RelyOn Nutec

ANNUAL REPORT

2022

BidCo RelyOn Nutec A/S

Kalvebod Brygge 45, 3rd floor

1560 Copenhagen V

Company reg. no 39 46 78 36

RelyOn Nutec

Your global partner for safety critical industries

We support you saving lives and protecting the environment

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www.relyonnutec.com

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INTRODUCTION

LETTER FROM THE CEO

Robust 2022 performance creates a solid platform for further fast-paced transformational growth. Therefore, we are launching a new strategy “ReCharge” targeting 70% organic growth by end of 2026

The global pandemic gradually eased during 2022 and business conditions finally recovered for our Asian activities over the summer.

The devastating war in Ukraine disrupted the European supply chain, drove inflation and put security and European energy supply to the top of the agenda.

The intense focus on energy security has provided long-term market support across the energy supply chain and paved the way for accelerated investments in an already recovering oil and gas sector. This will drive larger cross-sector activities in the coming years, and we have taken several initiatives to cater for the projected increase in demand from our customers, i.e., fast-tracked a complete rebuild of our facilities in Brazil. Combined with the announced footprint expansion with new facilities in Guyana and Mexico opening in 2023, we are well equipped to provide our customers with additional services in many of the fastest-growing geographies.

Strong growth trajectory in renewables

In 2022, our renewables revenue grew by 25 per cent – more than double the general market growth.

We acquired Complete Training Solutions (CTS), a leading niche player in training for the renewable sector in Liverpool, the UK. With this acquisition, we have a strong service platform across the UK cementing our global leadership position in training provision for the wind energy sector.

Expanding into electrical safety training and consultancy

The electrification of societies continues at a high pace and as the leading provider of safety and skills training to the wind industry, we are eager to broaden our reach and scope with electrical and power grid training and consultancy.

In September, we expanded into high voltage electrical skills and safety training and consultancy for the electricity supply industries by acquiring an initial interest in Thomson Bridge (TB). Australia-based TB is a leading specialist in training and electrical safety consultancy for global asset owners and OEMs across the electrical supply sector. Our international footprint and digital learning capabilities will facilitate accelerated internationalisation of their services and the initiative has been well received amongst our clients.

Digital transformation continuing at full speed

In 2022, we reached combined digital and blended revenue of DKKm 125, an increase of 84 per cent from the year before. The growth means that the digital offerings contribute a considerable share of our revenue.

Our data-driven blended and adaptive digital learning approach is unrivalled and well received amongst our customers. With a strong learning library for our core industry verticals, our focus has shifted to building a disruptive adaptive digital learning library for the electrical supply industry.

During 2022, we obtained proof of concept for our new Business Portal, and we have already onboarded more than 800 customers across the world. The Business Portal is a cornerstone in our delivery of a modern digitally supported seamless customer experience enabling us to accelerate the up- and cross-selling of digital products.

Building on our achievements

Our colleagues have delivered solid results for 2022 and we have taken further transformative initiatives to make the world a safer and more sustainable place. We are therefore well positioned to continue our transformational growth with attractive and sustainable margins.

“With the launch of our new strategy “RECHARGE”, we are setting ambitious transformational growth targets”

TORBEN HARRING
Group CEO

PERFORMANCE HIGHLIGHTS 2022

"36% YoY revenue growth, 70% EBITDA growth and 84% growth in blended and digital services thanks to dedication from our teams across the world"

Torben Harring, CEO

Revenue (DKKm)

895

Up from DKKm 657

↑ 36%

EBITDA (DKKm, margin)

184 *(21%)*

Up from DKKm 108 (16%)

↑ 70%

EBITA (DKKm)

115

Up from DKKm 45

↑ 155%

Digital and blended learning revenue (DKKm)

125

Up from DKKm 68

↑ 84%

Renewable energy Revenue (DKKm)

85

Up from DKKm 68

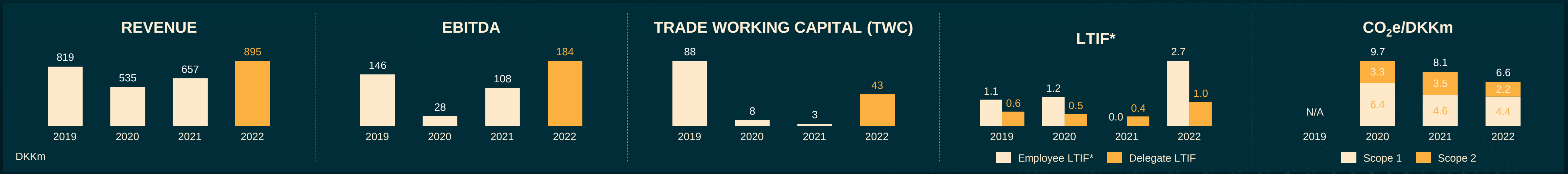
↑ 25%

Customer retention

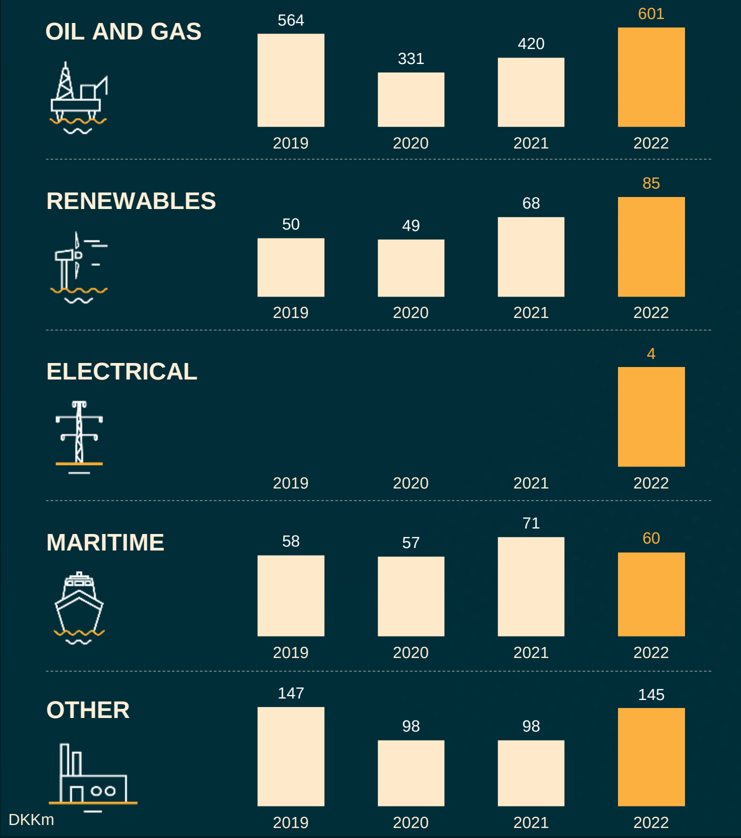
94%

YoY growth

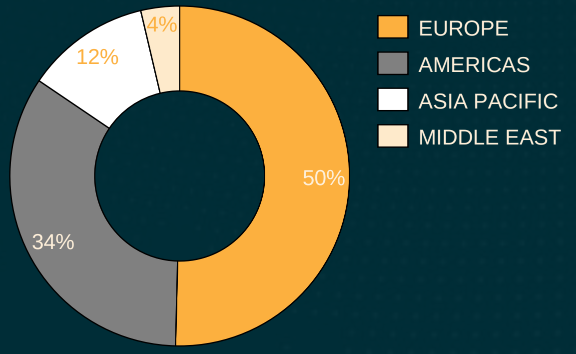
2022 at a glance



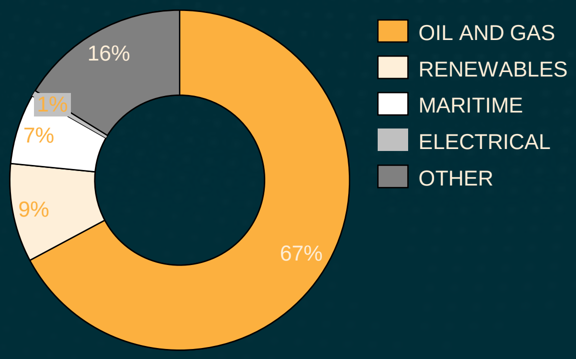
INDUSTRIES



GEOGRAPHIES

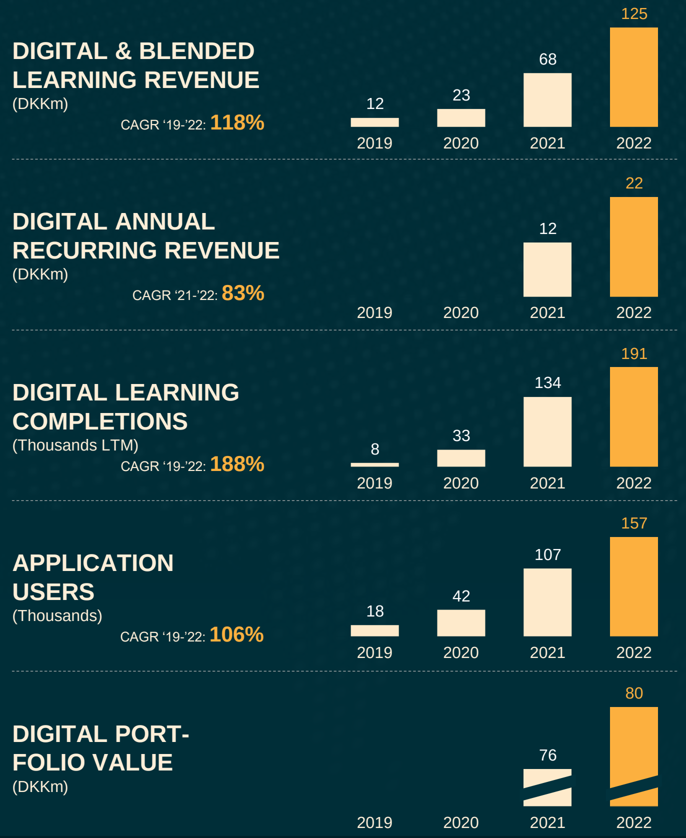


INDUSTRIES



% of revenue in 2022

DIGITAL PERFORMANCE



STRATEGY AND OUTLOOK

Energy security has become top priority on the political agenda stimulating further investments in the oil and gas industry. Combined with a strong long-term investment outlook for renewables, power grids and the energy transition, this creates a solid market outlook for our services in the years to come.

The Esbjerg declaration[1] and the Inflation Reduction Act[2] confirm the European and American political commitment to significant investments in renewable energy and electrification.

ReCharge - the leading innovator to protect people, assets and the environment

It is our mission to empower workforces to reach their full potential by connecting people and advanced learning technologies with a vision to become the leading innovator to protect people, assets and the environment.

To achieve this, we focus on four core pillars:

1) Digital services
2) Safety leadership
3) Renewables and electrification
4) Oil and gas and the energy transition

The ambition is a revenue of DKKm 1,500 with an EBITDA-margin above 20 per cent in 2026.

Full speed rollout of digital services across industries

A key element in our strategy is to drive digital and blended learning across sectors. Our blended and adaptive learning approach is unrivalled in the digital learning market.

We will:

- Primarily build adaptive learning programmes
- Build comprehensive portfolios for each of our core industry verticals
- Build blended adaptive digital learning for our core services

We aspire to drive a flipped classroom approach, meaning that our blended learning will consist of adaptive learning theory taken before commencing practical training exercises that again will put extra focus on the topics where the learners struggled during the theoretical part.

We will continue to advance our applications and simulation tools providing customers with purpose-built solutions founded on industry expertise.

Safety leadership global rollout

Leadership and safety culture go hand in hand across high-risk industry verticals, where the margins between success and failure are narrow and the consequences of failure can be fatal. The market is unstructured and largely untapped.

With the acquisition of initial shares in CAVU International, we will bring best-in-class and battle-tested leadership consulting services and performance optimisation programmes to our customers across industries and geographies. The programmes are designed and delivered from experts with decades of experience from the US and the international defence sector.

Fast-paced growth in renewable and electrical services

We are the proven leader of safety and skills training to the wind industry, and we are committed to supporting our customers with broadening our reach and services.

We will:

- Expand the renewable service line and include more of our facilities as the renewable industry advances, and establish strategic partnerships in select geographies, where we are currently not present
- Roll out our Thomson Bridge based high voltage electrical skills and safety training and consultancy services to support customers across the electrical supply sector

Oil and gas and energy transition at our core

The oil and gas industry continues to be core and we are committing to the sector with expansion in both geographies and services.

We will:

- Open new facilities in Mexico (Q2) and Guyana (Q2) and be ready with a complete rebuilt facility in Brazil in 2023
- Further professionalise our customers' learning experience and enhance their knowledge retention using our advanced applications and adaptive blended learning approach
- Further roll out our advanced drilling and lifting simulation services, supporting customers upskilling their workforces

We will support customers with educational efforts in, i.e., carbon capture or other means of reducing the CO2-footprint from the oil and gas production.

2023 outlook

The outlook for 2023 assumes continued healthy business climate in the oil and gas sector with a "mild" short-term slowdown in growth rates in the renewable energy sector. The outlook should be read in conjunction with the risk factors on page 27.

	2022 *Realised*	**2023** *Outlook*
Revenue	**DKKm 895**	Around DKKm 1,000
EBITDA	**DKKm 184**	Around DKKm 210

Delivering on expectations for 2022

As a result of strong performance, we upgraded our FY guidance three times during 2022 also exceeding our latest FY guidance.

DKKm	**2022** *Outlook (Mar '22)*	**2022** *Outlook (May '22)*	**2022** *Outlook (Aug '22)*	**2022** *Outlook (Nov '22)*	**2022** *Realised*
Revenue	750-800	(upper end)	825-875	860-880	**895**
EBITDA	140-160	(upper end)	160-180	175-180	**184**

1) At the North Sea Summit in Esbjerg, Heads of Governments from Germany, Belgium, the Netherlands, and Denmark took a vast step towards reaching the EU's climate neutrality goal. By co-signing a joint declaration that will make the North Sea a green, European powerhouse, the four countries aim to harvest 150 GW offshore wind by 2050.
2) The U.S. Inflation Reduction Act (IRA) represents the most significant climate legislation to date and the single largest investment in climate and clean energy solutions in U.S. history. The law is designed to reduce the U.S. CO2 emissions by 50% already in 2030

ReCharge

Utilising our existing capabilities and leverage digital services to grow our presence in markets while taking a leading role in the energy transition

A clear vision…

Mission

Empower workforces to reach their full potential by connecting people and advanced learning technologies

Vision

Be the leading innovator to protect people, assets and the environment

…with a focus on four core strategies….

