minimum liquidity covenant (DKKm 35) was DKKm 80 as of 31 December 2020. In addition, we have decided to defer the bond interest for Q1 2021 (DKKm 7). Based on the above, and management’s expectations to navigate through COVID-19 as described in note 4.2, Management assessed that the capital resources are sufficient.

The minimum liquidity covenant shall be tested monthly as long as RelyOn Nutec has the option to defer interest payments. Besides the above the Group’s bond and credit facilities do not include specific covenant provisions. The agreements include requirements about performing incurrence test if certain events arise.

Section 6:
Other notes

Note 6.1 – BUSINESS COMBINATION

2020

No acquisitions have been made in 2020.

Adjustments to the 2019 purchase price allocation:

The purchase price allocation related to the 2019 acquisition of the RelyOn Nutec Group was finalised in 2020, resulting in the below fair value adjustments to the opening balance.

DKKm	Adjustment
Intangible assets: software	(18)
Intangible assets: customer contracts	2
Goodwill	15
Other payables	2
Deferred tax liabilities	3

RelyOn Nutec settled one of the deferred considerations, total DKK 2m in Q1 2020.

2019

RelyOn Nutec acquired the full share capital of four companies in 2019. RelyOn Nutec invested in an asset deal to strengthen the core market in the US within onsite training. Further, RelyOn Nutec invested in three digital companies; Oiltec AS, Red Oak Ltd and Rider International B.V being the corner stone of the digital journey for RelyOn Nutec.

None of the acquisitions are material compared to the value of RelyOn Nutec Group. The total purchase consideration for all acquisitions was DKKm 72; DKKm 47 from Group contribution, DKKm 22 is paid, and DKKm 3 is deferred.

Red Oak Ltd and Rider International B.V. were acquired by the parent company P-Holding RelyOn Nutec A/S during 2019 and transferred to the Group partially as a Group contribution, DKKm 47. In accordance with the accounting policies applied, these businesses were accounted for as if they had been acquired by the Group as of P-Holding RelyOn Nutec A/S' respective acquisition dates and at the considerations agreed between P-Holding RelyOn Nutec A/S and the respective sellers.

A goodwill in the amount of DKKm 34, of which DKKm 17 is deductible for tax purposes, has been recognised. The value of the acquisition comes from integration and creation of digital platform to grow in the future.

The acquired entities have as from the date of acquisition contributed with revenue of DKKm 12 and loss of DKKm 12. If all entities had been acquired on 1st January 2019, the Group's revenue would have been DKKm 60 and loss before tax DKKm 1.

Transaction costs related to the acquisitions, recognised as special items in the income statement cf. note 2.6, amount to DKKm 4. Outflow of cash to the acquired companies amounts to DKKm 22, less balances of acquired cash, DKKm 2. The total net outflow of cash from investing activities is recognised to DKKm 20.

The assets and liabilities recognised as a result of the acquisition are as follows:

DKKm	SMS	Oiltec AS	Red Oak Ltd	Rider International B.V.	Fair value
Cash	-	-	2	-	2
Trade receivables	-	1	3	-	4
Property, plant and equipment	1	-	-	2	3
Intangible assets: customer contracts	2	-	4	-	6
Intangible assets: software	-	5	10	26	41
Intangible assets: knowhow	-	-	-	-	-
Intangible assets: other intangible assets	-	-	-	5	5
Deferred tax assets	-	-	-	-	-
Other assets	-	2	1	1	4
Trade payables	-	(1)	(3)	-	(4)
Deferred tax liabilities	-	-	(1)	(6)	(7)
Other liabilities	-	(9)	(3)	(4)	(16)
Net identifiable assets acquired	**3**	**(2)**	**13**	**24**	**38**
Goodwill					30
Net assets acquired					**68**

Adjustments to the 2018 purchase price allocation:

The purchase price allocation related to the 2018 acquisition of the RelyOn Nutec Group was finalised in 2019. This has resulted in the below fair value adjustments to the opening balance. During 2019, the remaining part of the purchase consideration in total DKK 47m has been settled.

