



RelyOn Nutec
360° Safety

ANNUAL REPORT

2021

(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

MANAGEMENT'S REVIEW

Introduction

2021 at a glance	5
Management's summary	6
Financial review	8
Key figures and ratios	9

Our business

Our business and industries	11
Our solutions	12

Governance and risk

Board of Directors	22
Risk management	23
Sustainability	25

FINANCIAL STATEMENTS

Consolidated financial statements

Income statement and statement of comprehensive income	30
Statement of Financial position	31
Statement of changes in equity	32
Statement of cash flows	33
Notes	34

Parent company financial statements

Income statement and statement of changes in equity	69
Statement of Financial position	70
Notes	71

Management statement and auditor's reports

Statement by the Board of Directors and the Executive Management	75
Independent auditor's report	76

Other

Company information	78
Definitions	79

RelyOn Nutec

www.relyonnutec.com

P-RelyOn Nutec 2018 A/S

Company reg. no. 39 82 66 58

Malmøgade 3

DK-2100 Copenhagen

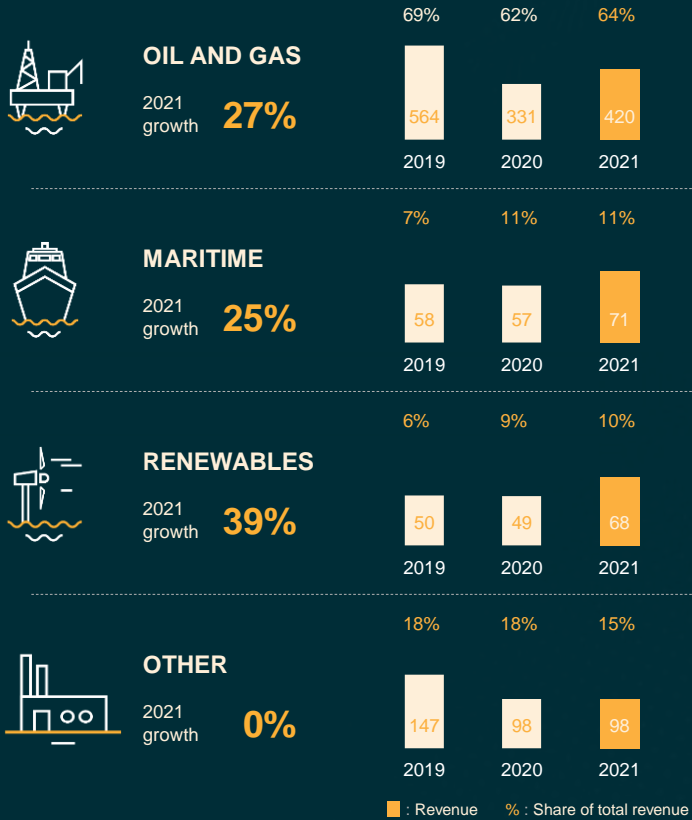
INTRODUCTION

2021 at a glance	5
Management's summary	6
Financial review	8
Key figures and ratios	9



2021 at a glance

INDUSTRIES

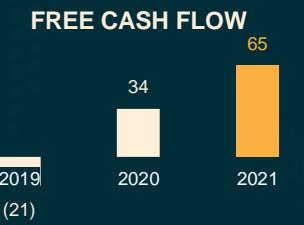
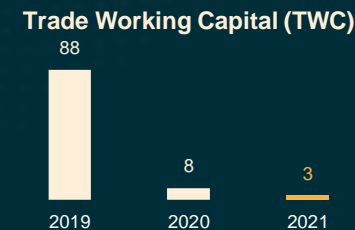
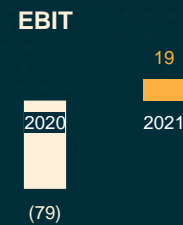
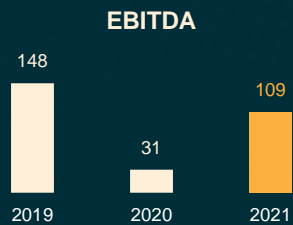
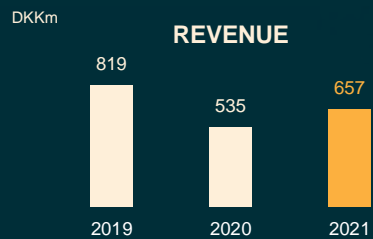
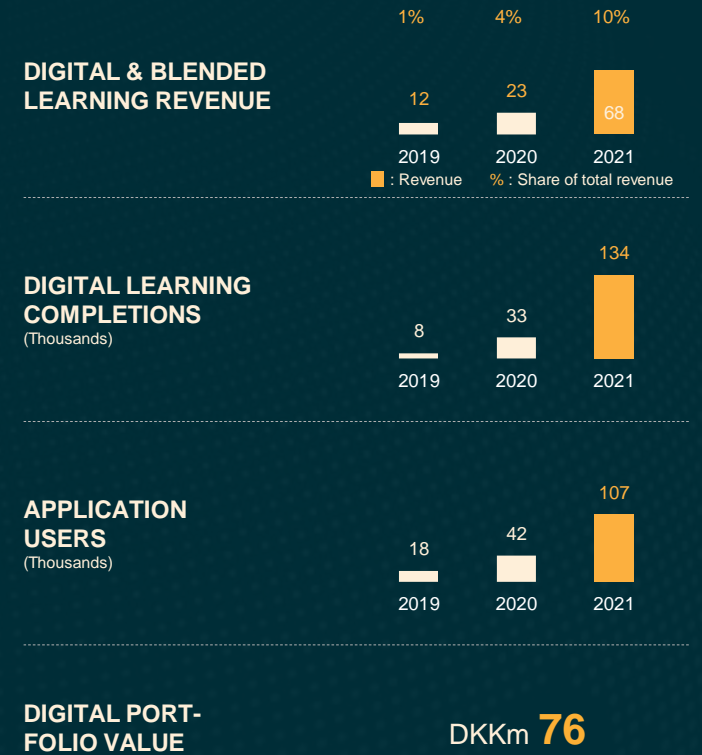


SEGMENTS



Per cent of revenue: 2021% (2020%)

DIGITAL PERFORMANCE



Management's summary

- Real traction on our digital services where we have increased the digital revenue fivefold in only two years and have experienced three-digit growth rates in both digital learning completions and users on our applications
- Renewable industry services grew by 39% in 2021
- Financial performance with an EBITDA of DKKm 109, well within our guidance, and free cash flow nearly doubled to DKKm 64

Strong performance recovery and growth

In the first two months of 2021, the activity recovery was still held hostage by strict COVID-19 lockdowns in many geographies. From early spring activity recovery took speed month by month as COVID-19 restrictions were lifted.

Revenue rebound was realised across industries with renewables growing 39%, maritime 25% and oil and gas 27%.

Revenue increased by 23% to DKKm 657 and EBITDA increased by 352% to DKKm 109. The financial results developed well within our guidance.

Remarkable growth in digital services

For 2021, the combined digital and blended revenue was DKKm 68 (10% of revenue) compared to DKKm 23 last year (4% of revenue), equivalent to a growth of 196%.

Users of our applications increased by +150% during 2021, and digital learning completions increased by +300% to 134 thousand.

Our contract portfolio for digital services grew significantly during the year. At the end of the year, the value of our digital contracts amounted to DKKm 76.

We are proud that our digital transformation is getting real traction and we are being noticed by international publishers such as EME outlook as well as customers and partners.

In 2021, we entered into a strategic alliance with Area9 bringing adaptive learning technology to the energy sector globally. It leaps us in front of any of our competitors – both traditional training organisations and born-digital competitors.

We have successfully integrated the adaptive learning technology, and the recent launch of our Business Portal gives customers a seamless user experience from order to completion of adaptive learning content. The portal is a one-stop-shop for our B2B customers and gives full access to all our training courses, digital learning content and blended courses.

Strategic investments in growing markets

In 2021, we made several strategic investment decisions to fuel the growth in the industries we serve. We opened an office in Australia and a training facility in Great Yarmouth (the UK). Further, new training facilities are being established in Tampico (Mexico) and Eemshaven (the Netherlands).

In August, we acquired shares in the US-based safety leadership and performance optimisation service company CAVU International. They have a proven track record of building strong revenue and EBITDA growth and fit naturally into our existing customer base and services.

CO2 neutral growth

We measured our carbon footprint for the second time in 2021. Despite a 23% revenue growth, our CO2 emission remains the same, which proves our commitment to reducing the environmental footprint of our operations.

Outlook for 2022

Built on the expectation that the last COVID-19 restrictions are likely to be lifted during 2022, we project a revenue in the range between DKKm 750-800 and EBITDA between DKKm 140-160. The condemnable conflict between Russia and Ukraine has let us to cease activities in Russia however this will have no impact on our 2022 business activities.

	2021 Realised	2022 Outlook
DKKm		
Revenue	657	750-800
EBITDA	109	140-160

“Financial performance well within our guidance, again doubling digital sales”

KEY HIGHLIGHTS



Bringing adaptive learning technology to the energy sector

.. Through a long-term strategic alliance with Area9
[Read more about adaptive learning on pages 15-16](#)



Expanding our footprint in high-growth markets

.. New facilities planned and in operation in the UK, Mexico and the Netherlands
[Read more about the expansions on page 13](#)



Added best-in-class safety leadership and performance optimisation

.. Through the acquisition of shares in CAVU international
[Read more about the acquisition and CAVU on page 18](#)



Further advancing our sustainability practices

.. Paving the way for diversity, inclusion, anti-corruption and CO2 reduction
[Read more about our sustainability efforts on pages 27-30](#)

Looking ahead

We have set realistic goals solidly founded on five key pillars:

- **Global leader in workforce development enabling customers to protect their people, assets and the environment supported by advanced sustainability practices**
- **Unrivalled position in the renewable energy sector, relentlessly supporting the energy transition**
- **Scalable digital platform, including workforce management applications, adaptive learning and mixed reality simulation**
- **Advanced learning practices bringing workforce skills to mastery in sectors where consequences of human error can be fatal**
- **Recurring and increasingly predictable revenue profile, repeatably boosting digital revenue**

We have defined three key priorities to reach the goals:

- 1) Build unrivalled position in the renewable markets
- 2) Disrupt workforce competence development by applying advanced learning technologies
- 3) Accelerate digital services to support our customers' efficiency and competence agendas

1) Build unrivalled position in the renewable markets

We are the largest training provider in the wind training market. The global energy transition is a strong opportunity for us and a key priority.

In 2021, we launched a new wind training hub in Great Yarmouth, the UK, and decided to establish a facility in Eemshaven, the Netherlands, an important energy port of Northwest Europe.

With the latest additions, we offer state-of-the-art wind service facilities conveniently located along the North Sea. This runs from Trondheim in the North to Ostend in the South. On the other side of the North Sea, facilities can be found in Great Yarmouth, Teesside and Aberdeen. We are also accelerating our position in the rapidly growing US market. The added facilities manifest our leading position with a unique global footprint conveniently located to support the growing offshore wind industry.

2) Disrupt workforce competence development by applying advanced learning technologies

We have a unique footprint to service customers from our 30+ facilities across the globe.

We will use our advanced technologies to capture the strong recovery in the oil and gas sector and continue expanding in markets with rapid growth. We reconstruct and update in Macaé, Brazil, upgrade in Ciudad del Carmen, Mexico, and build new facilities in Tampico, Mexico.

We are continuing the rollout of our simulation-based training services, blended learning and adaptive learning in all markets.

3) Accelerate digital services to support our customers' efficiency and competence agendas

Since the start of our digital endeavours in 2019 our digital offering has grown immensely.