Digital services

Digital learning
Drive digital and blended learning across sectors

Platform
Commercialise business portal and workforce mgmt.

Partnerships
Retailing digital service to drive recurring revenue

Safety leadership

Leadership
Further advance and roll out the digital course series Leadership Pro

Performance optimisation
Roll out across footprint to service existing and new customers

Renewables and electrification

Electrical
Enter optimal markets and leverage existing capabilities

Wind
RelyOn wind academy in markets with offshore potential

Solar
Expand offerings to include solar market

Oil and gas and the energy transition

Oil & Gas
Establish digital handshakes & drive adaptive, blended learning

Carbon capture
Leverage existing knowledge to assist with the energy transition

Hydrogen
Expand offerings to also capture market share within hydrogen

..to enable fulfilment of RelyOn Nutec's ambition

- **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**

Be the leading innovator to protect people, assets and the environment

OUR BUSINESS

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

21 Countries

+30 Training facilities

+250k Trained annually

+30 International certifications

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

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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

Electrical

We service the Electricity Supply Industry (ESI) sectors that generate, transmit, distribute and use electricity

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 defence

OUR INDUSTRIES

The importance of the energy transition is now greater than ever. The renewable energy sector is expected to grow at accelerating speed, and governments are expanding their investments in renewable energy. Nonetheless, the energy transition is still in its early stages and the renewable industry is currently facing problems of personnel shortage and needs to recruit, train, retrain, educate and upskill workers now.

Originally, due to the previously perceived downscaling of carbon producing energy sources, it was assumed that skilled experienced workers from the offshore oil and gas industry would transfer into renewables and in particular offshore wind - but the recent energy crisis has led many workers to stay in their jobs as pay and demand are high. Furthermore, as the average oil and gas workers are already far progressed in their career, many do not consider a change of industry that far along in their work life.

We recognise the importance and urgency of the energy transition, and we support the energy transition to clean and renewable ways of generating energy by educating skilled and competent workers that serve the industry for a long time. As a training and service provider for safety-critical industries with over 50 years of experience, we support the growth of the energy sector through providing essential training courses and services.

We aim at offering the renewable industry a place for educating and training their personnel, to allow the OEMs (original equipment manufacturers) to concentrate on their key focus without the distraction or expense of multiple individual training centres.

RelyOn Nutec is growing faster than the overall market positioned to take advantage of the significant opportunity presented by the energy transition. With locations along the key coasts of Europe and in the US, RelyOn Nutec has training locations in some of the largest established and high-growth offshore wind markets in the world.

The future workforce

We can and will make an impact on the current shortage of skilled personnel - through training the right people the right way. As the transition of oil and gas workers to the renewable sector is progressing slowly, one should consider placing the focus for a future workforce on a different target group. At the moment, OEMs are struggling to recruit enough skilled employees, as often the pay for technicians is not high enough to provide a sufficient reason to transition from other industries. Therefore, training younger age groups, people that are still at the start of their career, might offer a possible solution to the personnel shortage. This younger age group has two advantages over older workers in particular: (1) they are still flexible in their career and therefore require less incentives to enter the renewable industry, and (2) they often have a stronger feeling of moral obligation in terms of climate change and global warming. Additionally, looking at the younger generation for new workers brings another significant advantage: as they are still only at the beginning of their career, they have the physical attributes to work in the renewable industry for a long time. Consequently, the wind industry needs to introduce and implement basic entry level apprentice schemes to attract a younger workforce with the physical capabilities to meet the demands of the role and potentially extend the length of their career.

Innovative solutions

We enable the younger generation to enter the renewable energy sector. Blended and adaptive learning will play a key role in preparing them for their entry in the renewable sector. As this new generation grew up with the internet, smartphones and laptops, they learn significantly differently than other generations. Blended learning equates to the new generation, as they are familiar with online learning. Our adaptive blended learning packages can be carried out anywhere on a laptop, tablet or mobile phone when it is safe to do so - saving resources, travel and accommodation costs.

We are one of the first in the market to offer blended GWO, OPITO and STCW courses. As of today, we offer a wide range of training related to the industries for entry-level all the way up to advanced training for seasoned industry professionals. Our courses are certified, which ensures that delegates can apply their skills and certificates working in the industries all over the world.

Expanding our business to support the industry

The enormous investments in renewable energy require significant investments in the surrounding grid and infrastructure. Building the infrastructure and generating, transmitting, distributing and using electricity are associated with substantial safety risks. Training the people working in these industries is a natural extension of our services. In late 2022, we acquired Thomson Bridge that is electrical advisor and specialist.

We also acquired CTS, a leading health and safety training provider in the UK strengthening our position amongst renewable training providers and completing our renewables offering to customers in the UK renewables energy market.

The two acquisitions show that we continuously develop our service offering to the renewable industry to meet the evolving safety, compliance and competence requirements.

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

Safety and leadership 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.

Customers 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

OUR PARTNERSHIPS

CAVU International brings leadership, team resource management and performance optimisation services to our customers

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 team 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.

THOMSON BRIDGE brings high voltage electrical skills, safety training and consultancy services to our customers

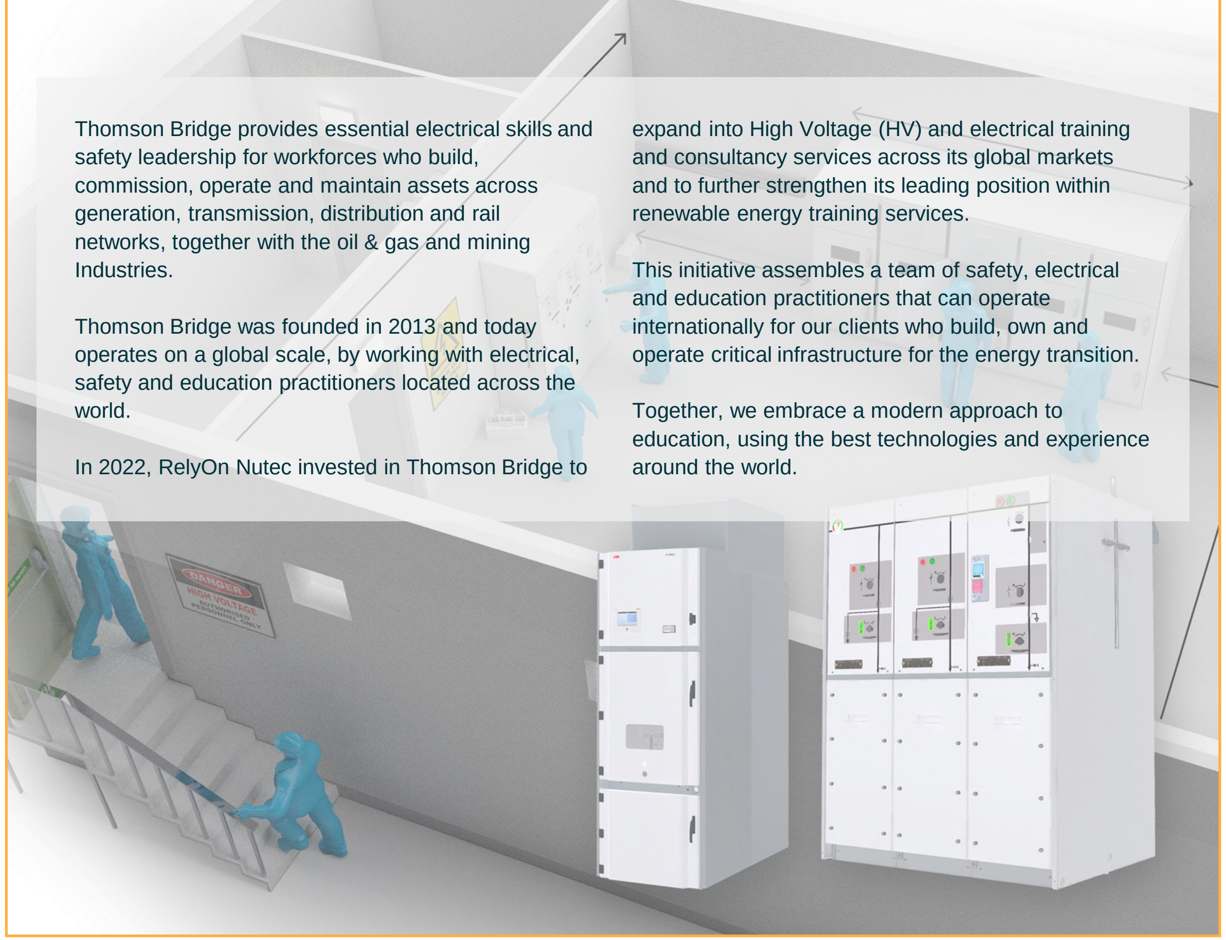
Thomson Bridge provides essential electrical skills and safety leadership for workforces who build, commission, operate and maintain assets across generation, transmission, distribution and rail networks, together with the oil & gas and mining Industries.

Thomson Bridge was founded in 2013 and today operates on a global scale, by working with electrical, safety and education practitioners located across the world.

In 2022, RelyOn Nutec invested in Thomson Bridge to expand into High Voltage (HV) and electrical training and consultancy services across its global markets and to further strengthen its leading position within renewable energy training services.

This initiative assembles a team of safety, electrical and education practitioners that can operate internationally for our clients who build, own and operate critical infrastructure for the energy transition.

Together, we embrace a modern approach to education, using the best technologies and experience around the world.



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:

- **Faster delivery:** E-learning reduces employee training time. It typically requires less employee time than learning in a traditional classroom setting. It enables much faster delivery because trainees can access e-learning material anytime they want and anywhere they are, setting their own pace and training whenever they have spare time
- **Less costly:** E-learning enables employees to train at home. This translates into much lower costs related to travel, training venues, learning material, and trainers, and immediately leads to lower costs by speeding up employee training
- **Higher knowledge retention:** Maximising knowledge retention is one of the most rewarding benefits of e-learning. E-learning provides employees with various types of interactive content and multimedia, they can retain much more of what they learn and improve their skills and performance quickly
- **Increase productivity:** Self-paced online learning leads to much higher productivity since employees can train at home, and then focus on their core tasks while at work. Learning in their free time will lead to better performance and higher efficiency, especially because digital learning software will enable them to revisit any information they need, whenever they need it
- **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

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

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.

E-learning can be highly interactive and usually includes text, video, audio, quizzes, and activities.

ADAPTIVE LEARNING

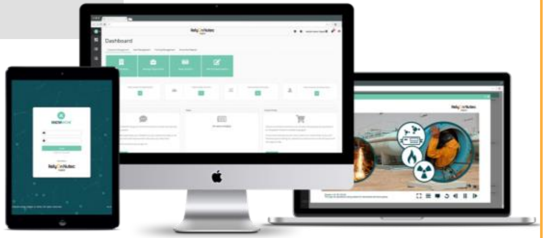
Adaptive learning technology is an advanced type of e-learning. The term adaptive learning refers to a technology capable of evaluating the student's skills, knowledge, and confidence levels. The technology constantly assesses how the student responds to the material. That way, the student's learning material becomes much more targeted since subjects that do not require more attention are filtered out, leaving more time to focus on weaker areas.

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.

BLENDED LEARNING

Blended learning merges a digital learning element with traditional classroom learning. Both teachers and delegates meet for physical classroom training and also online.

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.



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.

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:

- **Cut training time in half:** Provides higher proficiency and retention and uncovers and fixes unconscious incompetence
- **Improves engagement and reduces frustration**
- **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?

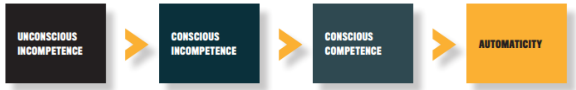
The platform uses probing questions to test the learner's prior knowledge and confidence levels. The way the learner answers the questions determines how the adaptive engine adjusts in real time to take the learner on the most efficient path to ensure mastery of the subject material. This generates a one-on-one personal experience for the learner, giving an engaging and balanced interaction that is neither too easy nor 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.

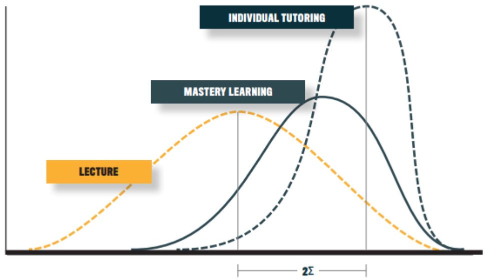
Data analytics is also used to gain insights into the course content itself. It allows continuous and iterative improvements based on learners' feedback and data usage at a very granular level.