DKKm	Adjustment
Tangible assets: Property, plant and equipment	(3)
Contingent consideration, non-controlling interest	(17)
Goodwill	17
Deferred consideration	3

Note 6.1 – BUSINESS COMBINATION – continued

§ | Accounting policy

Businesses acquired from unrelated parties during the financial year are recognised as from the date of acquisition, i.e. the date when the Group obtains control over the acquiree. The comparative figures are not restated to reflect businesses acquired. The acquisition method is applied, i.e. identifiable assets, liabilities and contingent liabilities of acquirees are recognised at their fair value at the date of acquisition.

Identifiable intangible assets are recognised if they are separable or derive from a contractual right. Deferred tax on fair value adjustments is recognised. Fair values may be determined provisionally up until 12 months after the acquisition date. Adjustments, if any, within this period are treated as prior period adjustments.

Any positive difference between the consideration and the value of non-controlling interests in the acquirer and the fair value of any previously held interests in the acquirer, on the one hand, and the fair value of the identifiable assets, liabilities and contingent liabilities, on the other hand, is recognised in the balance sheet as goodwill. Goodwill is not amortised but is tested for impairment at least once a year. On acquisition, goodwill is allocated to the cash-generating units which will subsequently form the basis for future impairment tests. Any negative difference is recognised in the income statement on the date of acquisition.

The consideration for an entity consists of the fair value of the agreed purchase price. For business combinations in which the agreement includes an adjustment of the consideration conditional on future events (contingent consideration), the fair value of this part of the consideration is recognised at the date of acquisition. Any changes in the fair value of the contingent consideration after initial recognition are recognised in the income statement within financial items.

Businesses acquired from parties who are under common control with the Group are recognised at the predecessor values as if the Group had owned the business as of the first day of the comparative period, however no earlier than as of the date the selling party obtained control over the business.

Put options issued to minority shareholders in connection with acquisitions for them to sell their remaining shares to the Group, the value of which is contingent on future events, will be recognised as part of the consideration at the date of acquisition if risks and rewards have been transferred to the non-controlling interests. The put options issued are subsequently measured at the present value of the expected exercise price. Any changes in the value of the issued put options after initial recognition are recognised in the income statement within financial items.

Acquisition costs are recognised in the income statement as special items.

≈ | Critical accounting estimates

In connection with acquisitions, the identifiable net assets acquired from the seller are recognised at fair value. This includes an assessment of the value of e.g. customer relations and customer contracts. The valuation thereof is based on the ”Multi-Period Excess Earnings Method (MEEM method)” in which the value is calculated on the basis of an expected future cash flow. The principal assumptions are expected lives of the existing agreements and portfolios, earnings and contribution for using associated assets and employees.

NOTE 6.2 – PROVISIONS

DKKm	Onerous contracts	Refurbishment provision	Total
At 01.01.2019	80	20	100
Change of accounting policies, IFRS 16	(80)	-	(80)
Exchange differences	-	1	1
At 31.12.2019	**-**	**21**	**21**
Reclassification	-	(2)	(2)
Exchange differences	-	(1)	(1)
At 31.12.2020	**-**	**18**	**18**
Of which is classified as non-current	-	18	18

§ | Accounting policy

Provisions are recognised when, as a consequence of an event occurring before or on the balance sheet date, the Group has a legal or constructive obligation, and it is probable that an outflow of resources will be required to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognised when a detailed, formal plan for the restructuring has been made before or on the balance sheet date and has been announced to the parties involved.

Provisions for retained risks related to occupational injuries are recognised at the time of the claim and include an estimate of claims incurred but not reported based on actuarial calculations.

Supplementary information

Provisions for refurbishment obligation are related to clean-up of the facilities within the Group. Refurbishment provisions will be an obligation prior to relocation. Relocation is not very likely hence all provisions are non-current.