Our advanced learning technologies and applications will drive efficiencies for our customers while bringing their workforces skills to mastery.

Our ability to create a digital handshake with customers strengthens our services and allows us to convert to more recurring and predictable revenue models.

We offer state-of-the-art wind service facilities conveniently located along the North Sea.

Outside Europe we have several wind facilities in the US, Malaysia, Singapore and Brazil



FINANCIAL REVIEW

Realised expectations for 2021

In the annual report for 2021, we expected an EBITDA in the range of DKKm 90 and DKKm 110. Further, we expected to more than double revenue within digital services and applications during 2021.

EBITDA came in as expected while the digital revenue grew 196%.

	2021	Outlook
EBITDA before special items (DKKm)	109	90 -110
Digital revenue growth (%)	196%	100%

Revenue

Revenue for 2021 was DKKm 657, which was DKKm 122 (23%) above 2020. The revenue increase was realised across all our regions and industry segments except for other safety critical industries which continue to be impacted by public customers being reluctant to undertake training during the pandemic.

Also, revenue growth is higher in the European region as the recovery in Europe is progressing at a faster pace compared to the rest of our regions.

Revenue from renewables increased by 39% compared to last year, whereas oil and gas revenue increased by 27%.

The digital transformation continued in 2021 with combined digital and blended revenue of DKKm 68 compared to DKKm 23 in 2020, equivalent to a growth of 196%.

The digital revenue, including blended learning, accounted for 10% of the revenue compared to 4% in 2020. Excluding the blended learning, the digital revenue was 5% and 4%, respectively.

Other income

Other income was DKKm 32 compared to DKKm 40 in 2020. The decrease was driven by lower 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 109 compared to DKKm 31 in 2020. The improvement was driven by increased activity levels as outlined above. The EBITDA margin landed at 17% compared to 6% in 2020.

EBITA

EBITA before special items ended at positive DKKm 46 compared to negative DKKm 44 in 2020.

Special items

Special items in 2021 amounted to DKKm 5 (DKKm 16) and were mainly related to restructuring cost following the outbreak of COVID-19.

EBIT

EBIT was improved by DKK 100m to DKKm 19 in 2021. The EBIT margin landed at 3% compared to 15% (negative) in 2020.

Financial items, net

Net financial items amounted to DKKm 65 compared to DKKm 75 in 2020. The decrease of DKKm 10 was driven by reduced unrealised foreign exchange rate adjustments.

Result for the year

The result for 2021 was negative by DKKm 56 in 2021 (negative DKKm 172).

Trade working capital

Trade working capital came in at DKKm 3 (0.4% of revenue) compared to DKKm 8 (1.5% of revenue) at the end of December 2020. Despite a revenue growth of 23%, the trade working capital remained at the same level as in 2020.

Free cash flow

Free cash flow for 2021 was positive by DKKm 65, i.e. an improvement of DKKm 31 compared to 2020, driven by improved cash flow from our operating activities.

CAPEX amounted to DKKm 42 or 6% of the revenue compared to DKKm 45 or 8% of the revenue in 2020.

Equity

Equity as of 31st December 2021 amounted to DKKm 82 (DKKm 85). This reduction was mainly attributable to the result for the year (DKKm 56), partly offset by positive unrealised foreign currency adjustments (DKKm 25). The solvency ratio was 7% (8%) at the end of December 2021.

Net interest-bearing debt (NIBD)

At the end of December 2021, NIBD was DKKm 723 compared to DKKm 702 at the end of December 2020. The change was primarily driven by deferral of bond interest until March 2021.

Capital resources

The Group's liquidity reserves amounted to DKKm 106 at the end of December 2021, of which DKKm 63 was an unused RCF facility.

For further information, we refer to notes 4.4 and 5.3 to the consolidated financial statements.

KEY FIGURES AND RATIOS

DKKm	2021	2020	2019	30.03 - 31.12.2018
Income statement				
Revenue	657	535	819	248
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	109	31	148	35
Operating result before amortisation and special items (EBITA)	46	(44)	72	24
Operating result (EBIT)	19	(79)	25	(14)
Net financials	(65)	(75)	(54)	(6)
Result before tax	(46)	(154)	(29)	(20)
Result for the year of continuing operations	(56)	(156)	(51)	(19)
Result for the year	(56)	(172)	(49)	(19)
Statement of financial position				
Total assets	1,119	1,085	1,300	1,022
Property, plant and equipment	263	280	342	369
Total equity	82	85	235	304
Trade working capital	3	8	88	80
Net interest-bearing debt (NIBD)	723	702	742	622
Statement of cash flows				
Operating activities	109	68	102	(1)
Investing activities	(44)	(34)	(119)	(483)
Hereof investments in tangible fixed assets	(21)	(32)	(47)	(19)
Free cash flow	65	34	(17)	(484)
Financing activities	(93)	(38)	(23)	589
Net cash flow for the year	(28)	(4)	(40)	105
Employees				
Number of employees for continuing operations	790	784	910	858
Number of employees of which are employed in Denmark	58	54	57	45
Key ratios				
EBITDA (%)	17%	6%	18%	14%
EBITA (%)	7%	-8%	9%	10%
EBIT (%)	3%	-15%	3%	-6%
Solvency ratio (%)	7%	8%	24%	30%
Trade Working Capital Ratio (%)	0.5%	1.5%	10%	n.m
Cash conversion	61%	82%	30%	n.m

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 statements for 2019 and 2020 have been adjusted for discontinued operations.

OUR BUSINESS

Our business and industries

11

Our solutions

12



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 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 safety critical 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 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 adaptive learning and traditional 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 that they have the right skill set to stay safe in hazardous and potentially life-threatening situations.

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



Renewables

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



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 needs to operate safely and competently



Other safety critical industries

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

OUR SOLUTIONS

built on the solid foundation of past experience



TRAINING

30+ training centres in 21 countries



DIGITAL LEARNING

Learning anywhere and at anytime



MANAGED SERVICES

Outsourced training and competence management



CONSULTANCY

High-risk industry subject matter expertise



APPLICATIONS

Cloud and on premise



SIMULATION

Cloud and on premise

A globally connected digi-physical safety and competence house serving customers in safety critical industries

TRAINING

30+ training centres in 21 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.

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 digital 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.

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 our customers 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 the 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

PLANNED EXPANSIONS



GREAT YARMOUTH, UK, 2022

A new wind industry training hub is being launched in Great Yarmouth in partnership with Worley. The UK is the epicentre for technical development in renewables, so as a leader in safety training, we must be at the forefront of working towards safety standardisation in the renewables industry.



ALTAMIRA, TAMAULIPAS, MX, 2022

We are expanding our presence in Mexico to support the rising demand for safety and technical services. We have initiated the construction in Altamira, Tamaulipas, to strengthen the delivery capability and support for the Gulf of Mexico region. The addition of the new Tampico facility complements our existing site in Ciudad del Carmen, Mexico.



GEORGETOWN, GY, 2022

We have engaged with a local partner to establish a Guyana facility jointly owned. Guyana and Suriname are amongst the fastest-growing new oil and gas geographies in the world with a production growth rate above 30% till 2030 and are by that time estimated to be amongst the largest producers in the world.



EEMSHAVEN, NL, 2023

In general, the offshore wind and renewable energy sectors will continue the impressive growth rates for at least the next decade. Many of the offshore wind farms being built will be serviced out of Eemshaven, the Netherlands, that claims to be the "energy port of Northwest Europe". We are building a facility in the harbour to service the promising demand for our services in the area.

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



DIGITAL LEARNING

Learning anywhere and at any time

Digital learning enables users to learn anywhere and at any time. 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 digital learning titles covers a wide range of topics for safety critical industries.

We are continuously developing new courses to add to our library of digital learning courses consisting of both traditional e-learning courses and adaptive learning courses.

The benefits of digital learning

There are a number of benefits related to digital learning, including:

- o **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
- o **Less costly:** E-learning enables employees to train at home. This translates into much lower costs related to travel, training venues, learning material, and trainers, and immediately leads to lower costs by speeding up employee training
- o **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
- o **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 digital learning software will enable them to revisit any information they need, whenever they need it.

- o **Consistent delivery:** Unlike human instructors, digital learning materials provide consistency of content and presentation style; digital 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 digital learning services

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

Portfolio

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

We continuously expand a best-in-class digital learning portfolio that caters for the needs of multiple safety critical industries. In order to achieve this, systematic analyses and justifications are heavily in place to ensure that 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 digital learning, safety videos or site inductions bespoke to our customers. 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, visually appealing and fulfils the technical requirements from the customer. We ensure that methods and means of communication match the target audience and take into account factors in cultural and language such as literacy, age range, etc.

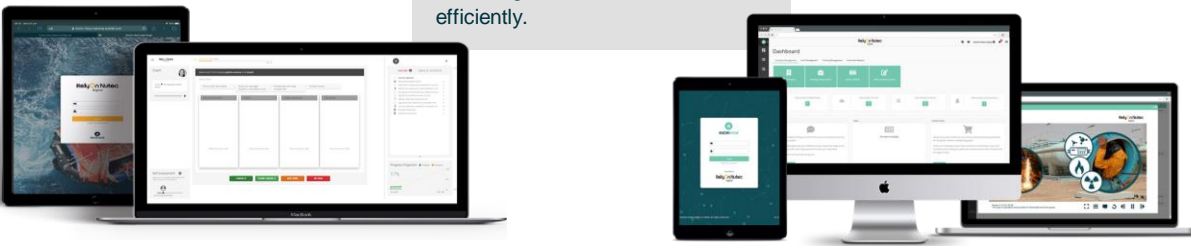
Translations

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 the customer might have.

DIGITAL LEARNING

Digital learning is a broad term used to describe the use of technology that is applied to the learning process. In the digital learning space, we offer adaptive learning, traditional e-learning and blended learning

E-LEARNING	ADAPTIVE LEARNING	BLENDED LEARNING
<p>E-learning is learning conducted via electronic media. It is really an older term for digital learning. However, e-learning is often used more specifically to refer to structured digital learning programmes, comprised of specific modules that learners complete in a more traditional way than say adaptive learning. E-Learning generally refers to publicly available, ready-made courses that are delivered to address mass consumer needs.</p> <p>E-learning can be highly interactive and usually includes text, video, audio, quizzes, and activities.</p>	<p>Adaptive learning technology is an advanced type of e-learning. The term adaptive learning refers to a technology capable of evaluating the student's skills, knowledge, and confidence levels. The technology constantly assesses how the student responds to the material. That way, the student's learning material becomes much more targeted since subjects that do not require more attention are filtered out, leaving more time to focus on weaker areas.</p> <p>The personalised course is a much more tailor-made learning experience compared to traditional e-learning, which, in the end, will enable students to achieve the desired goals faster and more efficiently.</p>	<p>Blended learning merges a digital learning element with traditional classroom learning. Both teachers and delegates meet for physical classroom training and also online.</p> <p>Blended learning allows delegates to accelerate their individual learning process while maintaining a classroom "group" typesetting. This is more scalable and caters for individuals scheduling constraints.</p>



Adaptive learning

Adaptive learning offers an entirely new approach to learning. Adaptive learning is a technology-based approach to learning. It combines theories of optimal learning with the capabilities of algorithms and computers. The learner's study material will be tailored to his/her specific needs and competences based on data.

The study material simply adapts to the learner, ensuring that time is spent on the subjects that need most attention. This significantly boosts the efficiency of the learning process. At the same time, the process reveals blind spots, perhaps unknown for the learner, that are important to address - e.g. safety protocol and response.