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

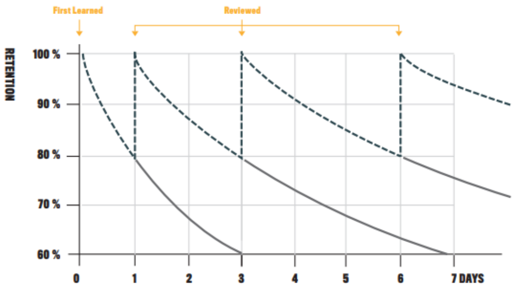
Practising something difficult will eventually lead to success in that arena. Optimally, the practice needs to be mindful, supported by continuous feedback from a coach, and planned to challenge the learners' limits. Adaptive technologies are designed to make this practice efficient, constructive, and 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

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

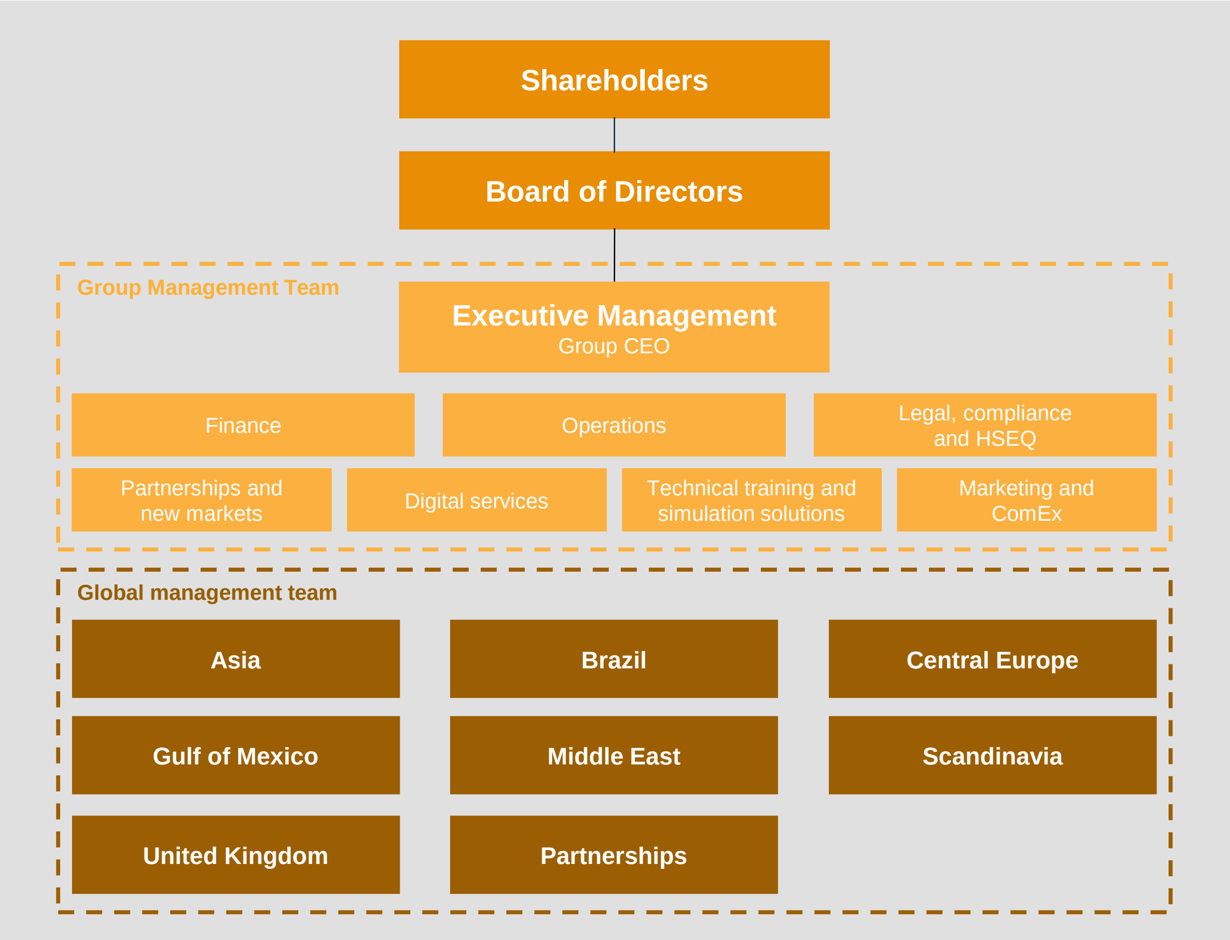
Developing the simulation technology in-house gives us the opportunity to offer our customers the same world-class and true-to-life training facilities wherever their operations are located. By expanding our technology through or network of global training centres, clients now have unparalleled access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

CORPORATE GOVERNANCE



Board of Directors

The General Meeting elects the members of the Board of Directors

The Board of Directors shall annually revise and oversee the overall strategy, business and action plan for RelyOn Nutec and approve the annual budget for the next financial year.

The Board of Directors has decided not to establish an Audit Committee however the Board of Directors handles the tasks related to such an committee.

Outline of responsibility:

- Lay down general business and management principles of the Company
- Decide on strategy and risk policies for the Company
- Supervise the performance of the Company, the Executive Management and secure the proper organisation of the Company
- Monitor the independence of the external auditors and the planning, execution and the opinion of the external auditors
- Review the Company's financial position, capital resources and reporting on financials and performance
- Appoint members of the Executive Management

The Board of Directors will convene at least four times per year.

Executive Management
Group CEO

The Executive Management is appointed by the Board of Directors and consists of the Chief Executive Officer (Group CEO)

The Executive Management is responsible for RelyOn Nutec's day-to-day management of the Company in accordance with the directions provided by the Board of Directors, among others comprising:

Outline of responsibility:

- Develop the business and provide strategies for the Company to be approved by the Board of Directors
- Implement the strategy for the Company and execute on investments and divestments
- Develop the organisational structure of the Company and allocate resources
- Drive and monitor the performance of the Company
- Prepare internal and external financial reporting
- Establish internal policies and procedures for relevant topics such as accounting, finance, IT, etc.
- Oversee enterprise risk management
- Report to the Board of Directors

RECOMMENDATION OUTLINED BY ACTIVE OWNERS DENMARK

The ultimate owner is Polaris Private Equity IV K/S (Polaris). Polaris is a private equity company, owns [98.5%] of BidCo RelyOn Nutec A/S (RelyOn Nutec) and is a member of Active Owners Denmark (formerly the "Danish Venture Capital Association" or "DVCA") and is therefore covered by Active Owners Denmark's guidelines and recommendations for responsible ownership and corporate governance for private equity companies and their portfolio companies. Thus, RelyOn Nutec must disclose how it addresses the recommendations, using a "comply or explain" approach. RelyOn Nutec complies with all the recommendations of 2021 except for recommendation 3.1. with respect to establishment of an Audit Committee. Considering the size and structure of RelyOn Nutec, the Board of Directors has decided not to establish a formal Audit Committee. Instead, such tasks are undertaken by the Board of Directors. The complete Corporate Governance Statement for the financial year 2022 is available on the corporate website at: https://relyonnutec.com/media/nosdct4l/corporate_governance_report-2022.pdf. For further information of the recommendations, please refer to www.aktivejere.dk.

GROUP MANAGEMENT

Torben Harring

Group CEO
- since 2017
Male, 1972

Education
Executive MBA, MSc

Experience
Falck, Dong Energy (Now Ørsted), DLG Group, Rockwool and FMC Corporation (Cheminova)
Board positions: Subsidiaries of RelyOn Nutec Group

Anders Boelskift

CFO
- since 2020
Male, 1972

Education
MSc in Economics & Auditing

Experience
IC Group, Genmab, Carlsberg. Ernst and Young

Anne Melchiorsen

COO
- since 2021
Female, 1975

Education
MBA, MSc in Env. & Chemistry

Experience
Danske Bank, PricewaterhouseCoopers

Birgitte Poulsen

General Counsel
- since 2019
Female, 1980

Education
Master of Law, INSEAD management

Experience
Falck, Bech-Bruun, A.P. Moller Maersk Group

Harry van der Vossen

VP, Digital Services
- since 2019
Male, 1961

Education
HTS Mechanical Engineering

Experience
Atlas Knowledge, Petroweb Solutions, Shell

Colin Leyden

VP, Partnerships and New Markets
- since 2013
Male, 1968

Education
Graduate Diploma in Technology

Experience
Norgren, IMI, Novar Systems UK, Polaroid (UK) Ltd

Jason Grant

VP, Technical Training and Simulation Solutions
- since 2014
Male, 1973

Education
Bsc

Experience
Aberdeen Drilling School, Scottish Development International, Scottish Enterprise

Marco Vanin

VP, Global Marketing and ComEx
- since 2021
Male, 1983

Education
PhD of Physics and Nano Technology

Experience
3Shape, Area9

BOARD OF DIRECTORS

JAKOB BO THOMASEN	MERETE SØBY	JESPER TEDDY LOK	HENRIK BONNERUP	JAN DAMSGAARD
Chairman	Board member	Board member	Board member	Board member
Male – Danish	Female – Danish	Male – Danish	Male – Danish	Male – Danish
Board member since 2018	Board member since 2021	Board member since 2018	Board member since 2018	Board member since 2019
Is regarded as independent	Is regarded as independent	Is regarded as independent	Represents Polaris A/S and is not regarded as independent	Is regarded as independent
Experience with management of global, listed shipping, oil and gas companies, strategy, investment, sale and purchase, financial issues and risk management	Management of IT companies, commercial excellence, experience with digitally driven solutions and digital transformation	Experience with general management, shipping, finance, internationalisation and business insights	Experience with management, M&A, finance and strategy	Experience with digital solutions, digital transformations, innovation and academic learning
OTHER DIRECTORSHIPS: DHI A/S (Chair) Hovedstadens Letbane I/S (Chair) Esvagt A/S (Chair) Arcadia eFuels ApS* orrön Energy*	**OTHER DIRECTORSHIPS:** Blue Water Property A/S* Edlund A/S* DHI A/S (Deputy Chair) Charlie Tango A/S (Chair)	**OTHER DIRECTORSHIPS:** CADELER A/S* Dagrofa ApS (Chair) Gertsen & Olufsen (Chair) Pisiffik A/S* SILVERSTREAM Technologies* Vestergaard Company A/S (Chair)	**OTHER DIRECTORSHIPS:** LINK LOGISTICS (HOLDING A/S and A/S)* Sinful Holdco A/S* Other Polaris related entities*	**OTHER DIRECTORSHIPS:** PayProff A/S*

* Ordinary board member

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 lockdowns (pandemic, war, etc.)
2. Material slowdown in energy sector
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 27. Financial risk and capital management are outlined in section 4 and note 5.3, respectively.

RISK MANAGEMENT PRINCIPLES

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

FINANCIAL REPORTING AND INTERNAL CONTROLS

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

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

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

RISK MANAGEMENT - continued

1 Global lockdowns (pandemic, war etc.)

Risk

Operations and activities are worldwide, and a global economic crisis could affect RelyOn Nutec where customers cut down on resources, lower activities and limit travels.

Mitigation

Variable and flexible cost base.

Distributed footprint and global multi-skilled workforce.

Probability

Impact

2 Material slowdown in energy sector

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.

Product development and entry into new industries with a reduced focus on the O&G market.

Probability

Impact

3 Safety incidents

Risk

An incident occurs where a student is severely injured or even killed having a serious and adverse effect on the reputation of the business and thus financial performance.

Mitigation

Safety instructions prior to the start of any training sessions.

Documentation of incidents and close communication with customers about any incidents.

Probability

Impact

4 Cybercrime and IT breakdown

Risk

An increasing number of cyber attacks or failure of RelyOn Nutec’s IT systems could cause transaction errors and loss of customers which would adversely affect the business, earnings and future prospect.

Mitigation

Dedicated IT department to monitor business critical applications.

Utilisation of standard systems and adding additional security layer on top when necessary to be able to get help from a third party..

Probability

Impact

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 in accordance with our business model (reference to page 11) and 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 CO_2 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 2022, 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 shown 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 registration to the UN's Global Compact obliges us to prepare an annual progress report, in which we 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. The report describes our work to systematically act responsibly in relation to the three bottom lines: social, environmental, and economic sustainability.

EU Taxonomy

The EU Commission has established the EU Taxonomy as an enabler to scale up sustainable investments. The taxonomy is a catalogue of environmentally sustainable economic activities, each with criteria to determine if they substantially contribute towards a sustainable economy. In June 2021, the Commission adopted the Climate Delegated Act for the first two out of six environmental objectives of the Taxonomy Regulation, namely climate change mitigation and climate change adaptation.

We have assessed whether our activities can be identified in the taxonomy and thereby be classified as taxonomy-eligible. Our current assessment is, based on NACE codes and analyses of our activities, that our primary activity is not currently covered by the taxonomy; and we will therefore report revenue, OPEX and CAPEX as 0 with respect to the taxonomy reporting this year.

We anticipate that this will change; and we therefore expect to report on taxonomy-eligible revenue in the coming years. We want to ensure that we live up to the criteria regarding 'substantial contribution' followed by 'do no significant harm' and minimum social safeguards, after which we can classify our activities as taxonomy-aligned.

The framework for RelyOn Nutec's commitment

We continued the dedicated work initiated in 2020. Sustainability and Environmental Social Governance (ESG) has 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 sustainability strategy, 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.

A policy on data ethics with accompanying governance measures is implemented in accordance with regulatory requirements. This policy describes how data ethics is considered and included in the use of data in RelyOn Nutec, stipulating specific principles to ensure that data is processed in an ethical, responsible and transparent manner within RelyOn Nutec.

Key focus areas and contributions

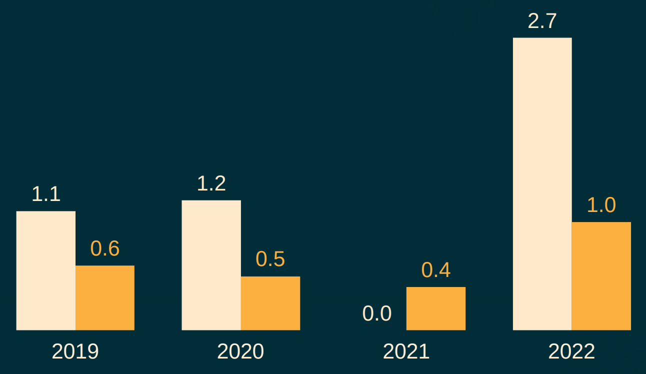
RelyOn Nutec works actively to support the United Nations Sustainable Development Goals SDGs and shares the view that business has a key role to play in implementing the goals. Our business activities have both positive and negative impacts on the SDGs. RelyOn Nutec supports all the 17 SDGs and contributes,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

Our focus areas are described on the next page.