NOTE 6.3 – Change in net working capital

DKKm	31.12.2020	31.12.2019
Change in trade receivables and contract assets	105	8
Change in trade payables	(27)	(1)
Change in other receivables	11	(7)
Change in other operating liabilities	(6)	5
Sale of businesses cf. note 2.11	(5)	-
Total change in working capital	**78**	**5**

NOTE 6.4 – FEE TO AUDITORS

DKKm	2020	2019
Audit fee to PwC	(4)	(4)
Other assurance engagements	-	(1)
Tax advisory services	-	-
Other services	(1)	(1)
Total	**(5)**	**(6)**

Supplementary information

2020:

Other services provided by PricewaterhouseCoopers, Statsautoriserede revisionspartnerselskab, amounted to DKKm 1 in 2020 and were primarily related to general accounting and tax advisory.

2019:

Other services provided by PricewaterhouseCoopers, Statsautoriserede revisionspartnerselskab, amounted to DKKm 1 and were related to due diligence services, assurance services in relation to the prospectus and sundry tax advisory services.

NOTE 6.5 – RELATED PARTIES

The Group is controlled by the following entities:

Parent entity and controlling party: Polaris Private Equity IV K/S

Note 6.8 includes information on the Group's structure and the Group's related parties. Information on key management's personnel remuneration is disclosed in note 2.3.

The following transactions occurred in 2020 with the immediate other related parties:

Group contribution: DKKm 82 (DKKm 68 received in 2019)

NOTE 6.6 - COMMITMENTS AND CONTINGENT LIABILITIES

Joint taxation scheme

The Danish Group companies are jointly and severally liable for tax on the jointly taxed income etc. of the Group. The total amount of corporation tax payable by the Group is disclosed in the financial statements of P-RelyOn Nutec 2018 A/S, which is the management company of the joint taxation. The Danish companies are jointly and severally liable for the joint taxation liability. The joint taxation liability covers income taxes and withholding taxes on dividends, royalties and interest.

Contingent liabilities and guaranties

As part of the bond agreement, share pledges have been issued. The total carrying amount of the net assets in the subsidiaries pledged as at 31 December 2020 was DKKm 872 (DKKm 1,018).

NOTE 6.7 - EVENTS AFTER THE BALANCE SHEET DATE

On February 24, 2021 we announced that we decided to defer the bond interest for Q1 2021 (DKKm 7).

No other events materially affecting the assessment of the annual report have occurred after the balance sheet date.

NOTE 6.8 – GROUP COMPANIES

Region	Country	Legal name	Equity interest
Middle East	Azerbaijan	RelyOn Nutec Azerbaijan LLC	100%
Europe	Belgium	RelyOn Nutec Belgium BVBA	100%
Americas	Brazil	RelyOn Nutec Brasil Participacoes Ltda	100%
Americas	Brazil	RelyOn Nutec Brasil Treinamentos em Segurança Marítima Ltda	100%
Americas	Canada	RelyOn Nutec Canada Incorporated	68%
Americas	Canada	RelyOn Nutec Canada (NL) Incorporated	68%
Americas	Canada	RelyOn Nutec Canada (LA) Incorporated	68%
Europe	Denmark	Bidco RelyOn Nutec A/S	100%
Europe	Denmark	RelyOn Nutec Holding A/S	100%
Europe	Denmark	RelyOn Nutec Denmark A/S	100%
Europe	Denmark	RelyOn Nutec Digital A/S	100%
Europe	Denmark	P-Holding RelyOn Nutec A/S	94%
Europe	Germany	RelyOn Nutec Germany GMBH	100%
Asia	Malaysia	MSTS Asia Sdn. Bhd.	60%
Asia	Malaysia	Risktec (M) Sdn. Bhd.	60%
Asia	Malaysia	RelyOn Bestari Healthcare Sdn Bhd	49%
Asia	Malaysia	RelyOn Nutec Malaysia Sdn. Bhd.	42%
Asia	Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	100%
Americas	Mexico	RelyOn Nutec Holding de México, S.A. de C.V.	100%
Americas	Mexico	RelyOn Nutec de México, S.A.P.I. de C.V.	60%
Americas	Trinidad	Haztec Services Trinidad, Ltd. (Dormant)	100%