Our digital learning solutions are powered by Area9 Rhapsode™, a state-of-the-art technology developed by our partner Area9 Lyceum. The globally leading platform uses artificial intelligence to deliver a customised, personalised, and efficient approach driven by an individual's specific knowledge level and unique needs.

Benefits of adaptive learning

Adaptive learning is a unique learning tool. The technology's ability to discover blind spots in vital areas such as safety makes the learning platform ideal for companies and organisations which operate in high-risk scenarios. Based on educational psychology and cognitive science, the approach to adaptive learning is founded deeply in science and theory.

The benefits of adaptive learning, compared to traditional e-learning or classroom training can be summarised as:

- o **Cuts training time in half:** Provides higher proficiency and retention and uncovers and fixes unconscious incompetence
- o **Improves engagement and reduce frustration**
- o **Rich learning analytics:** Supports instructor with data to focus efforts – ideal for blended programmes and it helps guide the learner's learning.

How does it work?

The platform uses probing questions to test the learner's prior knowledge and confidence levels. The way the learner answers the questions determines how the adaptive engine adjusts in real time to take the learner on the most efficient path to ensure mastery of the subject material. This generates a one-on-one personal experience for the learner, giving an engaging and balanced interaction that is neither too easy or too difficult for the learner, as well as instant feedback.

Unconsciously incompetent - believing you know when you don't

Learning is not simply about adding missing knowledge or skills. For any given element of knowledge or skill, a learner will be objectively competent or incompetent but may be subjectively unaware of their level of competence. Together with other cognitive biases, this is likely to play a significant role as a source of errors on the job – especially critical when safety is at stake – and this is most likely to occur when people think they know what to do, when in fact they don't.

The importance of acting without thinking

Automaticity is the ability to do things without occupying the mind with the low-level details required, becoming an automatic response pattern or habit. It is usually the result of learning, repetition, and practice.



When faced with stress, the human brain falls back on things that are "second nature". Those fallbacks must generate the correct response. We do not need to achieve automaticity in every skill or piece of knowledge. However, automaticity is a requirement in areas such as core skills and safety critical behaviour. Adaptive learning helps the learners achieve automaticity when relevant by facilitating the practice and re-practice on specific topics.

Data is actionable insights for both learners and instructors

One of the significant strengths of adaptive learning is the highly granular data collected by the system. With learning analytics, learners and instructors can gain insights that can guide their learning.

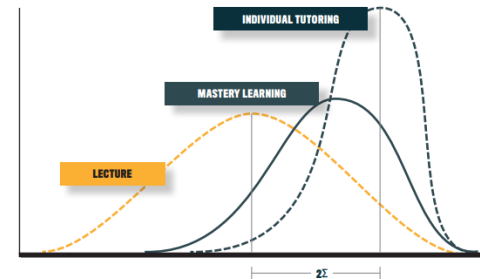
Data analytics is also used to gain insights into the course content itself. It allows continuous and iterative improvements based on learners' feedback and data usage at a very granular level.

The science behind adaptive learning

The adaptive learning approach relies on other well-established concepts in educational psychology and cognitive science – augmented by usage and data points from real learners using the platform. Following are some of these key concepts:

Bloom's 2-sigma problem: How to learn the best.

Studies show that a combination of mastery learning and individual tutoring allows learners to achieve their potential. By combining the power of digital delivery with skilled educators' human insights and judgments, adaptive learning technology can provide mastery learning and individualised programmes for learners at scale. This technology allows instructors to use their resources and time more effectively, stimulating learner engagement and results.



Deliberate practice - making an effort pays off

Practising something difficult will eventually lead to success in that arena. Optimally, the practice needs to be mindful, supported by continuous feedback from a coach, and planned to challenge the learners' limits. Adaptive technologies are designed to make this practice efficient, constructive, and rewarding through intelligent and targeted repetitions and self-assessment acting as formative assessment.

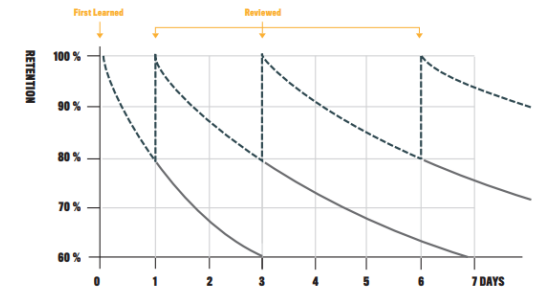
Metacognition - a realistic look at capabilities

Metacognition is the ability to think about one's thinking or observe one's learning. Adaptive learning can help learners develop their metacognition by breaking down each skill into its components. Hence, monitoring their progress towards learning goals, repeating questions where they showed lower confidence, and indicating discrepancies between self-assessed certainty and actual performance on a task.



Retaining new knowledge

Adaptive learning technology is more than an efficient learning tool. It also helps students retain new knowledge, a key component in learning theory. Theoretical work like the Ebbinghaus forgetting curve mathematically models the rate at which people lose information after first learning it. This is used as the foundation to model the knowledge decay and establish the best time for learners to review information they have already learned, contributing to the long-term retention of information.



Without the opportunity to put knowledge into practice, there is a risk that the brain may view the information as expendable because exposure only happened once. That problem becomes severe when rarely used information is critical — e.g. safety protocols in an emergency. Without reinforcement, the information supposedly "learned" at the safety course is not accessible when needed most.



MANAGED SERVICES

Outsourced training and competence management

Managed services customers have access to our world-leading training and digital learning offering. With multiple facilities in 21 countries, and more than 250,000 people trained every year on +2,000 courses, we are the world's largest safety training provider.

With this network of RelyOn Nutec training facilities and a large 3rd party supplier portfolio, 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
- Handling of training admin and associated logistics
- Flexible support service
- Simple financial administration
- Access to our sophisticated applications that automate our service and integrate with their own systems
- One single point of supplier 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

We have more than 10 years of experience 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. 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.

Our 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 market-leading, cloud-based application 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.

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

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.

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

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.

Our competence management services can help with all aspects of keeping our customers' workforce fully competent. We ensure our customers develop the correct framework and maintain that framework in line with international 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.

Our main competence management services

- Design or development of competence framework
- Support with achieving (international) accreditation
- Support organisations with the design, development and maintenance of job competence profiles
- Experienced assessors to perform assessments of workforce or the verification of the assessment done
- Support to oversee and continuously improve the deployment of the 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 proactive planning of assessments, maintains and provides a full record of all assessments done, aligned to global accreditation body requirements.

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 substantial cost savings



High-risk industry subject matter expertise

We have for years helped organisations become competent, compliant, 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 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.

RelyOn Nutec acquires stake in CAVU International to bring leadership and performance optimisation services to our customers

On 23rd August 2021, we completed a strategic acquisition of initially 25% of the ownership of CAVU International.

CAVU International is a US-based leadership and performance optimisation service company built on unique and best-in-class leadership experience from the US and International defence. CAVU has proven capabilities in transforming underperforming teams, implementing leadership foundations, and building team cultures based on a continuous improvement cycle.

CAVU's focus is on leadership, process, safety, and culture, where the margins between success and failure are narrow and the consequences of failure can be fatal.

The aim is to use our global footprint and digital infrastructure to fast track the internationalisation of CAVU's unique consultancy services and digital leadership programmes.

The acquisition of an ownership share in CAVU adds to our ongoing transformation and will allow us to offer best-in-class leadership consulting services and performance optimisation programmes to our customers. We want to support our customers to further a healthy and safe work environment, by improving team dynamics to reduce the human factor behavioural risk element ultimately leading to accident prevention and performance improvements.

The partnership offers organisations a unique opportunity to accelerate teams' training by integrating process intelligence to improve technical performance where the consequences of human error are unacceptable.

CAVU stands for "Ceiling And Visibility Unlimited", which in the aviation world, defines the perfect day to fly. CAVU helps their clients define their "Perfect Day" and then develop a deliberate approach to making it repeatable.





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 consist of:

- Rider
- Rhapsode™
- Worksafe®
- Business Portal

Rider

Rider is our employee performance management application but also the application that supports our managed service business. It consists of three modules:

- **Training compliance:** The training compliance system offers full visibility and tracking of 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 digital learning. Financial tracking of training expenditure and forecasting of future spend are also all available on demand.
- **Competence management system:** The competence management system enables the digital and real-time tracking for employees towards their competence requirements as set by a 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.
- **Digital Procedure Management System:** 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.

All system allows real-time tracking verifying procedures have been read, and acknowledges they were understood.

Rhapsode™

An integrated state-of-the-art adaptive learning platform, allowing customers to build and deliver adaptive learning content to their employees, and to access advance reporting.

Rhapsode™ Curator

Rhapsode Curator™ is an advanced content curation platform and provides a streamlined workflow that ensures a fast, effective, and affordable content production process as well as high-quality results.

It has several advanced content development features that are based on artificial intelligence, including intelligent suggestions of questions based on text, content analysis, semantic search as well as terminology.

Rhapsode™ Learner

Area9 Rhapsode Learner™ delivers personalised content to the learners by using proven algorithms and analytics. The study material adapts to the learner, ensuring that time is spent on the subjects that need the most attention. This significantly boosts the efficiency of the learning process. At the same time, the process reveals blind spots, perhaps unknown for the learner, that are important to address.

Rhapsode™ Educator

Area9 Rhapsode Educator™ enables customers to enrol learners to courses and learning plans and track their performances. The adaptive approach generates an enormous amount of granular data, and Educator makes it actionable and structured with its reports.

Instructors and managers can get a much broader and more granular review of their students' performance, not just a simple matter of questions right and wrong, but also whether students understand their own lack of knowledge, whether they are motivated and engaged, and whether certain sections are particularly problematic.

A step-change when it comes to measuring impact of learning.

WorkSafe®

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

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

Business Portal

The Business Portal gives access for B2B customers to buy and manage training for their employees. The portal gives access to our full portfolio of training courses, including classroom, adaptive learning, e-learning, blended, virtual, etc.

The learning administrator can assign courses to learners, monitor progress and access certificates.



SIMULATION

Cloud and on premise

Simulation in training is a proven method of enriching the learning experience and increasing knowledge retention for technical training delegates. Simulators allow the operator to train and practice difficult and highly technical operational procedures and challenges in a risk-free environment. Benefits include:

- **Reduced operational risk and increased efficiency:** Test processes and procedures and identify potential issues prior to operations
- **Increased competence:** Accelerate workforce development through training and competence assessment in a safe and controlled environment
- **Reduce non-productive time:** Refine complex operational procedures before putting them into practice in the real world
- **Supporting upskilling:** Introduce new technologies or equipment before operational use

At RelyOn Nutec, we develop our inhouse technology towards our clients' operational requirements, equipping our global training centres with industry-leading simulation technology that helps them support our international clients locally. Our simulators increase the scope, complexity and value of the training that our centres can undertake.

By utilising our simulators, clients can fully immerse their 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 training environment. The simulators can mimic clients' actual operations and incorporate their actual data 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.

Focus on safety critical industries

Our simulation technology has been developed to support our major clients in the safety critical offshore industries, with a focus on drilling, lifting and crane operations.

The simulators vary in size, from full-size training centre based simulators to portable mobile units that can be utilised on remote operating locations. Each model, irrespective of size, provides our hallmark high-quality on-screen visualisation, realistic HMI controls and real-time data analysis.

The full-size drilling 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 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.

Our port and gantry crane simulators can be used to train operators in moving huge volumes of cargo efficiently or as a remote operating system, monitoring or manipulating cranes from a safe and convenient location.