FOCUS	AMBITIONS	TARGETS	PROGRESS IN 2022	AMBITION IN 2023
Sustainable development	We strive to ensure 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.	○ Perform two new impact analyses (IA) ○ Reassess the former impact assessments ○ Communicate our efforts internally ○ At HSEQ meetings continuous focus on sustainable initiatives and spread of the initiatives between centres	In 2022, we managed to perform two IAs in Asia, Malaysia and Thailand, respectively, and have now performed a total of 10 IAs in 6 countries. We have emphasised communication on sustainability in the Group and global management teams and externally. In 2023, further increased communication to the wider organisation and externally will be high priority.	○ Perform two new impact analyses (IA) ○ Reassess the former impact assessments ○ Increased communication efforts internally and externally
Diversity and inclusion	At RelyOn Nutec, 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.	○ Targets for females in the organisation are: ○ Employees, board, management: 40% in 2026 ○ The gender equality performance to be at "achiever level" by 2026 ○ Equal pay screening	In 2022, our focus on gender balance in the hiring process has not had the desired effect, and we have regrettably seen a small decrease in our share of females in the organisation. The share of females in board has remained unchanged since 2021. There was no change in the board during 2022 and therefore no change in the gender composition. The share of females in group management has decreased due to an extra person (male) in management which impacted the gender balance. The additional group management member was the best qualified candidate. The gender composition of employees, management, board and split into continents is shown on the next page. In 2023, we will increase our efforts in this area, to ensure that we advance in ensuring a gender balance is all areas and meet our 2026 targets. The gender equality performance in 2022 is; "improver level". Our baseline analysis (2021) showed we were at "beginner level". We have raised our score quite substantially. We implemented e-learning and had several sessions on workplace culture and anti-harassment and at the same time we launched an anti-harassment campaign incl. a new reporting tool. Wording of policies, e.g. the code of conduct and internal HR policies, updated to emphasise non-discrimination and equal opportunities across the Group, e.g. revision of procedures for the hiring process to encourage and facilitate more female candidates.	○ Screening for gender-neutral language to be implemented globally ○ Equal pay screening ○ Further diversity and inclusion focus and training ○ Assess if the current policies are in place for non-discrimination and equal opportunities particularly review of the hiring process, and how to support parents and caregivers and work-life balance
Safety	We continuously work to minimise risks and raise awareness about health and safety for our employees and customers by providing complete and lasting safety competencies that go beyond compliance. We constantly push to set new standards of safety that account for all risks and ensure that we deliver lasting safety competences as we are an "integrated safety service provider".	○ Continue the close monitoring of HSEQ cases ○ Continue global HSEQ/ safety meetings, network, and knowledge sharing ○ Implement e-learning on safety for all employees ○ LTIF for both employees and delegates: 0 ○ Target 0 fatalities and 0 major incidents.	We have had a significant raise in LTIs and RWC in 2022. We are continuously focusing on safety behaviour and culture and expect that the continuous focus will reduce the number of cases in 2023. We have implemented additional global safety meetings to further address incidents and learning opportunities. We are implementing the learnings across all our facilities. We need to be pro-active and focus on preventing incidents by further analysing the near misses and unsafe acts/ conditions. Safety culture training implemented	○ Continue the close monitoring of HSEQ cases ○ Continue global HSEQ/ safety meetings, network, and knowledge sharing ○ Quarterly elaborated safety agenda on Global Management Meetings ○ Implement e-learning on safety for all employees ○ LTIF for both employees and delegates: 0 ○ Target 0 fatalities and 0 major incidents.
Employee initiated turnover	Maintain a competent and experienced workforce by decreasing our employee turnover. Address our targets for our employees to ensure good, safe work environment, inclusion and employee engagement.	○ Implement the actions from the global employee engagement survey in 2022 ○ Increase employee satisfaction score	We analysed the employee engagement survey findings and created actions to be implemented locally. All countries have addressed the findings at staff meetings for all to be included in the prioritisation of actions. The employee-initiated turnover has increased and most likely due to COVID-19. The turnover, however, is 5 %, which we consider an acceptable level balancing new talent and maintaining knowledge in the organization.	○ Implement the actions from the global employee engagement survey in 2022 ○ Roll out employee engagement survey ○ By implementing the above actions, we will increase employee satisfaction and decrease employee turnover
CO_2 emission	We want to drive changes towards a future that will have to be net zero by our continuous efforts. It sets a clear strategic direction and demonstrates RelyOn Nutec's continued commitment to long-term value creation in line with environmentally responsible practices.	○ Decrease CO2 emission by 25% by 2026 ○ Participate in Climate Ambition Accelerator Programme ○ Measure part of scope 3 emissions	The decline in CO2e/DKK is driven by local initiatives based on regional-specific and operational assessments on where efforts have the highest impact. In 2022, we embedded ESG reporting in our reporting-systems and quarterly review process. We expanded our scope 3.6 reporting (business travel) to include all entities.	○ Continue investigating and optimising where possible ○ Expand our scope 3 reporting to include further categories
Regulatory compliance	With a large geographical spread where business practices and customers vary significantly, it is very important for RelyOn Nutec to substantially reduce corruption and bribery in all their forms and to comply with UN trade sanctions.	○ Anti-Bribery and Corruption (ABC) e-learning to all employees once a year ○ Update ABC procedures ○ Continuous screening and follow-up on trade sanctions	○ Significant focus on trade restrictions to ensure compliance with the increased restrictions and fast-changing restrictions, e.g. related to the Ukrainian conflict, including revision of the trade sanctions policy and procedure, improved process and new sanctions screening tool ○ Trade restriction screening of 100% of all corporate customers ○ Gifts and hospitality policy and reporting tool assessed and reviewed	○ Continued focus on trade sanctions policy and procedure ○ ABC review and e-learning rollout

2022 Sustainability

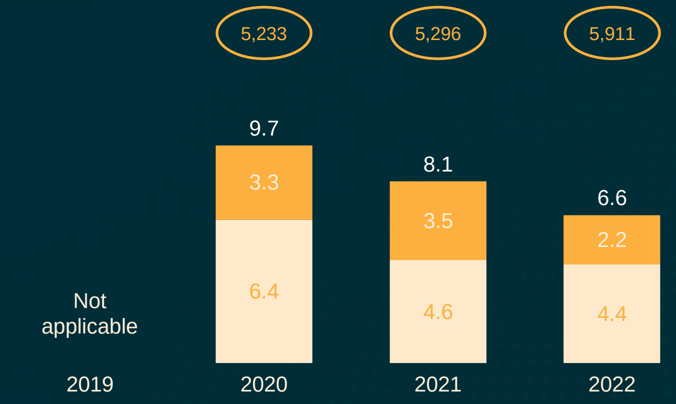
SAFETY



EMPLOYEE LTIF* DELEGATE LTIF

*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)

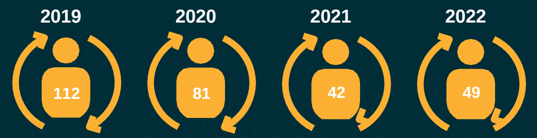
CO2e EMISSION



Ton CO_2e Scope 1 Scope 2

Scope 1: Total amount of CO2e to company facilities and vehicles. Scope 2 (location-based): Total amount of CO2e to company electricity and heating Scope 1 and scope 2 amounts in tonCO_2e/mDKK. Calculation framework: : Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

EMPLOYEE INITIATED TURNOVER



	2019	2020	2021	2022
Share of workforce	10%	8%	4%	5%

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

REGULATORY COMPLIANCE

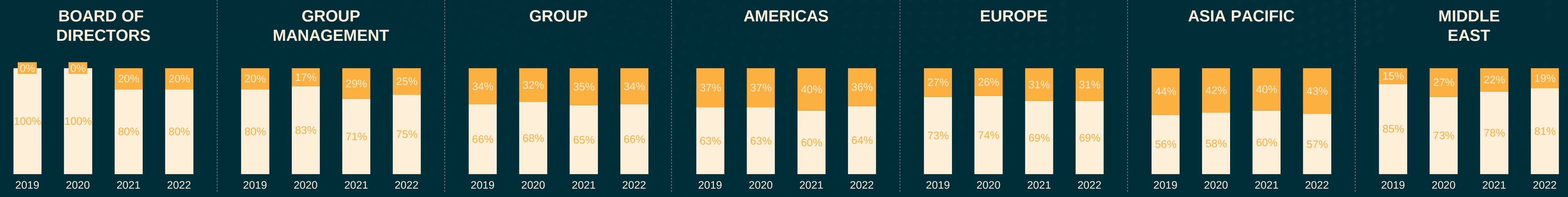
Trade restrictions screening – corporate customers

Total number of screened corporate customers per total corporate customers

GENDER DIVERSITY

Male
Female

Number of male/female employees of total employee (FTE)



		2019	2020	2021	2022
BOARD OF DIRECTORS	Female	0%	0%	20%	20%
	Male	100%	100%	80%	80%
GROUP MANAGEMENT	Female	20%	17%	29%	25%
	Male	80%	83%	71%	75%
GROUP	Female	34%	32%	35%	34%
	Male	66%	68%	65%	66%
AMERICAS	Female	37%	37%	40%	36%
	Male	63%	63%	60%	64%
EUROPE	Female	27%	26%	31%	31%
	Male	73%	74%	69%	69%
ASIA PACIFIC	Female	44%	42%	40%	43%
	Male	56%	58%	60%	57%
MIDDLE EAST	Female	15%	27%	22%	19%
	Male	85%	73%	78%	81%

Financial review

KEY FIGURES AND RATIOS

DKKm	2022	2021	2020	2019	30 March - 31 December 2018
Consolidated income statement					
Revenue	895	657	535	819	248
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	184	108	28	146	35
Operating result before amortisation and special items (EBITA)	115	45	(47)	70	24
Operating result (EBIT)	80	18	(82)	23	(14)
Net financials	(85)	(66)	(75)	(52)	(6)
Result before tax	(5)	(48)	(157)	(29)	(20)
Result for the period of continuing operations	(11)	(58)	(159)	(51)	(19)
Result for the period	(11)	(58)	(175)	(49)	(19)
Consolidated statement of financial position					
Total assets	1,165	1,118	1,084	1,324	1,022
Property, plant and equipment	274	263	280	342	369
Total equity	66	61	85	316	304
Total equity incl. convertible shareholder loan	166	96	116	316	304
Trade working capital	43	3	8	88	80
Net interest-bearing debt (NIBD)	749	723	705	666	622
Net interest-bearing debt (NIBD) excl. convertible shareholder loan	649	688	674	666	622
Consolidated statement of cash flows					
Cash flow from operating activities	99	108	68	102	(1)
Cash flow from investing activities	(62)	(44)	(34)	(123)	(483)
Hereof investments in property, plant and equipment	(39)	(21)	(32)	(47)	(19)
Free cash flow	37	64	34	(21)	(484)
Cash flow from financing activities	(32)	(93)	(38)	(18)	589
Net cash flow for the period	5	(29)	(4)	(39)	105
Employees					
Average number of employees (LTM)	868	790	784	910	858
Average number of employees in Denmark (LTM)	63	58	54	57	45
Key ratios					
EBITDA (%)	21%	16%	5%	18%	14%
EBITA (%)	13%	7%	-9%	9%	10%
EBIT (%)	9%	3%	-15%	3%	-6%
Solvency ratio incl. convertible shareholder loan	14%	9%	11%	24%	30%
NIBD/EBITDA	4.1	6.7	n.m.	4.6	n.m.
NIBD excl. convertible shareholder loan/EBITDA	3.5	6.4	n.m.	4.6	n.m.
Trade working capital ratio (%)	5%	0.4%	1.5%	10%	n.m.
Cash conversion ratio (%)	63%	108%	318%	91%	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.

FINANCIAL REVIEW

Revenue

Revenue for 2022 was DKKm 895, which was DKKm 238 (36%) above 2021. The revenue increase was realised across all our regions especially in the Americas and Asia.

Revenue from renewables increased by 25% and reached DKKm 85, continuing at last year's growth rates.

Combined digital and blended revenue grew by more than 84% to DKKm 125 compared to DKKm 68 in 2021 and accounted for 14% of the revenue compared to 10% last year.

EBITDA

EBITDA before special items ended at DKKm 184, an increase of DKKm 76 or 70% compared to 2021. The improvement was driven by increased activity levels as outlined above. The EBITDA margin landed at 21% compared to 16% in 2021.

EBITA

EBITA before special items ended at DKKm 115 compared to DKKm 45 in 2021.

Special items

Special items in 2022 amounted to DKKm 12 (DKKm 5) and were mainly related to restructuring and acquisition cost as well as non-recurring consultancy costs.

EBIT

EBIT was improved by DKK 62m to DKKm 80 in 2022. The EBIT margin landed at 9% compared to 3% in 2021.

Financial items, net

Net financial items amounted to DKKm 85 compared to DKKm 66 in 2021. The increase of DKKm 19 was driven by increased interest etc. (DKKm 6), unrealised fair value adjustment related to certain put/call options (DKKm 10) and increased foreign exchange rate adjustments (DKKm 3)

Result for the year

The result for 2022 was negative by DKKm 11; an improvement of DKKm 47 compared to 2021.

Trade working capital

Trade working capital came in at DKKm 43 (5% of revenue) compared to DKKm 3 (0.4% of revenue) at the end of December 2021. The increase was driven by additional cash tied up in working capital following the activity uplift.

Free cash flow

Free cash flow for 2022 was positive by DKKm 37; a reduction of DKKm 37 compared to 2021 driven by increased cash tied up in working capital following the activity uplift and increased investment level.

CAPEX amounted to DKKm 62 compared to DKKm 42 in 2021. The increase was driven by expansion and upgrade of our training centres in Mexico and Guyana.

In 2022, DKKm 42 was considered expansion and growth CAPEX while the remaining DKKm 20 was maintenance CAPEX.

Acquisitions of entities

During 2022, we made two acquisitions:

- Acquisition of shares in Thomson Bridge to accelerate our renewables growth with High-Voltage (HV) electrical training and consultancy; and
- Acquisition of shares in CTS to complete our renewables offering in the UK with a facility on the west coast.

For further information, we refer to note 6.1 to the consolidated financial statements.

Acquisition of minorities

During 2022, we increased our ownership of our Mexico activities from 60 % to 80 per cent and acquired a 5% minority stake in our business in Asia. The transactions are included in the financing activities in the cash flow statement.

For further information, we refer to note 5.1 to the consolidated financial statements.

Equity

Equity as of 31st December 2022 amounted to DKKm 66 (DKKm 61). Including the convertible shareholder loan, the equity was DKKm 166 at the end of December 2022.

Including the convertible shareholder loan, the solvency ratio was improved from 9% to 14%.

Net interest-bearing debt (NIBD)

NIBD was DKKm 749 compared to DKKm 723 at the end of December 2021. Excluding convertible shareholder loans, NIBD was DKKm 649 at the end of December 2022.

NIBD excluding convertible shareholder loan/EBITDA was 3.5 at the end of December 2022 compared to 6.4 at the end of December 2021.

At the end of December 2022, the lease liabilities have been reduced by DKKm 81 from DKKm 262 to DKKm 181.

For further information, we refer to note 1.2 to the consolidated financial statements.

Capital resources

After the publication of the annual report for 2022 we have announced that we will issue a new bond to re-finance the existing bond and RCF facilities.

For further information, we refer to notes 1.0 and 4.4 to the consolidated financial statements.