Region	Country	Legal name	Equity interest
Americas	Guyana	RelyOn Nutec Guyana Inc. (Dormant)	100%
Europe	Norway	RelyOn Nutec Simulations AS	100%
Europe	Norway	RelyOn Nutec Norway AS	100%
Middle East	Oman	Aberdeen Drilling International Co. LLC	70%
Middle East	Qatar	RelyOn Nutec (Safety Training & Services) LLC *	49%
Middle East	Saudi Arabia	Aberdeen Drilling School LLC Co.	100%
Asia	Singapore	MSTS Asia (S'pore) Pte. Ltd.	60%
Asia	Thailand	RelyOn Nutec Thailand Holding Ltd. *	100%
Asia	Thailand	RelyOn Nutec (Thailand) Ltd	85%
Europe	The Netherlands	RelyOn Nutec Holding B.V.	100%
Europe	The Netherlands	RelyOn Nutec Netherlands B.V.	100%
Europe	The Netherlands	RelyOn Nutec Digital B.V.	100%
Americas	Trinidad & Tobago	RelyOn Nutec Trinidad Limited	100%
Middle East	UAE	RelyOn Nutec Safety Services LLC *	49%
Middle East	UAE	Aberdeen Drilling International Limited	100%
Europe	United Kingdom	RelyOn Nutec Ltd.	100%
Europe	United Kingdom	Aberdeen Drilling School Ltd	100%
Europe	United Kingdom	RelyOn Nutec Digital Ltd.	100%
Americas	USA	RelyOn Nutec USA Holdings, LLC	100%
Americas	USA	RelyOn Nutec Services, Inc.	100%
Americas	USA	RelyOn Nutec USA, LLC	100%

* For these companies, the Group holds an equity interest of less than 50%. However, due to rights arising from shareholders' agreements, the Group has determined that it has control of those companies, which are thus classified as subsidiaries and fully consolidated.

Parent company financial statements

INCOME STATEMENT

TDKK	Notes	2020	2019
Other extenal expenses		(113)	(201)
Operating result (EBIT)		**(113)**	**(201)**
Financial income		1,558	-
Financial expenses		(1)	(4)
Result before tax		**1,444**	**(205)**
Income tax		-	-
Result for the year		**1,444**	**(205)**

STATEMENT OF CHANGES IN EQUITY

TDKK	Share capital	Retained earnings	Total
Equity at 01.01.2019	**3,216**	**268,873**	**272,089**
Result for the year	-	(205)	(205)
Equity at 31.12.2019	**3,216**	**268,668**	**271,884**
Result for the year	-	1,444	1,444
Group contribution	827	82,709	83,536
Equity at 31.12.2020	**4,043**	**352,821**	**356,864**

STATEMENT OF FINANCIAL POSITION

TDKK	Notes	31 December 2020	31 December 2019
Investments in subsidiaries	1.1	324,333	271,624
Total non-current assets		**324,333**	**271,624**
Loan related party		31,558	-
Total non-current assets		**31,558**	**-**
Cash and cash equivalents		375	376
Total current assets		**375**	**376**
Total assets		**356,266**	**272,000**

TDKK	Notes	31 December 2020	31 December 2019
Share capital	1.2	4,043	3,216
Retained earnings		351,994	268,668
Total equity		**356,037**	**271,884**
Other payables		229	116
Total current liabilities		**229**	**116**
Total liabilities		**229**	**116**
Total equity and liabilities		**356,266**	**272,000**

Notes

NOTE 1.1 – INVESTMENTS IN SUBSIDIARIES

TDKK	2020	2019
Cost:		
At 1 January	271,624	271,624
Additions	52,709	-
At 31 December	**324,333**	**271,624**
Accumulated impairment:		
At 1 January	-	-
Impairment for the year	-	-
At 31 December	**-**	**-**
Carrying amount at 31.12	**324,333**	**271,624**
Subsidiaries comprise:		
RelyOn Nutec Holding A/S	94.00%	94.01%

The company´s share of P-Holding RelyOn Nutec A/S is at 94.11% after the capital increase in P-Holding RelyOn Nutec A/S in January 2021.