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

With our simulation solutions and highly experienced operators, clients can simulate and optimise complex and dangerous operations, improving safety, operational efficiency, and reduce operating costs, all in the safety of our training centres.

Accessing our advanced simulation

Developing the simulation technology in-house gives us the opportunity to offer our customers the same world-class and true-to-life training facilities wherever their operations are located. By expanding our technology through or network of global training centres, clients now have unparalleled access to the most effective and realistic dynamic simulator solutions available.

By having our simulators, programmers, instructors and training courses under one roof, clients now have global access to high-quality, highly effective, customisable and interactive

- Technical training
- Competency assessment
- Real-time consultancy



GOVERNANCE AND RISK

Board of Directors	22
Risk Management	23
Sustainability	25



BOARD OF DIRECTORS

ALLAN BACH PEDERSEN

Chairman

Male – Danish

Board member since 2018

Represents Polaris A/S and is not regarded as independent

Experience with management, M&A, financial and strategy

OTHER DIRECTORSHIPS:

ØstPeder Holding ApS, Menu A/S, Configit A/S, By Lassen ApS, Polaris V Invest Fonden and other companies related to Polaris

JAN JOHAN KÜHL

Board member

Male – Danish

Board member since 2018

Represents Polaris A/S and is not regarded as independent

Experience with management, M&A, finance and strategy

OTHER DIRECTORSHIPS:

Business Synergy Group A/S, Polaris Management A/S, Inter Primo A/S, Brøndum Holding A/S, Brøndum A/S, Part Unique A/S, Advantage Investment Partners A/S, Vikingbus Gruppen A/S, North Risk A/S, Polaris V Invest Fonden (Chairman) and other companies related to Polaris

HENRIK BONNERUP

Board member

Male – Danish

Board member since 2018

Represents Polaris A/S and is not regarded as independent

Experience with management, M&A, finance and strategy

OTHER DIRECTORSHIPS:

CEKA Holding ApS, Polaris Flexible Invest I ApS, PFC I – Debt ApS, RelyOn Nutec Holding A/S, Allianceplus Holding A/S, Link Logistic A/S, Sinful ApS, Polaris Flexible Invest I ApS 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 risks are outlined on page 26. 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, a risk on ‘worldwide pandemic disease’ is not included as a key risk. In general, pandemic outbreaks are rare events and have therefore not been rated highly on likelihood. The COVID-19 pandemic is currently affecting businesses and will continue to do so in 2022. The Group Management Team will continue to monitor and address potential business risks arising from the COVID-19 situation.

The current situation in Ukraine is most unfortunate but is not affecting our company. We have insignificant business with Russian customers which are being addressed.



RISK MANAGEMENT PRINCIPLES

The Board of Directors assists the Executive Management in overseeing 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 are 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

Rollout 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

An 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 cyber attack mitigation measures. The purpose is to lower exposure and increase the ability to receive assistance from external resources.

SUSTAINABILITY

For RelyOn Nutec, safety is not only our business – it is in our DNA. Helping our customers to ensure a healthy and safe work environment is our purpose, and we take pride in ensuring that our delegates 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. The main risks related to our environmental impact are through the emissions inevitable as part of our physical training operations. 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 CO2 emissions.

We operate our business with respect for human and labour rights everywhere and expect the same from our business partners.

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

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

Our responsibility and commitment to ensuring the safety of our employees and those affected by our business, remain core to our strategic commitment “safety is in our DNA”. Understanding and managing our risks to avoid harm to people, related to all our activities, stand firm and are consistent with the United Nations Guiding Principles (UNGPs) on Business and Human Rights and the outlined ten principles. In 2021, we worked towards further integrating the ten principles into our management system, building capacity to address and manage risks, and continued to embed environmental, economic and human rights due diligence into our processes. The impact assessments performed on human-, environmental- and economic rights have showed that we are exposed to impacts particularly regarding human rights, in the health and safety area, which we mitigate through continuous global and local initiatives.

The UN's Global Compact

The UN's Global Compact is the world's largest CSR initiative. The registration obliges 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 Communication on Progress (CoP) report every year, which constitutes the company's progress report <https://relyonnutec.com/media/stgfh21/communicationonprogress-2021.pdf>. The report describes our work to systematically act responsibly in relation to the three bottom lines: social, environmental, and economic sustainability.

The framework for RelyOn Nutec's commitment

We continued the dedicated work initiated in 2020. Sustainability and Environmental Social Governance (ESG) have been – and will continue to be one of the key areas of focus. Our sustainability commitment is further outlined here: <https://relyonnutec.com/sustainability/>

The backbone of our CSR strategy - now also called Sustainability or ESG (Environmental, Social and Governance) - is shaped by the ten principles of the UN Global Compact. Our mission is to provide high-quality services, while also influencing and strengthening the compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-corruption.

- We strive to monitor and manage the sustainability risks associated with our business.
- We know that responsible business conduct provides sustainable, long-term business results, and that responsibility is a prerequisite for retaining our customers' trust and confidence.
- Addressing and working with the Sustainable Development Goals (SDGs) give our company an important voice.

Implementation and Due Diligence

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 we continuously identify, prevent or mitigate our risk of adverse impacts in relation to the core principles for sustainability. As part of our commitment, we are performing continuous impact assessments analysing our risk of possible impacts on the areas covered by the UN Guidelines. The impact assessments allow us the broadest picture of our business risks as possible. 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 will continuously seek to contribute proactively to sustainable development, where it makes most sense and where we can have the best impact.

REPORTING

Reporting on corporate social responsibility cf. sections 99a and 99b of the Danish Financial Statement Act

Our annual report meets the requirements of sections 99a and 99b of the Danish Financial Statements Act.

Reporting on Data Ethics cf. section 99d of the Danish Financial Statement Act







The responsible use of data is a critical enabler for RelyOn Nutec's business. It is vital to manage the use of customers' and employees' data in an ethical, responsible and transparent manner to avoid abuse and privacy infringement issues.

In 2021, a policy on data ethics with accompanying governance measures was implemented in accordance with regulatory requirements. The policy is published and implemented and is available for all employees on the Group's QMS

Key focus areas and contributions

RelyOn Nutec works actively to support the United Nations Sustainable Development Goals SDGs and shares the view that business has a key role to play in implementing the goals. Our business activities have both positive and negative impacts on the SDGs. RelyOn Nutec supports all the 17 SDGs and contributes in particular to the following four goals: Gender equality, decent work and economic growth, climate action and anti-corruption.

Below is a description of our focus areas.

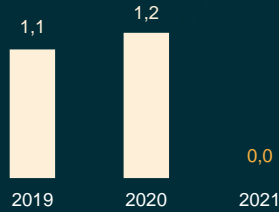
FOCUS	AMBITIONS	TARGETS	PROGRESS IN 2021	AMBITION IN 2022
 Sustainable development	<p>We strive to monitor and manage the sustainability risks associated with our business, and communicate our performance. Ensuring continuously responsible and sustainable business conduct to retain our customers' trust and confidence. Addressing and working with the Sustainable Development Goals (SDGs) give our company an important voice.</p>	<ul style="list-style-type: none"> Perform 2 new impact analyses (IA) per year, preferably in different continents (regions), assessing our impacts on human-, environmental- and economic rights Continue to reassess the former impact assessments 	<p>In 2021, we managed to perform two IAs in different continents and have now performed a total of 6 IAs on 4 countries. We implemented a software solution to manage our operational level due diligence process, to pull action reports from our impact assessments and to maintain an overview.</p>	<ul style="list-style-type: none"> Perform two new impact analyses (IA) Reassess the former impact assessments Communicate our efforts internally
 Diversity and inclusion	<p>2021 has been the year when gender equality was seriously put on our agenda. We want to accelerate the share of women in the organisation to meet our targets in 2025.</p> <p>At RelyOn Nutec, we proactively work to ensure gender diversity across the organisation with equal opportunities and terms. We want to ensure all employees have an equal voice in the workplace, including through adequate grievance mechanisms and employee satisfaction feedback systems and processes.</p>	<ul style="list-style-type: none"> Targets for females in the organisation in 2025 are: <ul style="list-style-type: none"> Employees: 40% Management: 30% Board: 40% Measure the gender equality performance baseline through use of the Women's Empowerment Principles (WEP) Gender Gap Analysis Tool A completion rate of > 80% on workplace harassment and respect learning 	<p>The gender composition of employees, management, board and split into continents is on the next page. In spite of significant initiatives, we did not reach our targets for gender composition, e.g. one female board member was elected to the Board, however this was not sufficient to achieve the target. Our efforts in this area will continue. We participated in a "Target Gender Equality" (TGE) accelerator programme to raise the share of women in the company. The programme helped us understand our current gender equality performance to identify our challenges and opportunities. Our baseline analysis showed we were on "beginner level". All employees were enrolled into e-learning on workplace harassment and respect, and 73% passed the course. We have performed an equal pay screening as part of our IA, and in the 4 screened countries, we did not have any gender-based pay gap.</p>	<ul style="list-style-type: none"> Targets for females in the organisation are: <ul style="list-style-type: none"> Employees, board, management: 40% The gender equality performance to be at "improver level" Unconscious bias (and inclusion) training Implement policies on: <ul style="list-style-type: none"> Non-discrimination and equal opportunities in recruitment, promotion, and pay Maternity and paternity schemes How to support parents and caregivers Work-life balance Equal pay screening in all our entities
 Safety	<p>We want to be our customers' first choice as an "integrated safety service provider" providing complete and lasting safety competencies that go beyond compliance. We strive to extend our global reach and be the preferred safety partner throughout the world. We constantly push to set new standards of safety that account for all risks and ensure that we deliver lasting safety competences to our customers that go beyond compliance. We continuously work to minimise risks and raise awareness about health and safety for our employees.</p>	<ul style="list-style-type: none"> Target of 1,00 LTIF* for employees and 0,50 LTIF* for delegates. (*Number of lost time injury events per 1,000,000 hours worked/trained) While LTIs, in general, are difficult to eliminate completely, RelyOn Nutec targets 0 fatalities and 0 major incidents 	<p>In 2021, we had one LTI for delegates. No LTIs for employees. We are holding Global HSEQ meetings 4 times a year to discuss incidents, the learning outcome and how to prevent them. All employees must complete digital or physical 1st aid training 4 times a year. We have implemented an "easy-to-use" global reporting tool, to make it easier and fast to report incidents for both employees and delegates. In that way we share all global incidents to everyone as "learning opportunities" to increase the safety for all. Each month all the reported cases are assessed to look for trends and consistency in reports. If there are trends or cases of "global" interest, they will be shared globally.</p>	<ul style="list-style-type: none"> Continue the close monitoring of HSEQ cases Continue Global HSEQ meetings, network, and knowledge sharing Update and include adaptive platform in the first aid e-learning course Prepare e-learning on safety for all employees LTIF for both employees and delegates: 0,5 Target 0 fatalities and 0 major incidents.
 Employee initiated turnover	<p>Maintain a competent and experienced workforce by decreasing our employee turnover.</p> <p>Address our targets in an employee engagement survey to ensure good, safe work environment, inclusion and employee engagement.</p>	<ul style="list-style-type: none"> Prepare questions for global employee engagement survey Employee-initiated turnover < 8 % 	<p>Meet the target for employee turnover, we have commenced a number of initiatives. We have created an HR forum for the HR responsible persons in the countries to knowledge share on HR matters, and among other themes how to decrease the employee turnover.</p>	<ul style="list-style-type: none"> Implement the global employee engagement survey in Q1 2022 Analyse the data and create adequate actions to increase employee satisfaction and decrease employee turnover
 CO ₂ emission	<p>Through our continuous efforts, reduce CO2 emissions, we are preparing for a future that will be different. The need for energy will be high as ever, however with far lower emissions.</p> <p>We want to drive changes towards a future that will have to be net zero. It sets a clear strategic direction and demonstrates RelyOn Nutec's continued commitment to long-term value creation in line with environmentally responsible practices.</p>	<ul style="list-style-type: none"> Initial reduction strategy defined. Target for scopes 1 & 2 has been set to be reduced by 25% by 2025. TCFD-aligned analysis has been conducted and initiatives related to risks and opportunities launched Comply with regulatory demands to reduce air emission impacts and continue investing in solutions that will enable this 	<p>As part of our efforts to reduce CO2 emissions and work to improve climate resilience of operations, we are developing digital training solutions. In 2021, our digitalisation has been accelerated and improved by an adaptive learning software. Furthermore, we are continuously improving resource efficiency in our current training services.</p>	<ul style="list-style-type: none"> At HSEQ meetings continuous focus on sustainable initiatives and spread the initiatives between centres Decrease CO2 emission by 25% by 2025 Participate in Climate Ambition Accelerator programme Measure part of scope 3 emissions
 Anti-corruption	<p>With a large geographical spread where business practices vary significantly, it is very important for RelyOn Nutec to substantially reduce corruption and bribery in all their forms.</p>	<ul style="list-style-type: none"> All employees to be enrolled on e-learning course on anti-bribery and corruption and >80% must pass the course 	<p>We have implemented anti-corruption and anti-bribery policies (ABC) and have provided proper digital learning to all our employees to identify and act against corruption and bribery. We have a gift and hospitality policy and a reporting tool. We did not succeed in implementing the reporting tool; it is not yet in use.</p>	<ul style="list-style-type: none"> Update and implement the Gift and Hospitality Policy and reporting tool ABC e-learning to all employees once a year Develop more detailed ABC procedures