Consolidated financial statements 2022

1 January – 31 December

CONSOLIDATED INCOME STATEMENT

DKKm	Notes	2022	2021
Revenue	2.1	895	657
Other income	2.2	18	32
Cost of sales		(270)	(200)
Staff costs	2.3, 2.4	(389)	(320)
Other external costs		(70)	(61)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		**184**	**108**
Depreciation and impairment losses on property, plant and equipment	2.5	(69)	(63)
Operating result before amortisation and special items (EBITA)		**115**	**45**
Amortisation of intangible assets	2.5	(23)	(22)
Operating result before special items		**92**	**23**
Special items	2.6	(12)	(5)
Operating result (EBIT)		**80**	**18**
Financial income	2.7	-	6
Financial expenses	2.8	(85)	(72)
Profit before tax		**(5)**	**(48)**
Tax for the period	2.9	(6)	(10)
Result for the period		**(11)**	**(58)**
Result for the period is attributable to:			
Owners of the parent company		(13)	(58)
Non-controlling interests		2	-
Total		**(11)**	**(58)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKKm	Notes	2022	2021
Result for the period		(11)	(58)
Other comprehensive income:			
Tax on other comprehensive income		1	-
Exchange rate adjustments of foreign entities and intercompany loans classified as part of net investment		10	25
Total comprehensive income for the period		**-**	**(33)**
Total comprehensive income for the period is attributable to:			
Owners of the parent company		(2)	(33)
Non-controlling interests		2	-
Total		**-**	**(33)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKKm	Notes	31 December 2022	31 December 2021
Goodwill	3.1	252	220
Brands	3.1	55	54
Customer contracts	3.1	40	45
Knowhow	3.1	17	18
Software	3.1	38	24
Other intangible assets	3.1	27	32
Total intangible assets		**429**	**393**
Property and plant	3.2	136	141
Equipment	3.2	88	88
Leasehold improvements	3.2	33	34
Assets under construction	3.2	17	-
Total property, plant and equipment		**274**	**263**
Right-of-use assets	3.3	134	221
Deferred tax assets	3.4	63	45
Other non-current assets		15	15
Total non-current assets		**915**	**937**
Trade receivables	3.5	135	91
Contract assets	3.5	19	13
Prepayments		25	18
Other current assets	3.6	21	16
Cash and cash equivalents	4.4	50	43
Total current assets		**250**	**181**
Total assets		**1,165**	**1,118**

DKKm	Notes	31 December 2022	31 December 2021
Share capital	3.7	2	2
Foreign currency translation reserve		(9)	(20)
Retained earnings		48	75
Total equity attributable to owners of the parent company		**41**	**57**
Non-controlling interests		25	4
Total equity		**66**	**61**
Provisions	6.2	25	23
Bond	4.4	-	413
Credit facilities	4.4	-	40
Shareholder loan	4.4	100	35
Lease liabilities	3.3	141	246
Deferred tax liabilities	3.4	16	15
Other non-current liabilities	3.8	22	20
Total non-current liabilities		**304**	**792**
Bond	4.4	419	-
Credit facilities	4.4	99	-
Lease liabilities	3.3	40	32
Trade payables	4.4	113	103
Deferred consideration	6.1	10	-
Other current liabilities	3.9	114	130
Total current liabilities		**795**	**265**
Total liabilities		**1,099**	**1,057**
Total equity and liabilities		**1,165**	**1,118**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Equity at 1 January 2021	2	(45)	124	81	4	85
Result for the period	-	-	(58)	(58)	-	(58)
Other comprehensive income	-	25	-	25	-	25
Total comprehensive income for the period	**-**	**25**	**(58)**	**(33)**	**-**	**(33)**
Non-controlling interests on acquisition of subsidiary	-	-	-	-	9	9
Reclassification	-	-	9	9	(9)	-
Total transactions with shareholders	**-**	**-**	**9**	**9**	**-**	**9**
Equity at 31 December 2021	**2**	**(20)**	**75**	**57**	**4**	**61**
Equity at 1 January 2022	2	(20)	75	57	4	61
Result for the period	-	-	(13)	(13)	2	(11)
Other comprehensive income	-	11	-	11	-	11
Total comprehensive income for the period	**-**	**11**	**(13)**	**(2)**	**2**	**-**
Non-controlling interests on acquisition of subsidiary	-	-	-	-	11	11
Dividends	-	-	(4)	(4)	-	(4)
Settlement of preference shares	-	-	(2)	(2)	-	(2)
Reclassification	-	-	(8)	(8)	8	-
Total transactions with shareholders	**-**	**-**	**(14)**	**(14)**	**19**	**5**
Equity at 31 December 2022	**2**	**(9)**	**48**	**41**	**25**	**66**

CONSOLIDATED STATEMENT OF CASH FLOWS

DKKm	Notes	2022	2021
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		**184**	**108**
Special items paid		(17)	(9)
Change in net working capital	6.3	(48)	21
Income taxes paid		(20)	(12)
Cash flow from operating activities		**99**	**108**
Investment in intangible assets	3.1	(23)	(21)
Investment in property, plant and equipment	3.2	(39)	(21)
Purchase of subsidiaries, net of cash	6.1	-	(2)
Cash flow from investing activities		**(62)**	**(44)**
Free cash flow		**37**	**64**
Interest expenses etc. paid		(66)	(59)
Proceeds from borrowing	5.2	120	-
Installments on lease liabilities	3.3	(35)	(32)
Transactions with non-controlling interests, including settlements of contingent considerations		(43)	-
Change in other financing activities		(8)	(2)
Cash flow from financing activities		**(32)**	**(93)**
Net cash flow for the period		**5**	**(29)**
Cash and cash equivalents at the beginning of the period		43	70
Exchange rate adjustments		2	2
Net cash flow for the period		5	(29)
Cash and cash equivalents at the end of the period		**50**	**43**

Notes

Section 1:
Basis of preparation

NOTE 1.0 – CAPITAL RESOURCES AND GOING CONCERN

Based on strong performance in 2022 and a solid outlook for 2023 and beyond, we have initiated planned refinancing of our existing bond and RCF facilities maturing in Q3 2023.

We have engaged Pareto Securities to place a 3-year sustainability linked bond of EURm 75 with a total framework of EURm 125. Marketing of the bond issue will commence shortly after the publication of the annual report for 2022. We expect to close the transaction within 4-6 weeks.

Further, Pareto Bank has committed a EURm 10 RCF facility that will be undrawn on day one. The new RCF facility is subject to the new bond issue.

If against expectations, we do not complete the bond issue or raise a lower cash amount than expected, the Board of Directors and Executive Management will take mitigating actions to secure sufficient cash to finance the operations of the Group for the coming year.

Based on the above, the Board of Directors and Executive Management consider that RelyOn Nutec will have adequate and enough liquidity resources available to finance the operations of the Group for the coming year.

As the necessary funding is planned, but not in place at the time of approval of the financial statements, this indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern.

NOTE 1.1 - ACCOUNTING POLICIES

BidCo RelyOn Nutec A/S is a private limited company incorporated in Denmark and listed on the Oslo Stock Exchange (Oslo Børs) due to a bond issue.

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 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.

Except as outlined below, the accounting policies, judgements and estimates are consistent with those applied in the consolidated financial statements for 2021.

Adoption of new and amended standards
The IASB has issued a number of new standards and amendments (IAS 16, IAS 37 and IFRS 3 and annual improvements (2018-2020 cycle). None of the new standards or amendments issued have any significant impact on the Consolidated Financial Statements for 2022.

New accounting regulations
The IASB has issued a number of new standards and amendments (IAS 1, IAS 8, IAS 12 and IFRS 9); some of which are not yet in effect or endorsed by the EU. RelyOn Nutec expects to implement these standards when they are endorsed and 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, BidCo RelyOn Nutec 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 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.

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.

NOTE 1.1 – ACCOUNTING POLICIES - Continued

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, change 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.

Reporting under the ESEF Regulation

The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU regulated markets.

The ESEF Regulation sets out the following main requirements: (1) issuers shall draw up and disclose their annual financial reports using the XHTML format; and (2) issuers that draw up their primary consolidated financial statements in accordance with IFRS as endorsed by the EU shall tag those consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) and with effect from the 2022 annual report block tag the notes to the consolidated financial statements.

The combination of the XHTML format with the iXBRL tags makes the annual financial reports both human-readable and machine-readable, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

iXBRL tags shall comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS Taxonomy published by the IFRS Foundation.

As part of the tagging process, financial statement line items are marked up to elements in the ESEF taxonomy. If a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created. Extensions must be anchored to elements in the ESEF taxonomy, except for extensions which are subtotals.

The annual report submitted to the Danish Financial Supervisory Authority (the officially appointed mechanisms) consists of the XHTML document together with some technical files all included in a ZIP file named BidCoRelyOnNutec-2022-12-31-en.zip.

Key definitions

XHTML (eXtensible HyperText Markup Language) is a text-based markup language used to structure and mark up content such as text, images, and hyperlinks in documents that are displayed as web pages in an updated standard web browser like Chrome and Internet Explorer.

iXBRL tags (or Inline XBRL tags) are hidden meta-information embedded in the source code of an XHTML document in accordance with the Inline XBRL 1.1 specification, which enables the conversion of XHTML-formatted information into a machine-readable XBRL data record by appropriate software.

Taxonomy is an electronic dictionary of business reporting elements used to report business data. A taxonomy element is an element defined in a taxonomy that is used for the machine-readable labeling of information in an XBRL data record.

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 3.4
- Goodwill and brands, cf. note 3.1
- Provisions, cf. note 6.2

Management judgements:

- Special items, cf. note 2.6
- Leases, cf. note 3.3

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

Following the preparation of the new strategy in 2022 we have performed a review of the existing lease contracts and the prior assessment of extension period based on the current business plans. The review was conducted as of 31 December 2022.

As the result, the lease liabilities have been reduced by DKKm 81 from DKKm 262 to DKKm 181 at the end of December 2022. DKKm 75 is related to a re-assessment while DKKm 6 is a reclassification from lease liabilities to provisions.

Section 2: Consolidated income statement

NOTE 2.1 – SEGMENTS AND REVENUE

SEGMENTS

DKKm	Americas	Asia Pacific	Europe	Middle East	Non-allocated items and eliminations	Total
2022						
Revenue from external customers	305	106	451	33	-	895
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	89	47	44	4	-	184
Non-current assets	281	145	567	26	(104)	915
2021						
Revenue from external customers	174	69	386	28	-	657
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	46	28	40	-	(6)	108
Non-current assets	257	158	619	30	(127)	937

§ | 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.

Non-current assets comprise intangible assets, property plant and equipment, right-of-use assets and other non-current assets.

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.

Revenue from digital service contracts with customers is recognised when the Group's obligation to provide these services has been fulfilled at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

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

NOTE 2.1 – SEGMENTS AND REVENUE - continued

REVENUE

DKKm	Oil and gas	Maritime	Renewables	Electrical	Other safety critical industries	Total
2022						
Americas	264	18	2	-	21	305
Asia Pacific	82	5	5	4	10	106
Europe	225	37	78	-	111	451
Middle East	30	-	-	-	3	33
Total	**601**	**60**	**85**	**4**	**145**	**895**
2021						
Americas	140	15	1	-	18	174
Asia Pacific	54	2	3	-	10	69
Europe	200	54	64	-	68	386
Middle East	26	-	-	-	2	28
Total	**420**	**71**	**68**	**-**	**98**	**657**

NOTE 2.2 – OTHER INCOME

DKKm	2022	2021
Government grants	11	26
Other operating income	7	6
Total other income	**18**	**32**

§ | 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 the Group will comply with the conditions attached thereto.

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

Supplementary information

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

DKKm	2022	2021
United Kingdom	116	99
Norway	116	110
United States	112	61
Netherlands	97	72
Malaysia	76	55
Denmark	70	56
Others	308	204
Total	**895**	**657**

Revenue split by services:

DKKm	2022	2021
Digital and blended learning revenue	125	68
Non-digital revenue	770	589
Total	**895**	**657**

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 DKKm 11 (DKKm 26), mainly in the US and the Netherlands. For some of the received grants, the usage and obligations are uncertain as per 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 DKKm zero (DKKm 6).

Further postponed VAT, payroll taxes, etc. related to COVID-19 amounted to approx. DKKm 30 (DKKm 40), which is included as other payables.

NOTE 2.3 – STAFF COSTS

DKKm	2022	2021
Wages and salaries	(309)	(266)
Pensions, defined contribution plans	(16)	(15)
Other social security costs	(24)	(20)
Other staff costs	(44)	(24)
Total staff costs	**(393)**	**(325)**
Classified as special items, cf. note 2.6	4	5
Total staff costs excl. special items	**(389)**	**(320)**
Average number of employees (full-time equivalent)	**868**	**790**

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

DKKm	2022	2021
Executive Management and Board of Directors		
Wages and salaries	(6.5)	(5.1)
Pensions	(0.4)	(0.3)
Other key management		
Wages and salaries	(10.8)	(8.8)
Pensions	(0.6)	(0.5)
Total management compensation	**(18.3)**	**(14.7)**
Classified as special items, cf. note 2.6	-	0.1
Total management compensation excl. special items	**(18.3)**	**(14.6)**

§ | 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 2022, the outstanding number of shares amounts to 2.5% (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 0.05% (0.05%) of the current share capital in P-Holding RelyOn Nutec A/S. Hereof, the Group Management holds shares of 1.8% (1.5%) and warrants of 0.03% (0.02%) and the Board of Directors holds shares of 0.6% (0.6%) and warrants of 0.01% (0.01%).

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

During 2022, P-Holding RelyOn Nutec A/S reacquired shares and warrants due to participants leaving RelyOn Nutec. At 31st December 2022, P-Holding RelyOn Nutec A/S has own shares equal to 0.29 % of the share capital.

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.

NOTE 2.5 – AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKKm	2022	2021
Depreciation on property, plant and equipment, cf. note 3.2	(33)	(33)
Depreciation on property, plant and equipment - right-of-use assets, cf. note 3.3	(36)	(30)
Total depreciation	**(69)**	**(63)**
Amortisation on intangible assets, cf. note 3.1	(23)	(22)
Total amortisation	**(23)**	**(22)**

No impairment losses have been recognised in 2022 and 2021.