NOTE 1.2 – SHARE CAPITAL

Please refer to note 3.7 to the consolidated financial statements.

NOTE 2.1 – RELATED PARTIES

Please refer to note 6.5 to the consolidated financial statements.

Parent entity and controlling party: Polaris Private Equity IV K/S

NOTE 2.2 - COMMITMENTS AND CONTINGENT LIABILITIES

Joint taxation scheme

Please refer to note 6.6 to the consolidated financial statements.

NOTE 2.3 - EVENTS AFTER THE BALANCE SHEET DATE

Please refer to note 6.7 to the consolidated financial statements.

NOTE 3.1 – BASIS OF PREPARATION

P-RelyOn Nutec 2018 A/S prepares the parent company financial statements in accordance with the Danish Financial Statements Act applying to enterprises of reporting class C.

The financial statements comprise the financial year 1 January – 31 December 2020. The financial statements include comparative figures form 1 Januar – 31 December 2019.

The financial statements are presented in TDKK.

NOTE 3.2 - ACCOUNTING POLICIES

The accounting policies of the parent company are identical with the policies for the consolidated financial statements, unless otherwise listed. The accounting policies, judgements and estimates are consistent with those applied in the financial statements for 2019.

Investments in subsidiaries

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

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

Other

With reference to the provisions of the Danish Financial Statements Act, the parent company has refrained from preparing a cash flow statement information in the parent company financial statements. For this information, see the consolidated financial statements for P-RelyOn Nutec 2018 A/S.

Management statement, auditor's reports and definitions

STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of P-RelyOn Nutec 2018 A/S for the financial year 1st January – 31st December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The Parent Company Financial Statements and Management Review have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position as of 31st December 2020 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1st January – 31st December 2020.

In our opinion, the Management Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report is approved at the Annual General Meeting.

Copenhagen, 30th June 2021

Executive Management

Henrik Bonnerup

Board of Directors

Allan Bach Pedersen
Chairman

Jan Johan Kühl

Henrik Bonnerup

INDEPENDENT AUDITOR'S REPORT

To the shareholders of P-RelyOn Nutec 2018 A/S

OUR OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-RelyOn Nutec 2018 A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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 Group 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.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent Companyor 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 30th June 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Allan Knudsen
State Authorised Public Accountant
mne29465

COMPANY INFORMATION

The company

P-RelyOn Nutec 2018 A/S
Malmøgade 3
DK-2100 Copenhagen

Legal registration no. 39 82 66 58
Financial year 01.01.2020 - 31.12.2020
Established 31 August 2018
Municipality of headquarter; Copenhagen

Website: www.relyonnutec.com
E-mail: contact@relyonnutec.com

Board of Directors

Allan Bach Pedersen, Chairman
Jan Johan Kühl
Henrik Bonnerup

Executive Management

Henrik Bonnerup

Auditor

PriceWaterhouseCoopers
Statusautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Forward-looking statements

This annual report contains forward-looking statements, including statements regarding the Group's future operating profit, financial position, cash flows, strategy as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words “believes”, “expects”, “estimates”, “projects”, “plans”, “anticipates”, “continues” and “intends” or any variations of such words or other words with similar meaning. The statements are based on Management's reasonable expectations and forecasts at the time of disclosure of the annual report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond BidCo RelyOn Nutec A/S' control can mean that the actual development and actual result will differ significantly from the expectations contained in the annual report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

DEFINITIONS

A

Americas Comprise Brazil, Canada, Mexico, Trinidad & Tobago and USA.

API American Petroleum Institute. API is the only national trade association representing all facets of the natural gas and oil industry in the US.

Asia Comprises Indonesia, Malaysia, Thailand and Singapore.

B

BML Brazilian Ministry of Labour. The Ministry of Labour and Social Welfare (Portuguese: Ministério do Trabalho e Previdência Social, abbreviated MTPS) is a cabinet-level federal ministry in Brazil.