2021 Sustainability

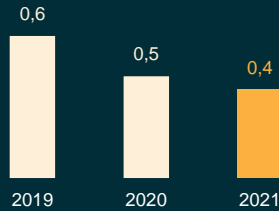


SAFETY

EMPLOYEE LTIF*



DELEGATE LTIF*

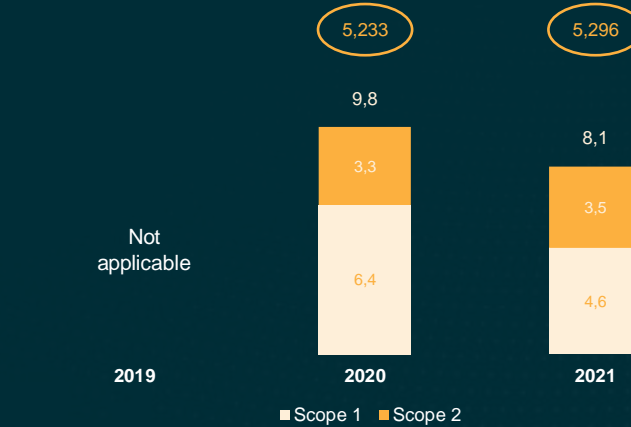


*Number of lost time injury events per 1.000.000 hours worked for employees.
 Number of lost time injury events per 1.000.000 hours trained for delegates (course participants)



CO2 EMISSION

Not applicable



Amounts in tonCO₂/mDKK
 *Scope 1: Fuels in operation and company cars
 *Scope 2: Electricity, heat and cooling



EMPLOYEE INITIATED TURNOVER

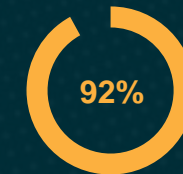


Share of workforce
 Total number of employee-initiated separations (e.g., resignation and retirement) during the reporting period, divided by the average number of workers during the year



ANTI-BRIBERY

Completions 2021



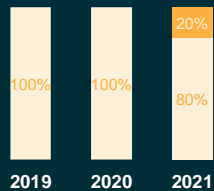
Internal anti-bribery e-learning completions



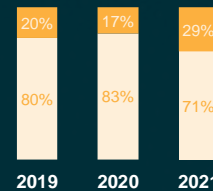
GENDER DIVERSITY

■ : Male ■ : Female

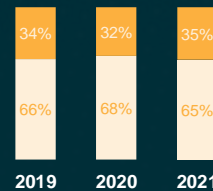
BOARD OF DIRECTORS



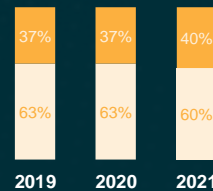
GROUP MANAGEMENT



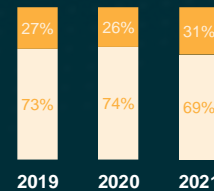
GROUP



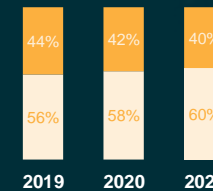
AMERICAS



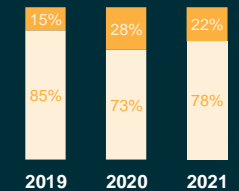
EUROPE



ASIA



MIDDLE EAST



Global ESG initiatives



AMERICAS

Free training for chaplaincy in order to comply with offshore safety requirements when travelling out to mentally/morally support staff.

Online workshop offered to the community about Fire Risks and Safety at home.

Free first aid courses for mothers and children from 8 years old.

EUROPE

Replace all bulbs with LED bulbs.

Waste sorting and recycling.

Replacement of plastic cutlery with wooden cutlery.

MIDDLE EAST

Replacement of plastic items with wooden cutlery.

Plastic cups replaced with mugs and glasses.

Motion light sensors.

ASIA

All staff have an annual “sustainability day” to perform voluntary work on ESG projects, e.g. beach clean-ups, teach first aid to local community, handymen at orphanages etc.

Consolidated financial statements 2021

1 January – 31 December

Consolidated income statement and consolidated statement of comprehensive income	30
Consolidated statement of financial position	31
Consolidated statement of changes in equity	32
Consolidated statement of cash flows	33
Notes	34



CONSOLIDATED INCOME STATEMENT

DKKm	Notes	2021	2020
Revenue	2.1	657	535
Other income	2.2	32	40
Cost of sales		(200)	(164)
Staff costs	2.3, 2.4	(319)	(318)
Other external costs		(61)	(62)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		109	31
Depreciation and impairment losses on property, plant and equipment	2.5	(63)	(75)
Operating result before amortisation and special items (EBITA)		46	(44)
Amortisation of intangible assets	2.5	(22)	(19)
Operating result before special items		24	(63)
Special items	2.6	(5)	(16)
Operating result (EBIT)		19	(79)
Financial income	2.7	8	7
Financial expenses	2.8	(73)	(82)
Result before tax		(46)	(154)
Income tax	2.9	(10)	(2)
Result for the year of continuing operations		(56)	(156)
Result for the year of discontinued operations	2.10	-	(16)
Result for the year		(56)	(172)
Result for the year is attributable to:			
Owners of P-RelyOn Nutec 2018 A/S		(56)	(173)
Non-controlling interests		-	1
Total		(56)	(172)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKKm	2021	2020
Result for the year	(56)	(172)
Other comprehensive income		
Exchange rate adjustments of foreign entities and intercompany loans classified as part of net investment	25	(54)
Recycling of exchange rate reserve at time of disposal of foreign entities	-	7
Total comprehensive income for the year	(31)	(219)
Total comprehensive income for the year is attributable to:		
Owners of P-RelyOn Nutec 2018 A/S	(31)	(212)
Non-controlling interests	-	(7)
Total	(31)	(219)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKKm	Notes	31 December 2021	31 December 2020
Goodwill	3.1	220	200
Brands	3.1	54	51
Customer contracts	3.1	45	52
Knowhow	3.1	18	20
Software	3.1	24	28
Other intangible assets	3.1	32	17
Total Intangible assets		393	368
Property and plant	3.2	141	159
Equipment	3.2	88	87
Leasehold improvement	3.2	34	33
Asset under construction	3.2	-	1
Total property, plant and equipment		263	280
Right-of-use asset	3.3	221	221
Deferred tax asset	3.5	45	26
Other non-current assets		15	16
Total non-current assets		937	911
Trade receivables	3.4	91	69
Contract assets	3.4	13	9
Prepayments		18	11
Other receivables	3.6	16	15
Cash and cash equivalents	4.4	44	70
Total current assets		182	174
Total assets		1,119	1,085

DKKm	Notes	31 December 2021	31 December 2020
Share capital	3.7	4	4
Foreign currency translation reserve		(20)	(45)
Retained earnings		78	106
Total equity attributable to owners of the parent company		62	65
Non-controlling interests		20	20
Total equity		82	85
Bond	4.4	413	400
Credit facility	4.4	40	40
Provisions	6.2	23	18
Lease liabilities	3.3	246	274
Deferred tax liabilities	3.5	15	5
Other payables	3.8	35	48
Total non-current liabilities		772	785
Trade payables	4.4	103	70
Deferred consideration		-	31
Lease liabilities	3.3	32	30
Other payables	3.8	130	84
Total current liabilities		265	215
Total liabilities		1,037	1,000
Total equity and liabilities		1,119	1,085

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK ^m	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 01.01.2020	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)
<i>Transactions with owners in their capacity as owners</i>						
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
Result for the year	-	-	(56)	(56)	-	(56)
Other comprehensive income	-	25	-	25	-	25
Total comprehensive income for the year	-	25	(56)	(31)	-	(31)
<i>Transactions with owners in their capacity as owners</i>						
Capital increase	-	-	28	28	-	28
Divestment of non-controlling interests	-	-	-	-	-	-
Total transactions with shareholders	-	-	28	28	-	28
Equity at 31.12.2021	4	(20)	78	62	20	82

CONSOLIDATED STATEMENT OF CASH FLOWS

DKKkM	Notes	2021	2020
Operating result (EBITDA), continuing operations		109	31
Operating result (EBITDA), discontinued operations	2.10	-	(3)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		109	28
Changes in net working capital	6.3	21	75
Income taxes paid		(12)	(14)
Special items paid		(9)	(21)
Net cash flow from operating activities		109	68
Purchase of property, plant and equipment	3.2	(21)	(32)
Purchase of intangible assets	3.1	(21)	(13)
Purchase of subsidiaries, net of cash	6.1	(2)	(2)
Proceed from sale of businesses	2.11	-	13
Net cash flow from investing activities		(44)	(34)
Free cash flow		65	34
Interest paid		(59)	(41)
Change of credit facilities	5.2	-	(51)
Installment on lease liabilities	3.3	(32)	(34)
Capital increase		28	85
Settlement of deferred consideration		(28)	
Change in other financing activities		(2)	3
Cash flow from financing activities		(93)	(38)
Net cash flow for the year		(28)	(4)
Cash and cash equivalents, beginning of the period		70	77
Exchange rate impact		2	(3)
Change in cash and cash equivalents		(28)	(4)
Cash and cash equivalents at end of the year	4.4	44	70

Notes

Section 1: Basis of preparation	35	Section 4: Financial risk management	54
Note 1.1: Accounting policies	36	Note 4.1: Financial risk management	55
Note 1.2: Critical accounting estimates and judgements	37	Note 4.2: Market risk	55
		Note 4.3: Credit risk	56
Section 2: Consolidated income statement	38	Note 4.4: Liquidity risk	57
Note 2.1: Segments and revenue	39		
Note 2.2: Other income	40	Section 5: Capital structure	59
Note 2.3: Staff costs	41	Note 5.1: Measurement and fair value hierarchy	60
Note 2.4: Incentive programme	41	Note 5.2: Changes in liabilities arising from financing activities	61
Note 2.5: Amortisation, depreciation and impairment losses	41	Note 5.3: Capital management	61
Note 2.6: Special items	42		
Note 2.7: Financial income	42	Section 6: Other notes	62
Note 2.8: Financial expenses	42	Note 6.1: Business combination	63
Note 2.9: Tax	43	Note 6.2: Provisions	65
Note 2.10: Discontinued operations	44	Note 6.3: Change in net working capital	65
Note 2.11: Sale of businesses	45	Note 6.4: Fee to auditors	66
		Note 6.5: Related parties	66
Section 3: Financial position	46	Note 6.6: Commitments and contingent liabilities	66
Note 3.1: Intangible assets	47	Note 6.7: Events after the balance sheet date	66
Note 3.2: Property, plant and equipment	49	Note 6.8: Group companies	67
Note 3.3: Leases	50		
Note 3.4: Trade receivables and contract assets	51		
Note 3.5: Deferred tax	52		
Note 3.6: Other receivables	52		
Note 3.7: Share capital	52		
Note 3.8: Other payables	53		

Section 1:

Basis of preparation

Note 1.1:	Accounting policies	36
Note 1.2:	Critical accounting estimates and judgements	37

NOTE 1.1 - ACCOUNTING POLICIES

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 applying to entities of reporting class C.