NOTE 2.6 – SPECIAL ITEMS

DKKm	2022	2021
Transaction costs	(1)	2
Restructuring costs, severance payments and non-recurring consultency costs etc.	(11)	(7)
Total special items	**(12)**	**(5)**

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

DKKm	2022			2021		
	Before	Special items	After	Before	Special items	After
Revenue	895		895	657		657
Other income	18		18	32		32
Cost of sales	(270)		(270)	(200)		(200)
Staff costs	(393)	4	(389)	(325)	5	(320)
Other external costs	(78)	8	(70)	(64)	3	(61)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	**172**	**12**	**184**	**100**	**8**	**108**
Depreciation and impairment losses on property, plant and equipment	(69)		(69)	(63)		(63)
Operating result before amortisation and special items (EBITA)	**103**	**12**	**115**	**37**	**8**	**45**
Amortisation of intangible assets	(23)		(23)	(22)		(22)
Operating result before special items	**80**	**12**	**92**	**15**	**8**	**23**
Special items	-	(12)	(12)	-	(5)	(5)
Operating result (EBIT)	**80**	**-**	**80**	**15**	**3**	**18**
Financial income	-		-	9	(3)	6
Financial expenses	(85)		(85)	(72)		(72)
Profit before tax	**(5)**	**-**	**(5)**	**(48)**	**-**	**(48)**

§ | 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 is 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 to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

NOTE 2.7 – FINANCIAL INCOME

DKKm	2022	2021
Exchange rate gains, net	-	2
Fair value adjustment of contingent consideration, non-controlling interest cf. note 5.1	-	4
Total financial income	**-**	**6**

NOTE 2.8 – FINANCIAL EXPENSES

DKKm	2022	2021
Interest expenses on bonds	(31)	(31)
Interest expenses on leasing liabilities, cf. note 3.3	(21)	(22)
Exchange rate losses, net	(1)	-
Fair value adjustment of contingent consideration, non-controlling interest cf. note 5.1	(6)	-
Other financial expenses	(26)	(19)
Total financial expenses	**(85)**	**(72)**

§ | Accounting policy

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

NOTE 2.9 – TAX

DKKm	2022	2021
Current tax on result for the year	(24)	(5)
Deferred tax on result for the year and adjustment of tax in previous years	18	(5)
Total income tax	**(6)**	**(10)**
Calculated 22% tax on result for the year	1	11
Adjustment for tax effects of:		
Non-deductible expenses	(1)	-
Tax losses not capitalised	(2)	(9)
Utilised non capitalised tax losses	2	-
Revaluation of deferred tax assets	18	(4)
Difference in foreign tax rates	(21)	(6)
Others	(3)	(2)
Total income tax	**(6)**	**(10)**
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

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

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

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

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

Section 3:
Statement of financial position

NOTE 3.1 – INTANGIBLE ASSETS

DKKm	Goodwill	Brands	Customer contracts	Knowhow	Software	Other intangible assets	Total intangible assets
Cost at 1 January 2021	200	51	70	26	37	19	403
Exchange rate adjustments	10	3	-	1	-	-	14
Additions	-	-	-	-	-	21	21
Additions on acquisitions cf. note 6.1	10	-	-	-	-	-	10
Transfers to/from other asset types	-	-	-	-	8	(8)	-
Cost at 31 December 2021	**220**	**54**	**70**	**27**	**45**	**32**	**448**
Amortisations and impairments at 1 January 2021	-	-	(18)	(6)	(9)	(2)	(35)
Exchange rate adjustments	-	-	-	-	1	(1)	-
Amortisations and impairments for the period	-	-	(9)	(3)	(7)	(3)	(22)
Transfers to/from other asset types	-	-	-	-	(6)	6	-
Prior year adjustments	-	-	2	-	-	-	2
Amortisations and impairments at 31 December 2021	**-**	**-**	**(25)**	**(9)**	**(21)**	**-**	**(55)**
Carrying amount at 31 December 2021	**220**	**54**	**45**	**18**	**24**	**32**	**393**
Cost at 1 January 2022	220	54	70	27	45	32	448
Exchange rate adjustments	7	1	-	-	-	(2)	6
Additions	-	-	-	-	5	18	23
Disposals	-	-	-	-	(5)	-	(5)
Additions on acquisitions cf. note 6.1	25	-	3	2	-	-	30
Transfers to/from other asset types	-	-	-	-	19	(19)	-
Cost at 31 December 2022	**252**	**55**	**73**	**29**	**64**	**29**	**502**
Amortisations and impairments at 1 January 2022	-	-	(25)	(9)	(21)	-	(55)
Amortisations and impairments for the period	-	-	(8)	(3)	(9)	(3)	(23)
Disposals	-	-	-	-	5	-	5
Transfers to/from other asset types	-	-	-	-	(1)	1	-
Amortisations and impairments at 31 December 2022	**-**	**-**	**(33)**	**(12)**	**(26)**	**(2)**	**(73)**
Carrying amount at 31 December 2022	**252**	**55**	**40**	**17**	**38**	**27**	**429**

§ | 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 up to 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.

Supplementary information

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

NOTE 3.1 – INTANGIBLE ASSETS - continued

Impairment test

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

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

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

Goodwill and brands with an indefinite life have been tested for impairment at 31st December 2022.The tests did not result in any impairment of carrying amounts. The impairment test is based on value in use.

For the year 2023 and projections for subsequent years up to and including 2027, the expected future net cash flows are determined based on budgets and business plans approved by Management as well as the expected market development for the individual CGUs.

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 of market development, market trends and initiated digitalisation projects and projects in general.

We expect that the recovery and growth within the oil & gas sector will continue, and we expect a continued high growth within renewables driven by offshore wind investments and electrical services.

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

The terminal growth rate is in line with industry expectations.

DKKm	Asia	Gulf of Mexico	Partnerships	Digital	Other	Total
2022						
Carrying amount of goodwill	48	55	58	27	64	252
Carrying amount of brands	25	7	4	-	19	55
Annual revenue growth rate	8.0%	12.0%	35.0%	14.0%	3%-14%	
EBITDA margin	44.0%	24.0%	17.0%	36.0%	13%-31%	
Terminal period growth rate	2.0%	1.5%	1.5%	1.5%	1.5%-2.0%	
Pre-tax discount rate	9.3%	10.4%	9.9%	9.5%	9.2%-16.0%	
2021						
Carrying amount of goodwill	46	51	42	31	50	220
Carrying amount of brands	24	7	4	-	19	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%	

Note 3.1

≈ | Critical accounting estimates

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

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

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

Supplementary information

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

NOTE 3.2 – PROPERTY, PLANT AND EQUIPMENT

DKKm	Property and plant	Equipment	Leasehold improve-ments	Assets under construction	Total tangible assets
Cost at 1 January 2021	164	128	33	1	326
Exchange differences	11	17	5	-	33
Additions	2	15	2	2	21
Disposals	(2)	(8)	(2)	-	(12)
Transfers to/from other asset types	(21)	(2)	5	(3)	(21)
Cost at 31 December 2021	**154**	**150**	**43**	**-**	**347**
Depreciations and impairments at 1 January	(5)	(41)	-	-	(46)
Exchange differences	(6)	(11)	(3)	-	(20)
Depreciations and impairments for the period	(10)	(20)	(3)	-	(33)
Disposals	-	5	2	-	7
Transfers to/from other asset types	8	5	(5)	-	8
Depreciations and impairments at 31 December 2021	**(13)**	**(62)**	**(9)**	**-**	**(84)**
Carrying amount at 31 December 2021	**141**	**88**	**34**	**-**	**263**
Cost at 1 January 2022	154	150	43	-	347
Exchange differences	(3)	2	1	-	-
Additions	3	17	2	17	39
Disposals	(3)	(7)	-	-	(10)
Additions on acquisitions cf. note 6.1	-	2	-	-	2
Transfers to/from other asset types	(2)	-	2	-	-
Cost at 31 December 2022	**149**	**164**	**48**	**17**	**378**
Depreciations and impairments at 1 January 2022	(13)	(62)	(9)	-	(84)
Exchange differences	3	1	(1)	-	3
Depreciations and impairments for the period	(6)	(22)	(5)	-	(33)
Disposals	3	7	-	-	10
Depreciations and impairments at 31 December 2022	**(13)**	**(76)**	**(15)**	**-**	**(104)**
Carrying amount at 31 December 2022	**136**	**88**	**33**	**17**	**274**

§ | 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 7 (DKKm 5) at the end of December 2022.

NOTE 3.3 – LEASES

Leases in the statement of financial position

DKKm	2022	2021
Right-of-use assets		
Property and plant	123	207
Equipment	11	14
Total right-of-use assets	**134**	**221**
Lease liabilities		
Non-current	141	246
Current	40	32
Total lease liabilities	**181**	**278**
Contractual maturity of lease obligations		
Within 1 year	48	42
1-5 years	152	153
After 5 years	81	158
Total future lease payments on current lease agreements, undiscounted	**281**	**353**
Additions to right-of-use assets	40	10

Leases in the income statement

DKKm	2022	2021
Depreciation of right-of-use assets		
Property and plant	(32)	(26)
Equipment	(4)	(4)
Total depreciation of right-of-use assets	**(36)**	**(30)**
Interest on lease liabilities, cf. note 2.8	(21)	(22)
Expenses related to short tem leases and leasing of low-value assets	(2)	(1)
Total costs related to leases	**(59)**	**(53)**

Leases in the statement of cash flows

DKKm	2022	2021
Installments on lease liabilities	(35)	(32)
Interest on lease liabilities, cf. note 2.8	(21)	(22)
Total cash flow	**(56)**	**(54)**

§ | 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 DKKT 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 2022 (2021: 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. Please refer to note 1.2 for further information.

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 amount of the un-recognised extension and termination options on leases amounts to DKKm 44 (DKKm 2).

NOTE 3.4 – DEFERRED TAX

DKKm	Assets	Liabilities
Deferred tax at 1 January 2021	26	5
Deferred tax recognised in the income statement	19	10
Deferred tax at 31 December 2021	**45**	**15**
Deferred tax at 31 December 2021 relates to:		
Intangible assets	-	14
Tangible assets	25	1
Tax losses carried forward	20	-
Total	**45**	**15**
Deferred tax at 1 January 2022	45	15
Additions on acquisitions	1	1
Deferred tax recognised in the income statement	18	(1)
Deferred tax regognised in equity	1	-
Other movements	(2)	1
Deferred tax at 31 December 2022	**63**	**16**
Deferred tax at 31 December 2022 relates to:		
Intangible assets	-	15
Tangible assets	22	1
Tax losses carried forward	40	-
Others	1	-
Total	**63**	**16**

§ | Accounting policy

Accounting policy is described in note 2.9.

Supplementary information

The Group has unrecognised tax losses to carry forward amounting to DKKm 49 (DKKm 113). 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 2023 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 e.g., that the entity already generates positive taxable income, or where taxable income is certain in 2023 based on the ongoing operations and plans.

NOTE 3.5 – TRADE RECEIVABLES AND CONTRACT ASSETS

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

DKKm	31 December 2022	31 December 2021
Trade receivables	135	91
Contract assets	19	13
Total	**154**	**104**

DKKm	Expected loss rate	Trade receivables, gross	Expected credit loss	Trade receivables, net
Trade receivables at 1 January 2021		88	(10)	78
Movements during the year		21	5	26
Trade receivables at 31 December 2021		**109**	**(5)**	**104**
Trade receivables at 31 December 2021 comprise of:				
Not due	1%	59	-	59
Overdue - 1 to 30 days	1%	27	-	27
Overdue - 31 to 60 days	3%	10	(1)	9
Overdue - 61 to 90 days	7%	4	(1)	3
Overdue - 91 to 120 days	32%	5	(1)	4
Overdue - more than 120 days	45%	4	(2)	2
Total		**109**	**(5)**	**104**
Trade receivables at 1 January 2022		109	(5)	104
Movements during the year		49	1	50
Trade receivables at 31 December 2022		**158**	**(4)**	**154**
Trade receivables at 31 December 2022 comprise of:				
Not due	1%	81	-	81
Overdue - 1 to 30 days	1%	39	-	39
Overdue - 31 to 60 days	1%	15	-	15
Overdue - 61 to 90 days	17%	6	(1)	5
Overdue - 91 to 120 days	20%	5	(1)	4
Overdue - more than 120 days	17%	12	(2)	10
Total		**158**	**(4)**	**154**

§ | Accounting policy

On initial recognition, receivables are measured at fair value. The Group holds the trade receivables with the objective of collecting 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 measure 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 upfront payment of 80-85% of the nominal value of the trade receivables transferred. As of 31st December 2022, outstanding trade receivables in the amount of DKKm 23 (DKKm 22) 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 upfront 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.

NOTE 3.6 – OTHER CURRENT ASSETS

DKKm	31 December 2022	31 December 2021
Reimbursement of costs	3	2
Other current assets	18	14
Total	**21**	**16**

NOTE 3.7 – SHARE CAPITAL

	31 December 2022	31 December 2021
Number of shares	2,321,925	2,321,925
Nominal value (DKKm)	2	2

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 NON-CURRENT LIABILITIES

DKKm	31 December 2022	31 December 2021
Contingent consideration, non-controlling interests, cf. note 5.1	6	-
Other non-current liabilities	16	20
Total	**22**	**20**

NOTE 3.9 – OTHER CURRENT LIABILITIES

DKKm	31 December 2022	31 December 2021
Employee related liabilities	63	65
Contingent consideration, non-controlling interests, cf. note 5.1	7	34
VAT payables	13	12
Income tax payables	6	2
Prepayments	10	9
Other current liabilities	15	8
Total	**114**	**130**

Section 4:
Financial Risk Management

NOTE 4.1 – FINANCIAL RISK MANAGEMENT

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

Financial risks are described in the following sections:

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

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

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

At 31st December 2022, the exposure to credit risk related to cash and cash positions equivalents was DKKm 50 (DKKm 43). 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 2022 and 2021.

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 the 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.

DKKm	2022		2021	
	Impact on the Group's net result	Impact on the Group's OCI	Impact on the Group's net result	Impact on the Group's OCI
Effects from 5% increase in:				
DKK / GBP	1	3	-	2
DKK / MYR	1	5	(1)	6
DKK / NOK	1	2	1	2
DKK / USD	1	4	-	2
DKK / TTD	-	2	-	2
DKK / BRL	1	2	-	1

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 sensitively analysis only assumes an increase in EURIBOR. An increase of the reference interest rate of 0.5% would result in an increase in the net finance cost of DKKm 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 3.5.