C

CAA Civil Aviation Authority. CAA is the statutory corporation which oversees and regulates all aspects of civil aviation in the United Kingdom.

CAPEX Investments in intangible assets and property, plant and equipment.

CCNSG Client Contractor National Safety Group. CCNSG is a formal sub-committee of the Engineering Construction Industry Training Board (ECITB) reporting to the ECITB through the ECITB Management Board.

CITB Construction Industry Training Board.

CGU Cash Generating Units.

CSR Corporate social responsibility.

D

DMA Danish Maritime Authority. DMA is part of the Ministry of Industry, Business and Financial Affairs. As the responsible authority, the Danish Maritime Authority determines the number of crew members and issues so-called safe manning documents.

E

EBIT Earnings before interest and tax.

EBITA Earnings before interest, tax and amortisation.

EBITDA Earnings before interest, tax, depreciation and amortisation.

ECITB Engineering Construction Industry Training Board. ECITB works with employers and training providers to attract, develop and qualify the engineering construction workforce in a wide range of craft, technical and professional disciplines.

Europe Comprises Belgium, Denmark, Germany, Netherlands, Norway and United Kingdom.

F

FCPA Foreign Corrupt Practices Act.

G

GWO The global industry standard in wind organisation for safety, skills, and competence.

IADC International Association of Drilling Contractors. IADC is dedicated to enhancing the interests of oil-and-gas and geothermal drilling contractors worldwide.

I

IAS International Accounting Standards.

IFRS International Financial Reporting Standards.

ILO International Labour Organization.

ISO The International Organization for Standardisation is an international standard-setting body composed of representatives from various national standards organisations.

IMO-STCW International Maritime Organisation - Standards of Training, Certification and Watchkeeping for Seafarers. The STCW Convention for Seafarers was adopted in 1978 by conference at the International Maritime Organisation (IMO) in London, and entered into force in 1984 and was amended in 1995 & 2010.

IWCF International Well Control Forum. IWCF is the only independent body focused on oil and gas well control training, accreditation and certification.

J

JOIFF . Joint Oil Industry Fire Forum. JOIFF is The International Organisation for Industrial Emergency Response and Fire Hazard Management.

L

LTM Last Twelve Months

M

MCA Maritime and Coastguard Agency.

Middle East Comprises Azerbaijan, Oman, Qatar, Saudi Arabia and UAE.

MSTS Malaysia Safety Training & Competence Services.

N

NIBD Net Interest Bearing Debt. Defined as all liabilities minus current assets

NOGEPA Netherlands Oil and Gas Exploration and Production Association. In the Netherlands, the association of companies licensed to research and explore for oil and gas in the North Sea is called NOGEPA. NOGEPA defines the safety standards of the operations and related safety training.

NOROG Norwegian Oil and Gas Association. The NOROG is a professional body and employer's association for oil and supplier companies.

NSI National Security Inspectorate. NSI is a certification body for the security and fire protection sectors in the UK.

NUTEC Norwegian Underwater Training Emergency Centre.

O

OPITO Offshore Petroleum Industry Training Organisation. Since 1991 the organisation OPITO has set the standards for safety training in the oil and gas industry.

R

Return on assets Ratio that shows the percentage of profit a company earns in relation to its overall resources.

RYA Royal Yachting Association. The RYA is the national body for dinghy, yacht and motor cruising, all forms of sail racing, RIBs and sports boats, windsurfing and personal watercraft and a leading representative for inland waterways cruising.

S

Solvency ratio Ratio used to measure the ability of a company to meet its long-term debt.

U

UK Bribery Act The UK Bribery Act 2010 establishes company liability for corrupt acts committed by persons acting on behalf of the company.

UN Global Compact The UN's social charter for enterprises, etc.

USCG United States Coast Guard. The United States Coast Guard is the coastal defence and maritime law enforcement branch of the United States Armed Forces and one of the country's seven uniformed services.

RelyOn Nutec

360° Safety