The Consolidated Financial Statements have been prepared under the historical cost convention, except that 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 Consolidated Financial Statements are presented in DKK million.

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

Goodwill and contingent consideration related to non-controlling interest (included in "Other payables") have been adjusted by DKKm 21m as put options related to certain agreements were not recognised at the time of acquisition. The comparative figures have been adjusted. The income statement and equity have not been impacted.

Except as outlined below, the accounting policies, judgements and estimates are consistent with those applied in the Consolidated Financial Statements for 2020.

Adoption of new and amended standards

The IASB has issued a number of new standards and amendments (IFRS 9, IAS 39, IFRS 7 and IFRS 16) with effect for the 2021 Consolidated Financial Statements.

None of the new standards issued have any significant impact on the Consolidated Financial Statements for 2021.

New accounting regulations

The IASB has issued a number of new standards and amendments (IAS 1, IAS 8, IAS 12 and IFRS 16) 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 realised and unrealised 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 been 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 been 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.

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.

NOTE 1.1 - ACCOUNTING POLICIES - Continued

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 interest 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 judgements, estimates and assumptions for the individual items are described below.

Critical accounting estimates and judgements related to:

Accounting estimates:

- Deferred tax assets cf. notes 2.9 and 3.5
- Goodwill and brands, cf. note 3.1
- Business combination, cf. note 6.1
- Provisions, cf. note 6.2

Management judgements:

- Incentive program, cf. note 2.4
- Special items, cf. note 2.6
- Leases, cf. note 3.3
- Business combination, cf. note 6.1

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

Re-assessment of useful lives and scrap values

With effect from 1st January 2021, the useful lives and scrap values for certain tangible assets have been re-assessed following updated industry knowledge and own use and experience of the use of the assets. The re-assessment has reduced the depreciations by DKKm 4 in 2021.

Section 2:

Consolidated income statement

Note 2.1:	Segments and revenue	39
Note 2.2:	Other income	40
Note 2.3:	Staff costs	41
Note 2.4:	Incentive program	41
Note 2.5:	Amortisation, depreciation and impairment losses	41
Note 2.6:	Special items	42
Note 2.7:	Financial income	42
Note 2.8:	Financial expenses	42
Note 2.9:	Tax	43
Note 2.10:	Discontinued operations	44
Note 2.11:	Sale of businesses	45

NOTE 2.1 – SEGMENTS AND REVENUE**SEGMENTS**

DKKm	Americas	Asia	Europe	Middle East	Non-allocated items and elimination	Total continuing operations
2021						
Revenue from external customers	174	69	386	28	-	657
EBITDA*	46	28	40	-	(5)	109
Non-current assets	257	158	619	30	(127)	937

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	141	595	29	(82)	911

*: 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 normally 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 which 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 are within the same class, primarily customers within the offshore oil industry operating in the same geographical area. They 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

DKKkM	Oil and gas	Maritime	Renewables	Other safety critical industries	Total continuing operations
2021					
Americas	140	15	1	18	174
Asia	54	2	3	10	69
Europe	200	54	64	68	386
Middle East	26	-	-	2	28
Total	420	71	68	98	657

DKKkM	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

NOTE 2.2 – OTHER INCOME

DKKkM	2021	2020
Government grants	26	31
Other operating income	6	9
Total other income	32	40

§ | 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 thereto.

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:

DKKkM	2021	2020
United Kingdom	99	84
The Netherlands	72	71
Norway	110	87
US	61	52
Denmark	56	38
Other	259	203
Total	657	535

Revenue split by services:

DKKkM	2021	2020
Digital and blended learning revenue	68	23
Non-digital revenue	589	512
Total	657	535

Supplementary information

Government grants 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 government grants primarily relate to reimbursement of salaries to employees, compensation of costs and negative effect from lost revenue.

The Group has in total received DKKkM 26 (DKKkM 31), mainly in Europe, the US and Canada. For some of the received grants, the usage and obligations are uncertain as per the balance sheet date, and accordingly the Group has only recognised the portion of the grants, which is expected to meet the terms and conditions for the receipt of the grants. The portion not expected to meet the terms and conditions amounts to DKKkM 6 (DKKkM 6), which is recognised as other payables.

NOTE 2.3 – STAFF COSTS

DKKm	2021	2020
Wages and salaries	(266)	(272)
Pensions, defined contribution plans	(15)	(14)
Other social security costs	(20)	(23)
Other staff costs	(23)	(24)
Total staff costs	(324)	(333)
of which is classified as special items, cf. note 2.6	5	15
Total staff cost excl. special items	(319)	(318)
Average number of employees	790	784

Key Management Compensation

Key management consists of Board of Directors and Group Management (Executive Management and other key management). The compensation paid or payable is shown below:

TDKK	2021	2020
<i>Executive Management and Board of Directors:</i>		
Fee, wages and salaries, incl bonus and fringe benefits	(5,065)	(3,839)
Pensions	(348)	(334)
<i>Other key management:</i>		
Wages and salaries, including bonus	(8,801)	(5,839)
Pensions	(483)	(483)
Total management compensation	(14,697)	(10,495)
of which is classified as special items, cf. note 2.6	147	-
Total management compensation excl. special items	(14,550)	(10,495)

§ | Accounting policy

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

Supplementary information

The Executive Management consisted of the Group CEO. With reference to the Danish Financial Statements Act, section 98b, article 3, the remuneration to the Board of Directors and Executive Management has not been disclosed separately.

NOTE 2.4 – INCENTIVE PROGRAMME

The parent company P-Holding RelyOn Nutec A/S offered a share investment and a 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 2021, the outstanding number of shares amounts to 2.8% (2.8%) of the share capital in P-Holding RelyOn Nutec A/S and the outstanding number of warrants amounts to potential shares equal to 5% (5%) of the current share capital in P-Holding RelyOn Nutec A/S. Hereof, the Group Management holds shares of 1.5% (1.5%) and warrants of 2.4% (2.4%) and the Board of Directors holds shares of 0.6% (0.6%) and warrants of 1% (1%).

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.

§ | 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 2021 is DKKm 3.4. The liability is classified as other payables in the balance sheet. The liability was reduced by DKKm 0.6 (2.6). 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 2021.

NOTE 2.5 – AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKKm	2021	2020
Depreciation on property, plant and equipment cf. note 3.2	(33)	(38)
Depreciation on property, plant and equipment - right-of-use asset cf. note 3.3	(30)	(37)
Total depreciation	(63)	(75)
Amortisation of intangible assets, cf. note 3.1	(22)	(19)
Total amortisation	(22)	(19)

No impairment losses have been recognised in 2021 and 2020.

NOTE 2.6 – SPECIAL ITEMS

DKKm	2021	2020
Transactions costs	2	(1)
Restructuring costs, termination benefits and severance payments etc. following COVID-19	(7)	(15)
Total	(5)	(16)

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

	2021			2020		
	Before	Special items	After	Before	Special items	After
Revenue	657	-	657	535	-	535
Other income	32	-	32	40	-	40
Cost of sales	(200)	-	(200)	(164)	-	(164)
Staff costs	(324)	5	(319)	(333)	15	(318)
Other external costs	(64)	3	(61)	(63)	1	(62)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	101	8	109	15	16	31
Depreciation and impairment losses on property, plant and equipment	(63)	-	(63)	(75)	-	(75)
Operating result before amortisation and special items (EBITA)	38	8	46	(60)	16	(44)
Amortisation of intangible assets	(22)	-	(22)	(19)	-	(19)
Operating result before special items	16	8	24	(79)	16	(63)
Special items	-	(5)	(5)	-	(16)	(16)
Operating result (EBIT)	16	3	19	(79)	-	(79)
Financial income	11	(3)	8	7	-	7
Financial expenses	(73)	-	(73)	(82)	-	(82)
Result before tax	(46)	-	(46)	(154)	-	(154)

§ | 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	2021	2020
Exchange rate gains, net	1	-
Fair value adjustment of contingent consideration, non-controlling interest cf. note 5.1	4	5
Other financial income	3	2
Total	8	7

NOTE 2.8 – FINANCIAL EXPENSES

DKKm	2021	2020
Bond interest	(31)	(34)
Lease liabilities, cf. note 3.3	(22)	(24)
Exchange rate losses, net	-	(10)
Other financial expenses	(20)	(14)
Total	(73)	(82)

§ | 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

DKK ^m	2021	2020
Current tax on result for the year	(5)	(13)
Deferred tax on result for the year and previous years	(5)	11
Total income tax	(10)	(2)
Calculated 22% tax on result for the year for continuing operations	11	35
Tax effects of:		
Non-taxable income	-	2
Non-deductible expenses	-	-
Tax losses not capitalised	(9)	-
Adjustment of tax relating to previous year	-	(1)
Revaluation of deferred tax assets	(4)	(41)
Difference in foreign tax rates	(6)	3
Others	(2)	-
Total income tax	(10)	(2)
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 2018 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	2021	2020
Revenue	-	19
Cost of sales	-	(4)
Staff costs	-	(15)
Other external costs	-	(3)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	-	(3)
Depreciation and impairment losses on property, plant and equipment	-	(3)
Operating result (EBIT)	-	(6)
Financial expenses	-	-
Loss on sale of businesses, cf. note 2.11	-	(12)
Result before tax	-	(18)
Income tax	-	2
Result for the year of discontinued operations	-	(16)
The result is split as follows:		
Owners of P-RelyOn Nutec 2018 A/S	-	(14)
Non-controlling interests	-	(2)
Result for the year of discontinued operations	-	(16)

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

DKKm	2021	2020
Cash flow from operating activities	-	(3)
Cash flow from investing activities, including sales proceeds	-	13
Cash flow from financing activities	-	-

§ | Accounting policy

Discontinued operations are geographical areas or major lines 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.

2021:

There are no disposals of entities in 2021.

2020:

On 30th October 2020, we entered into an agreement to sell two Nigerian subsidiaries 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 were 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

DKKkM	2021	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)

DKKkM	2021	2020
Cash flow effect		
Loss on sale	-	(12)
Value of net assets	-	27
Recirculation of accumulated exchange rate adjustment of subsidiary	-	7
Settlement of balance with P-RelyOn Nutec 2018 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 at the fair value of the consideration received.