Maximum credit risk is outlined below:

DKKm	Trade receivables and contract assets	Expected credit loss	Total
31 December 2022			
Cash and cash equivalents	50	-	50
Trade receivables and contract assets:			
Major oil companies and public companies	74	(1)	73
Private and commercial	84	(3)	81
Total	**208**	**(4)**	**204**
31 December 2021			
Cash and cash equivalents	43	-	43
Trade receivables and contract assets:			
Major oil companies and public companies	38	(1)	37
Private and commercial	71	(4)	67
Total	**152**	**(5)**	**147**

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.

Liquidity reserves
The Group’s liquidity reserves mainly consist of liquid funds. As of 31st December 2022, the Group’s liquid reserves consisted of readily available liquid funds of DKKm 41 (DKKm 25). In 2022, we have fully utilised our RCF (DKKm 60) and obtained convertible shareholder loans of DKKm 60.

DKKm 9 (DKKm 18) of the total cash position at 31st December 2022 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 2022, DKKm 385 has been drawn.

Further information can be found in note 1.0. in the financial statements.

NOTE 4.4 - LIQUIDITY RISK - continued

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

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.

DKKm	Less than 1 year	Between 1 and 5 year	More than 5 years	Total	Net book value
31 December 2021					
Bond	30	442	-	472	413
Credit facilities	-	40	-	40	40
Shareholder loan	-	44	-	44	35
Contingent consideration, non-controlling interest	34	-	-	34	34
Trade payables	103	-	-	103	103
Lease liabilities	42	153	158	353	278
Other payables	96	20	-	116	116
Total	**305**	**699**	**158**	**1,162**	**1,019**
31 December 2022					
Bond	448	-	-	448	419
Credit facilities	99	-	-	99	99
Shareholder loan	-	100	-	100	100
Contingent consideration, non-controlling interest	7	6	-	13	13
Deferred consideration	10	-	-	10	10
Trade payables	113	-	-	113	113
Lease liabilities	48	152	81	281	181
Other payables	107	16	-	123	123
Total	**832**	**274**	**81**	**1,187**	**1,058**

Financial assets and liabilities per measurement category

DKKm	31 December 2022	31 December 2021
Financial assets		
Financial assets at amortised cost:		
Trade receivables	135	91
Contract assets	19	13
Prepayments	25	18
Other receivables	21	16
Cash and cash equivalents	50	43
Total financial assets	**250**	**181**
Financial liabilities		
Financial liabilities at amortised cost:		
Bond	419	413
Credit facilities	99	40
Shareholder loan	100	35
Deferred consideration	10	-
Trade payables	113	103
Lease liabilities	181	278
Other payables	123	116
Total financial liabilities at amortised cost	**1,045**	**985**
Financial liabilities at fair value:		
Contingent consideration, non-controlling interest (part of other liabilities in the statement of financial position)	13	34
Total financial liabilities at fair value	**13**	**34**
Total financial liabilities	**1,058**	**1,019**

Section 5:
Capital Structure

NOTE 5.1 – MEASUREMENT AND FAIR VALUE HIERARCHY

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

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

DKKm	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3
As of 31 December 2022				
Fair value:				
Contingent consideration, non-controlling interest	13	-	-	13
Amortised cost:				
Shareholder loan	100	-	100	-
Bonds	419	407	-	-
Total financial liabilities	**532**	**407**	**100**	**13**
As of 31 December 2021				
Fair value:				
Contingent consideration, non-controlling interest	34	-	-	34
Amortised cost:				
Shareholder loan	35	-	35	-
Bonds	413	383	-	-
Total financial liabilities	**482**	**383**	**35**	**34**

Fair value level 3 development:

DKKm	31 December 2022	31 December 2021
Fair value at 1 January	34	38
Exercised	(27)	-
Fair value adjustments in the income statement during the year, cf. note 2.8	6	(4)
Fair value at 31 December	**13**	**34**

Net interest-bearing debt:

DKKm	31 December 2022	31 December 2021
Bond	419	413
Credit facilities	99	40
Shareholder loan	100	35
Lease liabilities	181	278
Total interest-bearing debt	**799**	**766**
Cash and cash equivalents	50	43
Net interest-bearing debt	**749**	**723**
Net interest-bearing debt (NIBD) excl. convertible shareholder loan	**649**	**688**

§ | 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. notes 2.7 and 2.8. 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	Bond	Credit facilities	Shareholder loan	Lease liabilities	Total
Liabilities at 1 January 2021	400	40	31	304	775
Cash flows	-	-	-	(32)	(32)
Non-cash changes	13	-	4	6	23
Liabilities at 31 December 2021	**413**	**40**	**35**	**278**	**766**
Liabilities at 1 January 2022	413	40	35	278	766
Cash flows	-	60	60	(35)	85
Non-cash changes	6	(1)	5	(62)	(52)
Liabilities at 31 December 2022	**419**	**99**	**100**	**181**	**799**

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 and certain change of control clauses.

Further information can be found in note 1.0. in the financial statements.

Section 6: Other notes

NOTE 6.1 – BUSINESS COMBINATION

2022:
As outlined in the management review, we acquired an interest in Thomson Bridge and CTS in late October 2022 with an option to buy further shares at a later stage.

Both acquisitions are considered a business combination in accordance with IFRS 3, Business Combinations.

The acquisitions are not material compared to the value of the RelyOn 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, both Thompson Bridge (non-controlling interest of 50%) and CTS are subject to full consolidation. 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 both transactions, the fair value method (a) is selected.

Thomson Bridge:
A goodwill amount of DKKm 14 has been recognised. The value of the acquisition comes mainly from the expertise within the electrical segment, platform for growth outside Australia, and assembled skilled workforce. Goodwill is in non-deductible for tax purposes.

CTS:
A goodwill amount of DKKm 11 has been recognised. The value of the acquisition comes from the presence in geographical market (the UK) as a well as a skilled workforce. Goodwill is non-deductible for tax purposes.

The total transaction costs are DKKm 0.5 and are recognised in the income statement as special items in accordance with our accounting policy.

From the date of acquisition, the acquired entities have contributed with revenue of DKKm 6 and a negative EBITDA of DKKm 1. If the entities had been acquired on 1st January 2022, the Group's revenue would have been DKKm 908 and EBITDA of DKKm 180.

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

DKKm	2022	2021
Cash and cash equivalents	3	4
Intangible assets	5	-
Property, plant and equipment	2	1
Trade receivable	5	2
Other assets	2	1
Non-current liabilities	(2)	(5)
Current liabilities	(5)	(1)
Net identifiable assets acquired	**10**	**2**
Non-controlling interest	(11)	(9)
Goodwill	25	10
Total purchase consideration	**24**	**3**
Purchase consideration:		
Cash consideration	3	3
Deferred consideration paid in 2022	11	-
Deferred consideration to be paid in 2023	10	-
Total purchase consideration	**24**	**3**
Cash flow from acquisition:		
Cash consideration	3	3
Settlement of acquired debt to seller	-	3
Less cash acquired	(3)	(4)
Net outflow of cash	**-**	**2**

NOTE 6.1 – BUSINESS COMBINATION-– continued

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 RelyOn 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.

NOTE 6.1 – BUSINESS COMBINATION – continued

§ | Accounting policy

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

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

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

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

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

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

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

≈ | Critical accounting estimates

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

NOTE 6.2 – PROVISIONS

DKKm	Refurbishment obligations	Other	Total
Provisions at 1 January 2021	18	-	18
Additions	2	2	4
Currency adjustments	1	-	1
Provisions at 31 December 2021	**21**	**2**	**23**
Hereof classified as non-current	21	2	23
Provisions at 1 January 2022	21	2	23
Reclassification	-	9	9
Used amounts	-	(3)	(3)
Provisions at 31 December 2022	**21**	**8**	**29**
Hereof classified as non-current	21	4	25

§ | Accounting policy

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

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

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

Supplementary information

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

NOTE 6.3 – Change in net working capital

DKKm	2022	2021
Change in trade receivables and contract assets	(42)	(26)
Change in trade payables	(2)	33
Change in other receivables	(9)	(9)
Change in other operating liabilities	10	22
Currency adjustment	(5)	1
Changes in net working capital with cash flow effect	**(48)**	**21**

NOTE 6.4 – FEE TO AUDITORS

DKKm	2022	2021
Audit fees to PwC	(3.5)	(3.9)
Tax advisory services	(0.2)	(0.5)
Other services	(0.2)	(0.2)
Total	**(3.9)**	**(4.6)**

Supplementary information

2022:

Other services provided by PricewaterhouseCoopers, Statsautoriserede Revisionspartnerselskab, amounted to DKKm 0.4 in 2022 and were primarily related to general accounting and advisory

2021:

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

NOTE 6.5 – RELATED PARTIES

The Group is controlled by the following entities:

Immediate parent entity: P-Holding RelyOn Nutec A/S
Ultimate parent entity and controlling party: Polaris Private Equity 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 0)

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 31st December 2022 was DKKm 245 (DKKm 220).

NOTE 6.7 - EVENTS AFTER THE BALANCE SHEET DATE

Reference is made to note 1.0 in the financial statements.

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

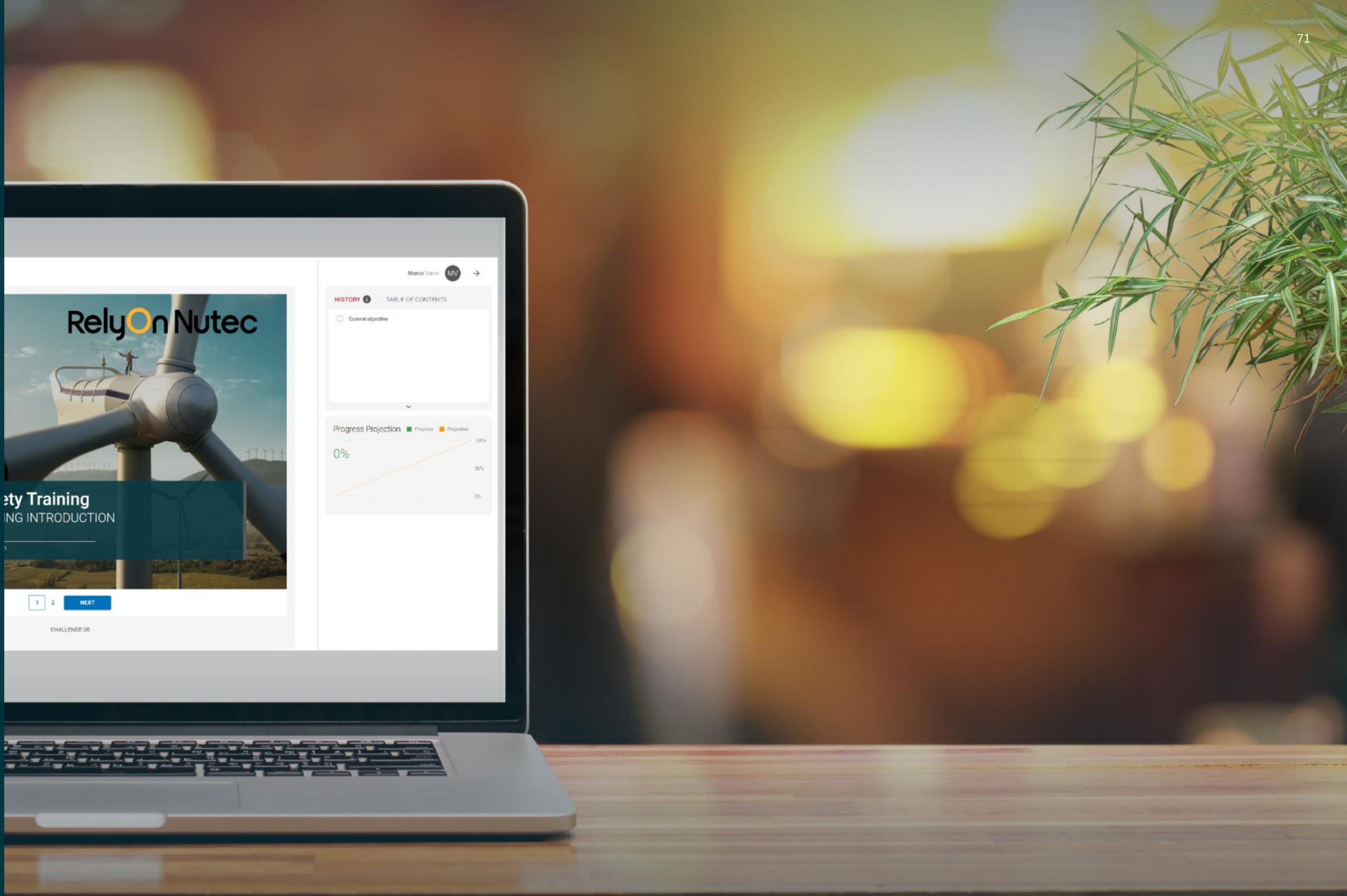
NOTE 6.8 – GROUP COMPANIES

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 (Dormant)	68%
Americas	Canada	Cavu Canada (branch)*	25%
Americas	Guyana	RelyOn Nutec Guyana Inc.	80%
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.	80%
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 Pacific	Australia	RelyOn Nutec Australia PTY LTD	100%
Asia Pacific	Malaysia	MSTS Asia Sdn. Bhd.	100%
Asia Pacific	Malaysia	Risktec (M) Sdn. Bhd. (Dormant)	100%
Asia Pacific	Malaysia	RelyOn Bestari Healthcare Sdn Bhd*	100%
Asia Pacific	Malaysia	RelyOn Nutec Malaysia Sdn. Bhd.	100%
Asia Pacific	Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	100%
Asia Pacific	Singapore	MSTS Asia (S'pore) Pte. Ltd.	100%
Asia Pacific	Thailand	RelyOn Nutec Thailand Holding Ltd.	90%

Region	Country	Legal name	Equity interest
Asia	Thailand	RelyOn Nutec (Thailand) Ltd	85%
Europe	Belgium	RelyOn Nutec Belgium BVBA	100%
Europe	Denmark	Bidco RelyOn Nutec A/S	100%
Europe	Denmark	RelyOn Nutec Holding A/S	100%
Europe	Denmark	RelyOn Nutec Denmark A/S	100%
Europe	Denmark	RelyOn Nutec Digital A/S	100%
Europe	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%
Europe	United Kingdom	Complete Training Solutions Ltd*	35%
Middle East	Azerbaijan	RelyOn Nutec Azerbaijan LLC	100%
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%
Asia Pacific	Australia	Thomson Bridge Pty Ltd*	50%

*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.