Section 3:

Statement of financial position

Note 3.1:	Intangible assets	47
Note 3.2:	Property, plant and equipment	49
Note 3.3:	Leases	50
Note 3.4:	Trade receivables and contract assets	51
Note 3.5:	Deferred tax	52
Note 3.6:	Other receivables	52
Note 3.7:	Share capital	52
Note 3.8:	Other payables	53

NOTE 3.1 – INTANGIBLE ASSETS

DKKkm	Goodwill	Brand	Customer contracts	Knowhow	Software	Other intangible assets	Total
Cost at 01.01.2020	211	57	68	27	56	8	427
Prior year adjustment	11	-	2	-	(18)	-	(5)
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	200	51	70	26	37	19	403
Accumulated amortisation and impairment:							
At 01.01.2020	-	-	(10)	(3)	(3)	-	(16)
Amortisation and impairment 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	200	51	52	20	28	17	368
Cost at 01.01.2021	200	51	70	26	37	19	403
Additions in connection with acquisition of businesses, cf. note 6.1	10	-	-	-	-	-	10
Additions	-	-	-	-	-	21	21
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	8	(8)	-
Exchange differences	10	3	-	1	-	-	14
At 31.12.2021	220	54	70	27	45	32	448
Accumulated amortisation and impairment:							
At 01.01.2021	-	-	(18)	(6)	(9)	(2)	(35)
Amortisation and impairment for the year	-	-	(9)	(3)	(7)	(3)	(22)
Transfers	-	-	-	-	(6)	6	-
Exchange differences	-	-	2	-	1	(1)	2
At 31.12.2021	-	-	(25)	(9)	(21)	-	(55)
Carrying amount 31.12.2021	220	54	45	18	24	32	393

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.

§ | 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 10 years.

Other intangible assets

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

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 2021. The tests did not result in any impairment of carrying amounts. The impairment test is based on value in use.

For the year 2022 and projections for subsequent years up to and including 2026, 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 regarding 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 RelyOnNutec.

The terminal growth rate is in line with industry expectations.

≈ | 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.

DKKkm	Asia	Golf of Mexico	Partnerships	Portfolio	Other	Total
2021						
Carrying amount of goodwill	46	51	42	31	50	220
Carrying amount of brands	24	7	4	5	14	54
Annual revenue growth rate	8.0%	11.0%	31.0%	44.0%	8.0% - 10.0%	
EBITDA margin	46.0%	23.0%	21.0%	21.0%	12.0% - 27.0%	
Terminal period growth rate	2.0%	1.5%	4.0%	1.5%	1.5% - 2.0%	
Pre-tax discount rate	7.6%	7.2%	7.0%	7.1%	6.5% - 10.0%	
2020						
Carrying amount of goodwill	40	47	17	33	63	200
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%	

Supplementary information

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

NOTE 3.2 – PROPERTY, PLANT AND EQUIPMENT

DKK m	Property and plant	Equipment	Leasehold improvement	Assets under construction	Total
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 differences	3	-	6	-	9
At 31.12.2020	(5)	(41)	-	-	(46)
Carrying amount 31.12.2020	159	87	33	1	280
Cost:					
At 01.01.2021	164	128	33	1	326
Additions	2	15	2	2	21
Disposals	(2)	(8)	(2)	-	(12)
Transfers	(21)	(2)	5	(3)	(21)
Exchange difference	11	17	5	-	33
At 31.12.2021	154	150	43	-	347
Accumulated depreciation and impairment:					
At 01.01.2021	(5)	(41)	-	-	(46)
Depreciation for the year	(10)	(20)	(3)	-	(33)
Disposals	-	5	2	-	7
Transfers	8	5	(5)	-	8
Exchange difference	(6)	(11)	(3)	-	(20)
At 31.12.2021	(13)	(62)	(9)	-	(84)
Carrying amount 31.12.2021	141	88	34	-	263

*Of which continuing operations accounted for DKKm 38 and sale of businesses accounted for 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.

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 amounted to DKKm 5 (DKKm 1) at the end of December 2021.

NOTE 3.3 – LEASES**Leases in the balance sheet**

DKKm	2021	2020
<i>Right-of-use assets:</i>		
Property and plant	207	202
Equipment	14	19
Carrying amount of right-of-use assets 31/12	221	221
<i>Contractual maturity of lease liabilities:</i>		
< 1 year	42	34
1-5 years	153	181
> 5 years	158	136
Total undiscounted lease liabilities 31/12	353	351
<i>Current/non-current classification (discounted):</i>		
Current	32	30
Non-current	246	274

In 2021, additions to right-of-use assets were DKKm 10 (DKKm 27).

Leases in the income statement

DKKm	2021	2020
<i>Depreciation of right-of-use assets:</i>		
Property and plant	(26)	(32)
Equipment	(4)	(5)
Total depreciation of right-of-use assets	(30)	(37)
Interest on lease liabilities, cf. note 2.8	(22)	(24)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(1)	(1)
Total	(23)	(25)

Leases in the statement of cash flows

DKKm	2021	2020
Installments on lease liabilities	(32)	(34)
Interest on lease liabilities, cf. note 2.8	(22)	(24)
Total	(54)	(58)

§ | 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 direct costs incurred by RelyOn Nutec as the lessee.

RelyOn Nutec has primarily these types of leases: Rental of premises and 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 DKK 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 2021 (2020: 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.

≈ | 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 purchase, 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 2) and on right-of-use assets DKKm 0 (DKKm 0).

2020: 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

	Contracts assets	Trade receivables
DKKm		
Balance at 31.12.2020	9	69

Balance at 31.12.2021	13	91
------------------------------	-----------	-----------

	Expected loss rate	Gross carrying amount, trade receivables	Expected credit loss	Trade receivables
<i>As of 31st December 2020</i>				
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

<i>As of 31st December 2021</i>				
Current	1%	59	-	59
More than 1 day past due	1%	27	-	27
More than 30 days past due	3%	10	(1)	9
More than 60 days past due	7%	4	(1)	3
More than 90 days past due	32%	5	(1)	4
More than 120 days past due	45%	4	(2)	2
		109	(5)	104

§ | 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.

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 2021, outstanding trade receivables in the amount of DKKm 22 (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.

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

DKKm	2021	2020
Opening balances	(10)	(8)
Change during the year	5	(2)
Expected credit loss at 31 December	(5)	(10)

NOTE 3.5 – DEFERRED TAX

DKKm	Asset	Liability
Deferred tax at 01.01.2020	17	10
Addition of business	-	(3)
Deferred tax recognised in the income statement	9	(2)
Deferred tax at 31.12.2020	26	5

Deferred tax at 01.01.2021	26	5
Addition of businesses, cf. note 6.1	-	-
Deferred tax recognised in the income statement	19	10
Deferred tax at 31.12.2021	45	15

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

Deferred tax at 31.12.2021 relates to:	Asset	Liability
Intangible assets	-	14
Property, plant and equipment	25	1
Tax loss carry forwards	20	-
Total	45	15

§ | Accounting policy

Accounting policy is described in note 2.9.

Supplementary information

The Group has unrecognised tax losses to carry forward amounting to DKKm 113 (DKKm 103). With the exception of losses capitalised in deferred tax, the Group is of the opinion that utilisation within 3-5 years is not possible. The majority of the tax losses to carry forward have no expiry date.

Tax assets related to the tax loss carried forward have been recognised in countries where we expect to generate positive taxable income from 2022 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 RECEIVABLES

DKKm	2021	2020
Reimbursement of costs	2	1
Other receivables	14	14
Total	16	15

NOTE 3.7 – SHARE CAPITAL

The share capital comprises:	Number of shares	Nominal value DKKm
Share capital 31.12.2020	4,043,333	4
Capital increase 16.12.2021	286,694	-
Share capital 31.12.2021	4,330,027	4
Share capital 31.12.2021	4,330,027	4

Share capital is distributed as follows:		
A-shares	2,130,530	2
B-shares	2,199,497	2
Share capital 31.12.2021	4,330,027	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	2021	2020
<i>Non-current liabilities</i>		
Contingent consideration, non-controlling interest cf. note 5.1	-	26
Other liabilities	35	22
Total	35	48
<i>Current liabilities</i>		
Employee related liabilities	65	48
Contingent consideration, non-controlling interest cf. note 5.1	34	12
VAT	12	10
Income tax payable	2	1
Prepayments	9	7
Other	8	6
Total	130	84

Section 4: Financial Risk Management

Note 4.1:	Financial risk management	55
Note 4.2:	Market risk	55
Note 4.3:	Credit risk	56
Note 4.4:	Liquidity risk	57

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 2021, the exposure to credit risk related to cash and cash positions equivalents was DKKm 43 (DKKm 70). 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 2021 and 2020.

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.

Main currency exposures	Currencies exposure - sensitivity analysis					
	2021			2020		
	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	-	5	7	-	4	7
DKK / MYR	-	-	6	-	-	5
DKK / NOK	-	-	2	-	-	1
DKK / USD	-	19	15	1	16	14
DKK / TTD	-	-	2	-	-	2
DKK / BRL	-	-	1	-	-	1

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 on 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 reference interest rate cannot be less than 0%, the sensitivity 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 2.3.

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

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

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 are 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 the 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 is monitored locally, and a global follow-up as per development is 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
2021			
Cash and cash equivalents	44	-	44
<i>Trade receivables and contract assets:</i>			
Major oil companies or public companies	38	(1)	37
Private and commercial	71	(4)	67
Total	153	(5)	148
2020			
Cash and cash equivalents	70	-	70
<i>Trade receivables and contract assets:</i>			
Major oil companies or public companies	29	(1)	28
Private and commercial	59	(9)	50
Total	158	(10)	148

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 in 2020:

As announced in June 2020, Management 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 had 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 payments from 11th September 2020 to 11th March 2021 were deferred. 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).
- 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 was 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.

Transaction costs associated with the 2020 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 of 31st December 2021, the Group's liquid reserves consisted of readily available liquid funds of DKKm 25 (DKKm 48) and unused revolving credit facility of DKKm 63 (DKKm 67).