All Group companies have reporting date end of December except for Thomson Bridge and CTS. Both entities were acquired in Q4 2022, and the reporting period is expected to aligned with the remaining Group companies in 2023.



Parent company financial statements

RelyOn Nutec

INCOME STATEMENT

DKKm	Notes	2022	2021
Revenue		9	7
Staff costs	1.1	(9)	(7)
Other external costs		(2)	(2)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		**(2)**	**(2)**
Financial income		7	3
Financial expenses		(44)	(39)
Profit before tax		**(39)**	**(38)**
Tax for the period		1	-
Result for the period		**(38)**	**(38)**

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Retained earnings	Total equity
Equity at 1 January 2021	2	285	287
Result for the period	-	(38)	(38)
Total comprehensive income for the period	**-**	**(38)**	**(38)**
Equity at 31 December 2021	**2**	**247**	**249**
Equity at 1 January 2022	2	247	249
Result for the period	-	(38)	(38)
Total comprehensive income for the period	**-**	**(38)**	**(38)**
Equity at 31 December 2022	**2**	**209**	**211**

STATEMENT OF FINANCIAL POSITION

DKKm	Notes	31 December 2022	31 December 2021
Investment in subsidiaries	2.1	650	650
Receivables from subsidiaries	2.2	102	68
Total non-current assets		**752**	**718**
Receivables from subsidiaries	2.2	12	2
Other current assets		1	1
Cash and cash equivalents		4	4
Total current assets		**17**	**7**
Total assets		**769**	**725**

DKKm	Notes	31 December 2022	31 December 2021
Share capital	2.4	2	2
Retained earnings		209	247
Total equity		**211**	**249**
Bond	2.5	-	413
Shareholder loan	2.5	100	35
Total non-current liabilities		**100**	**448**
Bond	2.5	419	-
Payables to subsidaries		29	22
Trade payables		2	1
Other current liabilities		8	5
Total current liabilities		**458**	**28**
Total liabilities		**558**	**476**
Total equity and liabilities		**769**	**725**

Notes

NOTE 1.1 – STAFF COSTS

DKKm	2022	2021
Wages and salaries	(8)	(6)
Pensions, defined contribution plans	(1)	(1)
Total staff costs	**(9)**	**(7)**
Average number of employees (full-time equivalent)	**2**	**2**

For remuneration of the Executive Management and the Board of Directors, see note 2.3 “staff costs” to the consolidated financial statements.

NOTE 2.1 – INVESTMENTS IN SUBSIDIARIES

DKKm	2022	2021
Cost at 1 January	650	650
Cost at 31 December	**650**	**650**
Impairment at 1 January	-	-
Impairment for the year	-	-
Impairment at 31 December	**-**	**-**
Carrying amount at 31 December	**650**	**650**

NOTE 2.2 – RECEIVABLES FROM SUBSIDIARIES

DKKm	2022	2021
Receivables at 1 January	70	74
Changes during the year	44	(4)
Receivables at 31 December	**114**	**70**
Non-current	102	68
Current	12	2
Receivables at 31 December	**114**	**70**

NOTE 2.3 – DEFERRED TAX ASSET

Supplementary information

Deferred tax asset is mainly related to tax losses. The parent company has unrecognised tax losses to carry forwards totalling DKKm 21 (DKKm 23). The Group is of the opinion that utilisation within 3-5 years is not possible within a foreseeable future. There is no expiry date on the tax losses to carry forward.

NOTE 2.4 – SHARE CAPITAL

Please refer to note 3.7 to the consolidated financial statements.

NOTE 2.5 – BOND AND SHAREHOLDER LOAN

Please refer to note 4.4 to the consolidated financial statements.

NOTE 3.1 – RELATED PARTIES

Please refer to note 6.5 to the consolidated financial statements.

The Company is included in the Consolidated Financial Statement of P-RelyOn Nutec 2018 A/S. The consolidated financial statements can be obtained on the following address:

Malmøgade 3, 2100 København Ø

NOTE 3.2 - COMMITMENTS AND CONTINGENT LIABILITIES

Joint taxation scheme

Please refer to note 6.6 to the consolidated financial statements.

Contingent liabilities and guaranties

Please refer to note 6.6 to the consolidated financial statements.

NOTE 3.3 - EVENTS AFTER THE BALANCE SHEET DATE

Please refer to note 6.7 to the consolidated financial statements.

NOTE 3.4 – FEE TO AUDITORS

DKKm	2022	2021
Audit fees to PwC	(1.4)	(1.7)
Other services	(0.2)	-
Total	**(1.6)**	**(1.7)**

NOTE 4.1 - ACCOUNTING POLICIES

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

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 2021.

The financial statements are presented in DKK million.

Leases
IFRS 16 Leases is not applied in the financial statements for the parent company.

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
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.

The balance sheet has been presented in accordance with the current/non-current distinction in accordance with IFRS, which is applicable after the Danish Financial Statements Act.

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

Management statement, auditor's reports and definitions

STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today considered and adopted the annual report of BidCo RelyOn Nutec A/S for the financial year 1st January – 31st December 2022.

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 2022 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 2022.

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.

In our opinion, the annual report of BidCo RelyOn Nutec A/S for the financial year 1st January – 31st December 2022 with the file name BidCoRelyOnNutec-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the annual report is approved at the Annual General Meeting.

Copenhagen, 6th March 2023

Executive Management

Torben Harring

Group CEO

Board of Directors

Jakob Thomasen

Chairman

Jesper Teddy Lok

Merete Søby

Henrik Bonnerup

Jan Damsgaard

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of BidCo RelyOn Nutec A/S

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31st December 2022 and of the results of the Group's operations and cash flows for the financial year 1st January to 31st December 2022 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 31st December 2022 and of the results of the Parent Company's operations for the financial year 1st January to 31st December 2022 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Board of Directors.

What we have audited

The Consolidated Financial Statements of BidCo RelyOn Nutec A/S for the financial year 1st January to 31st December 2022 comprise the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes, including summary of significant accounting policies.

The Parent Company Financial Statements of BidCo RelyOn Nutec A/S for the financial year 1st January to 31st December 2022 comprise the income statement, the statement of financial position, the statement of changes in equity and the notes, including summary of significant accounting policies. Collectively referred to as the "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

Following the admission of bonds of BidCo Relyon Nutec A/S for the listing on Oslo Stock Exchange, we were first appointed auditors of BidCo Relyon Nutec A/S on 25th March 2020 for the financial year 2020. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 3 years including the financial year 2022.

MATERIAL UNCERTANITY RELATED TO GOING CONCERN

We draw the attention to Note 1.0, Capital resources and going concern, in the consolidated financial statements, which describes that the current bond and RCF facilities will mature in 2023. Management has initiated a re-financing process on 5th March 2023 that includes marketing of a bond issue and establishment of a new RCF facility.

If the bond issue is not completed, or raises a lower cash amount than expected, the Board of Directors and Executive Management will take mitigating actions to secure sufficient cash to finance operations of the Group for the coming year.

As the necessary funding is planned, but not in place at the time of approval of the financial statements, this indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Goodwill and brands with indefinite lifetime

Goodwill and brands with indefinite lifetime might be impaired due to for example increased competition in local markets, changes in global economy and changes in the strategy of the Group. No impairment charges have been recorded in 2022.

We focused on this area because the annual impairment test of goodwill and brands with indefinite lifetime is subject to a high degree of judgement and estimation uncertainty.

In estimating the recoverability of the carrying amount of goodwill and brands with indefinite lifetime, significant assumptions are determined by Management relating to future cash flows for the year 2023, projections for subsequent years up to and including 2027, long-term growth rates, margins and discount rates applied.

Judgements relate to the definition of cash generating units and the methodology applied for impairment testing.

Refer to notes 1.2 and 3.1 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

Our audit procedures included assessing the appropriateness of the cash generating units defined by Management and the methodology for impairment testing used by Management.

We examined the impairment tests prepared by Management, including assessing and challenging the significant assumptions relating to future cash flows for the year 2023, projections for subsequent years up to and including 2027 according to budget and business plans approved by Management, long-term growth rates, margins and discount rates applied.

We also examined the sensitivity analysis prepared by Management.

To assess the historical reliability of Management's accounting estimates, we reviewed the outcome of previous estimates by comparing budgeted amounts to actual amounts for the past years.

We involved our specialists in assessing the applied discount rates.

We evaluated the disclosures of impairment testing in the notes.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review, pages 4-33 and 85-86.

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 in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by 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 Statements 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 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON COMPLIANCE WITH THE ESEF REGULATION

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of BidCo RelyOn Nutec A/S for the financial year 1st January to 31st December 2022 with the filename BidCoRelyOnNutec-2022-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error.

The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of BidCo RelyOn Nutec A/S for the financial year 1st January to 31st December 2022 with the file name BidCoRelyOnNutec-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 6th March 2023
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

BidCo RelyOn Nutec A/S
Kalvebod Brygge 45, 3rd floor
DK-1560 Copenhagen V
Phone +45 76 12 13 14

Legal registration no. 39 46 78 36
Financial year 01.01.2022 - 31.12.2022
Established 30th March 2018
Municipality of headquarter; Copenhagen

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

Board of Directors

Jakob Thomasen, Chairman
Jesper Teddy Lok
Merete Søby
Henrik Bonnerup
Jan Damsgaard

Executive Management

Torben Harring

Auditor

PriceWaterhouseCoopers
Statusautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Forward-looking statements

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

DEFINITIONS

A

ABC Anti-Bribery and Corruption

Americas Comprise Brazil, Canada, Mexico, Trinidad & Tobago and the US.

Application users Sum of Worksafe ®-users, Know-how-users, Business Portal-users, and delegates managed via Rider application

ARR Annual Recurring Revenue

Asia Pacific Comprises, Australia, Indonesia, Malaysia, Thailand and Singapore.

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

Cash Conversion Ratio: EBITDA divided by operating cash flow adjusted for special items paid

CGU Cash Generating Units.

D

Digital & blended learning revenue Including Digital Learning (traditional e-learning, adaptive learning and blended learning), applications (Rider and Worksafe ®) and simulation.

Digital annual recurring revenue Subscription fees, license fees as well as service and maintenance fees

Digital learning completions Completed digital learning courses over the past twelve months

Digital portfolio value Committed future digital revenue "order book"

E

EBIT Earnings before interest and tax.

EBITA Earnings before interest, tax and amortisation.

EBITDA Earnings before interest, tax, depreciation and amortisation.

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

G

GWO (Global Wind Organisation) The global industry standard in wind organisation for safety, skills, and competence.

I

IA Impact assessment

IAS International Accounting Standards.

IFRS International Financial Reporting Standards.

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.

L

LTM Last Twelve Months

M

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

MSTS Malaysia Safety Training & Competence Services.

N

NIBD Net Interest Bearing Debt.

NUTEC Norwegian Underwater Training Emergency Centre.

O

OEM Original equipment manufacturer

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.

S

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

SDG Sustainable Development Goals

T

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

TMS Training Management Services

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

YOY: Year-Over-Year

Quarterly report

Q4 2022

CONSOLIDATED INCOME STATEMENT

DKKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	237	179	895	657
Other income	8	9	18	32
Cost of sales	(76)	(58)	(270)	(200)
Staff costs	(108)	(89)	(389)	(320)
Other external costs	(19)	(17)	(70)	(61)
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)	**42**	**24**	**184**	**108**
Depreciation and impairment losses on property, plant and equipment	(18)	(16)	(69)	(63)
Operating result before amortisation and special items (EBITA)	**24**	**8**	**115**	**45**
Amortisation of intangible assets	(6)	(5)	(23)	(22)
Operating result before special items	**18**	**3**	**92**	**23**
Special items	(2)	(2)	(12)	(5)
Operating result (EBIT)	**16**	**1**	**80**	**18**
Financial income	3	4	-	6
Financial expenses	(32)	(22)	(85)	(72)
Profit before tax	**(13)**	**(17)**	**(5)**	**(48)**
Tax for the period	10	(3)	(6)	(10)
Result for the period	**(3)**	**(20)**	**(11)**	**(58)**
Result for the period is attributable to:				
Owners of the parent company	(5)	(21)	(13)	(58)
Non-controlling interests	2	1	2	-
Total	**(3)**	**(20)**	**(11)**	**(58)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Result for the period	(3)	(20)	(11)	(58)
Other comprehensive income:				
Tax on other comprehensive income	1	-	1	-
Exchange rate adjustments of foreign entities and intercompany loans classified as part of net investment	(23)	9	10	25
Total comprehensive income for the period	**(25)**	**(11)**	**-**	**(33)**
Total comprehensive income for the period is attributable to:				
Owners of the parent company	(25)	(11)	(2)	(33)
Non-controlling interests	-	-	2	-
Total	**(25)**	**(11)**	**-**	**(33)**

STATEMENT OF CONSOLIDATED CASH FLOW

DKKm	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Operating result before depreciation, amortisation, impairment losses and special items (EBITDA)		**42**	**24**	**184**	**108**
Special items paid		(4)	(4)	(17)	(9)
Change in net working capital		(2)	22	(48)	21
Income taxes paid		(10)	(5)	(20)	(12)
Cash flow from operating activities		**26**	**37**	**99**	**108**
Investment in intangible assets		(5)	(7)	(23)	(21)
Investment in property, plant and equipment		(21)	(6)	(39)	(21)
Purchase of subsidiaries, net of cash		-	(1)	-	(2)
Cash flow from investing activities		**(26)**	**(14)**	**(62)**	**(44)**
Free cash flow		**-**	**23**	**37**	**64**
Interest expenses etc. paid		(19)	(19)	(66)	(59)
Proceeds from borrowing		41	-	120	-
Installments on lease liabilities		(8)	(8)	(35)	(32)
Transactions with non-controlling interests, including settlements of contingent considerations		(11)	-	(43)	-
Change in other financing activities		(3)	(1)	(8)	(2)
Cash flow from financing activities		**-**	**(28)**	**(32)**	**(93)**
Net cash flow for the period		**-**	**(5)**	**5**	**(29)**
Cash and cash equivalents at the beginning of the period		50	48	43	70
Exchange rate adjustments		-	-	2	2
Net cash flow for the period		-	(5)	5	(29)
Cash and cash equivalents at the end of the period		**50**	**43**	**50**	**43**

RelyOn Nutec