DKKm 18 (DKKm 22) of the total cash position at 31st December 2021 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 2021, DKKm 384 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-financing 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, including 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
2020						
Bond		22	508	-	530	400
Credit facility		-	40	-	40	40
Deferred consideration		31	-	-	31	31
Contingent consideration, non-controlling interest		12	26	-	38	38
Trade payables		70	-	-	70	70
Lease liabilities		34	181	136	351	304
Other payables		62	22	-	84	84
Total		231	777	136	1,144	967
2021						
Bond		30	442	-	472	413
Credit facility		-	40	-	40	40
Deferred consideration		-	-	-	-	-
Contingent consideration, non-controlling interest		34	-	-	34	34
Trade payables		103	-	-	103	103
Lease liabilities		42	153	158	353	278
Other payables		110	20	-	130	130
Total		319	655	158	1,132	998

Financial assets and liabilities per measurement category

	2021	2020
<i>Financial assets</i>		
Financial assets at amortised cost:		
Trade receivables	91	69
Contract assets	13	9
Prepayments	18	11
Other receivables	16	15
Cash and cash equivalents	44	70
Total	182	174
<i>Financial liabilities</i>		
Liabilities at amortised cost:		
Bond	413	400
Trade payables	103	70
Credit facility	40	40
Deferred consideration	-	31
Lease liabilities	278	304
Other payables	130	84
	964	929
<i>Liabilities at fair value</i>		
Contingent consideration, non-controlling interest (part of other liabilities in the balance sheet)	34	38
Total	998	967

Section 5: Capital Structure

Note 5.1:	Measurement and fair value hierarchy	60
Note 5.2:	Changes in liabilities arising from financing activities	61
Note 5.3:	Capital management	61

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	Amount	Level 1	Level 2	Level 3
2020				
<i>Fair value</i>				
Contingent consideration, non-controlling interest	38	-	-	38
Amortised cost				
Deferred consideration	31	-	31	-
Bond	400	306	-	-
Total financial liabilities	469	306	31	38
2021				
<i>Fair value:</i>				
Contingent consideration, non-controlling interest	34	-	-	34
Amortised cost:				
Bond	413	383	-	-
Total financial liabilities	447	383	-	34

Fair value level 3 development	2021	2020
01.01	38	43
Fair value adjustment in the income statement cf. note 2.7	(4)	(5)
31.12	34	38

Net interest-bearing debt

DKKm	31.12.2021	31.12.2020
Cash and cash equivalents	44	70
Credit facilities	40	40
Bond	413	400
Loan from related party	-	28
Lease liabilities	278	304
Total interest-bearing debt	731	772
Net interest-bearing debt	687	702

§ | 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 techniques 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 per cent 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

DKKm	31.12.2019	Cash flows	Non-cash changes	31.12.2020
Credit facilities	42	(2)	-	40
Bond	371	30	30	431
Deferred consideration	76	(48)	-	28
Capital increase	-	84	-	84
Lease liabilities	330	(34)	8	304
Total liabilities from financing activities	819	30	38	887

DKKm	31.12.2020	Cash flows	Non-cash changes	31.12.2021
Credit facilities	40	-	-	40
Bond	431	-	17	448
Deferred consideration	28	(28)	-	-
Capital increase	84	28	-	112
Lease liabilities	304	(32)	6	278
Total liabilities from financing activities	887	(32)	23	878

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.

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.

The Group's liquidity reserves amounted to DKKm 106 at the end of December 2021, of which DKKm 63 is an unused RCF facility. At the end of January 2022, we drew DKKm 30 on the RCF facility.

Management assessed that the capital resources are sufficient.

Section 6: Other notes

Note 6.1:	Business combination	63
Note 6.2:	Provisions	65
Note 6.3:	Change in net working capital	65
Note 6.4:	Fee to auditors	66
Note 6.5:	Related parties	66
Note 6.6:	Commitments and contingent liabilities	66
Note 6.7:	Events after the balance sheet date	66
Note 6.8:	Group companies	67

NOTE 6.1 – BUSINESS COMBINATION

2021:

On 23rd August 2021, we acquired 25 per cent of the shares in CAVU International with an option to buy further shares at a later stage. CAVU is a US-based safety leadership and performance optimisation service company with unique and best-in-class leadership experience from the US and international defence. They have proven capabilities to transform underperforming teams, implement leadership foundations and building a continuous performance improvement team culture. They have a proven track record of building strong revenue and EBITDA growth.

The acquisition is not material compared to the value of the Rely on Nutec Group. The purchase price allocations are preliminary.

It has been determined that control exists in accordance with IFRS 10 “Consolidated Financial Statements” due to rights from shareholders’ agreement and call options. Therefore, CAVU is subject to full consolidation with a non-controlling interest of 75%. In accordance with our accounting policy non-controlling interests are measured either:

- a) at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or
- b) 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. In this transaction the fair value method (a) is selected.

A goodwill amount of DKKm 10 has been recognised. The goodwill from the acquisition (25%) is amortised and deducted for tax purposes. The value of the acquisition comes from the presence in geographical markets and locations as a well as a skilled workforce and various synergies following the integration.

The transaction costs are DKKm 0.2 and are recognised in the income statement as special items in accordance with our accounting policy.

The acquired entity has as from the date of acquisition contributed with revenue of DKKm 5 and loss before tax of DKKm 0.3. If the entity had been acquired on 1st January 2021, the Group’s revenue would have been DKKm 661 and loss before tax DKKm 50.

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

DKKm	Fair value
Cash	4
Trade receivables	2
Property, plant and equipment	1
Other assets	1
Non-current liabilities	(5)
Other current liabilities	(1)
Net identifiable assets acquired	2
Non-controlling interests	(9)
Goodwill	10
Total purchase consideration	3
Cash flow from acquisition	
Cash consideration	3
Settlement of acquired debt to seller	3
Less cash acquired	(4)
Net outflow of cash	2

2020:

No acquisitions have been made in 2020.

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

DKKkm	Refurbishment provision	Total
At 01.01.2020	21	21
Reclassification	(2)	(2)
Exchange differences	(1)	(1)
At 31.12.2020	18	18
Additions	4	4
Exchange differences	1	1
At 31.12.2021	23	23
Of which is classified as non-current	23	23

§ | 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

DKKkm	31.12.2021	31.12.2020
Change in trade receivables and contract assets	(26)	105
Change in trade payables	33	(27)
Change in other receivables	(9)	11
Change in other operating liabilities	22	(6)
Sale of businesses cf. note 2.11	-	(5)
Currency adjustments	1	-
Total change in working capital	21	78

Supplementary information

A positive change in working capital is an expression of a decrease in working capital.

A negative change in working capital is an expression of an increase in working capital.

NOTE 6.4 – FEE TO AUDITORS

DKKm	2021	2020
Audit fee to PwC	(4.1)	(4.2)
Other assurance engagements	-	(0.2)
Tax advisory services	(0.5)	(0.2)
Other services	(0.2)	(0.6)
Total	(4.8)	(5.2)

Supplementary information

2021:

Other services provided by PricewaterhouseCoopers, Statsautoriserede revisionspartnerselskab, amounted to DKKm 1 in 2021 and were primarily related to general accounting and tax advisory.

2020:

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

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 with the immediate other related parties:

Group contribution: DKKm 0 (DKKm 82)

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 Group 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 and aggregated carrying amount of the net assets the subsidiaries pledged as at 31 December 2021 was DKKm 220 (DKKm 255).

NOTE 6.7 - EVENTS AFTER THE BALANCE SHEET DATE

The condemnable conflict between Russia and Ukraine has let us to cease activities in Russia however this will have limited impact on our 2022 business activities.

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
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	3281875 Nova Scotia Limited	68%
Americas	Canada	Cavu Canada (branch)*	25%
Americas	Guyana	RelyOn Nutec Guyana Inc.	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 & Tobago	RelyOn Nutec Services Limited	100%
Americas	Trinidad & Tobago	Haztec Services Trinidad, Ltd. (Dormant)	100%
Americas	USA	RelyOn Nutec USA Holdings, LLC	100%
Americas	USA	RelyOn Nutec Services, Inc.	100%
Americas	USA	RelyOn Nutec USA, LLC	100%
Americas	USA	CAVU International LLC*	25%
Americas	USA	CAVU International I LLC*	25%
Asia	Australia	RelyOn Nutec Australia PTY LTD	100%
Asia	Malaysia	MSTS Asia Sdn. Bhd.	60%
Asia	Malaysia	Risktec (M) Sdn. Bhd. (Dormant)	60%
Asia	Malaysia	RelyOn Bestari Healthcare Sdn Bhd*	49%
Asia	Malaysia	RelyOn Nutec Malaysia Sdn. Bhd.	95%
Asia	Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	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%

Region	Country	Legal name	Equity interest
Europe	Belgium	RelyOn Nutec Belgium BVBA	100%
Europe	Denmark	Bidco RelyOn Nutec A/S	100%
Europe	Denmark	P-Holding RelyOn Nutec A/S	94%
Europe	Denmark	P-RelyOn Nutec 2018 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	Germany	RelyOn Nutec Germany GMBH	100%
Europe	Norway	RelyOn Nutec Simulation AS	100%
Europe	Norway	RelyOn Nutec Norway AS	100%
Europe	Norway	Cavu Norway (branch)*	25%
Europe	Russia	LLC Cavu*	24,50%
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%
Europe	United Kingdom	RelyOn Nutec Ltd.	100%
Europe	United Kingdom	Aberdeen Drilling School Ltd	100%
Europe	United Kingdom	RelyOn Nutec Digital Ltd.	100%
Middle East	Azerbaijan	RelyOn Nutec Azerbaijan LLC	100%
Middle East	Oman	Aberdeen Drilling International Co. LLC (Under liquidation)	70%
Middle East	Qatar	RelyOn Nutec (Safety Training & Services) LLC*	49%
Middle East	Saudi Arabien	Aberdeen Drilling School LLC Co.	100%
Middle East	UAE	RelyOn Nutec Safety Services LLC*	49%
Middle East	UAE	Aberdeen Drilling International Limited	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.

**The shareholding will increase from 60% to 80% as of 31st January 2022.

Parent company financial statements

Income statement and change in equity	69
Statement of financial position	70
Notes	71



INCOME STATEMENT

TDKK	Notes	2021	2020
Other external expenses		-	(113)
Operating result (EBIT)		-	(113)
Financial income		3.361	1,558
Financial expenses		-	(1)
Result before tax		3.361	1,444
Income tax		-	-
Result for the year		3.361	1,444

STATEMENT OF CHANGES IN EQUITY

TDKK	Share capital	Retained earnings	Total
Equity at 01.01.2020	3,216	268,668	271,884
Result for the year	-	1,444	1,444
Capital increase	827	81,882	82,709
Equity at 31.12.2020	4,043	351,994	356,037
Result for the year	-	3.361	3.361
Capital increase	287	28,383	28,670
Equity at 31.12.2021	4,330	383,738	388,068

STATEMENT OF FINANCIAL POSITION

TDKK	Notes	31 December 2021	31 December 2020
Investments in subsidiaries	1.1	324,333	324,333
Loan related party		63,589	31,558
Total non-current assets		387,922	355,891
Cash and cash equivalents		226	375
Total current assets		226	375
Total assets		388,148	356,266

TDKK	Notes	31 December 2021	31 December 2020
Share capital	1.2	4,330	4,043
Retained earnings		383,731	351,994
Total equity		388,061	356,037
Other payables		87	229
Total current liabilities		87	229
Total liabilities		87	229
Total equity and liabilities		388,148	356,266

Notes

Section 1: Income statement

Note 1.1: Investments in subsidiaries 72

Note 1.2: Share capital 72

Section 2: Other notes

Note 2.1: Related parties 73

Note 2.2: Commitments and contingent liabilities 73

Note 2.3: Events after the balance sheet date 73

Section 3: Basis of preparation

Note 3.1: Basis of preparation 73

Note 3.2: Accounting policies 73

NOTE 1.1 – INVESTMENTS IN SUBSIDIARIES

TDKK	2021	2020
Cost:		
At 1 st January	324,333	271,624
Additions	-	52,709
At 31st December	324,333	324,333
Accumulated impairment:		
At 1 January	-	-
Impairment for the year	-	-
At 31st December	-	-
Carrying amount at 31.12	324,333	324,333
Subsidiaries comprise:		
P-Holding RelyOn Nutec A/S	94%	94%

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 2021. The financial statements include comparative figures from 1 January – 31 December 2020.

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 2020.

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 the Executive Management	75
Independent auditor's report	76
Company information	78
Definitions	79



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 2021.

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 2021 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 2021.

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 2022

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 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 2021, 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' International 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 AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Financial 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 Company or to cease operations, or has no realistic alternative but to do so.

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 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 or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content 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.

Hellerup, 30th June 2022

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 01.01.2021 - 31.12.2021
Established 31 August 2018
Municipality of headquarter; Copenhagen

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

Board of Directors

Allah 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 P-RelyOn Nutec 2018 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 the US.

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, Australia, 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.

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

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.

T Trade Working Capital (TWC) Trade receivables plus inventory less trade payables.

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 Nutech

