

A photograph of five workers in orange safety gear and hard hats standing on an oil rig platform. They are silhouetted against a bright sunset sky. In the background, the complex metal structure of the rig is visible, including a derrick and various pipes. A large, semi-transparent yellow arc is overlaid on the image, framing the workers and the rig.

RelyOn Nutec

360° Safety

Interim financial report
12 months 2019

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Highlights in Q4 2019

Revenue for the year was DKK 870 million, which is an increase of 5 pct. compared to the proforma accounts for the same period last year.

EBITDA (before special items) was DKK 153 million for the year, which is an improvement of 12 pct. Compared to the same period last year (excluding impact from IFRS16 adaptation).

Building a solid digital service platform is an essential element of our transformation and future expansion. In Q4 we took an important further step on our digital journey.

In October we acquired Rider International B.V. (Rider). They have developed the advanced workforce performance platform called 'Rider'. This technology is 100% geared towards Competence Management, Learning Management and real-time Workflow Management.

The Training and Competence Management aspects of the platform fit tightly with our rapidly increasing digital product portfolio. Expanding our services with this scalable purpose built workforce performance platform is one of our initiatives to become a full service provider in our segment and to bring more value to our customers. Rider is in the process of being rebranded and fully integrated under the RelyOn Nutec Group.

Rider was initially acquired at a top-co holding company level supported by a bridge facility, initially also supporting the acquisition in August 2019 of RelyOn Nutec Digital Ltd (formerly Red Oak Ltd). Subsequently the companies were acquired by RelyOn Nutec Holding A/S. The bridge financing was replaced with a bond tap issue and equity from shareholders.

In December we acquired training facilities from Safety Management Systems LLC in Lafayette, Louisiana.

Outlook

We have had a very strong start of 2020. Bookings were strong through to last week of February and we entered March with the best order book for many years.

The outbreak of the Coronavirus disease (COVID-19) is unfortunate and critical to the global society. Management is committed to the health and safety of our customers and of course our own staff. Due to the measures introduced by the Governments in several countries, management has taken several measures since January 2020 to keep customers and employees safe during this unusual situation. This includes scaling down or closing temporarily some training sites and to lay off employees temporarily.

Obviously, this will have a negative impact on the Group's revenue as well as net profit for 2020; however, at this

point the effect is too early to quantify. The extent of the impact will depend on how long the situation will continue. Therefore, management finds itself unable to disclose a reliable outlook for 2020.

Operation

Revenue and EBITDA for Q4 amounts to DKK 213 million and DKK 29 million respectively.

BidCo RelyOn Nutec A/S was established on 30 March 2018, and acquired RelyOn Nutec on 20 September 2018, and due to this only limited comparable figures are available. However, we have in note 1 prepared pro-forma adjusted comparables for the same periods last year. The comparables have been prepared in accordance with the international accounting standards at that time, i.e. before adoption of IFRS 16.

Leverage

In Q4 our leverage ratio (NIBD / LTM EBITDA (excl NCIs)) increased to 3.8 due to the acquisitions made as the EBITDA of the acquired entities were not fully included.



Cash flow

In Q4 cash flow from operating activities was DKK 8 million (12M 2019 DKK 102 million). Investing activities amounted to DKK -60 million (12M 2019 DKK -123 million).

Cash flow from financing activities was DKK 49 million (12M 2019 -18 million), and the net cash flow for the quarter was DKK -3 million (12M 2019 -39 million).

Preparation

The interim report for Q4 has been prepared on the basis of IFRS as adopted by the EU.

IFRS 16 was adopted with effect from 1 January 2019. Right of use assets accounts for DKK 242 million after provision for onerous contracts, and the lease liabilities amount to DKK 330 million as of 31 December 2019.

Torben Harring
CEO

KEY EVENTS IN 2019



January

Changed name to RelyOn Nutec and initiated global rebranding



February

Kicked off Business Central implementation



August

Acquired Oiltec Solutions



August

Acquired Cresent



August

Launched our new global website including a B2C booking engine



October

Acquired Rider International B.V.



December

Acquired the training activities of Safety Management Systems LLC

Key figures

<i>DKK</i> m	Q4 2019	Q4 2019*	Q4 2018*	12M 2019	12M 2019*	12M 2018*	FY 2017
Revenue	213	213	220	870	870	831	756
EBITDA	29	18	29	153	108	97	69
EBITA	6	11	18	73	61	50	7

**Excluding IFRS 16
Note: 2018 and 2017 refers to unaudited proforma financial figures.*



5
Continents

21
Countries

+30
Training centres



~71%

Oil and gas



~6%

Wind



~6%

Maritime



~17%

Industrial

Sectors (% of revenue 2019)

Financials



Income statement

DKKm	Q4 2019	2019	Q4 2018	2018
Revenue	213	870	220	248
Other income	3	9	3	3
Cost of sales	(53)	(195)	(51)	(59)
Staff costs	(104)	(404)	(100)	(113)
Other external costs	(30)	(127)	(43)	(44)
Operating profit before depreciation, amortization, and impairment losses (EBITDA)	29	153	29	35
Depreciation and impairment losses on property, plant and equipment	(23)	(79)	(11)	(11)
Operating profit before amortization and special items (EBITA)	6	73	18	24
Amortization of intangible assets	(3)	(13)	(2)	(2)
Operating profit before special items	3	60	16	22
Special items	(15)	(34)	(36)	(36)
Operating profit (EBIT)	(12)	26	(20)	(14)
Financial income	11	29	2	4
Financial expenses	(34)	(82)	(7)	(10)
Loss before tax	(35)	(26)	(25)	(20)
Tax	(6)	(23)	5	1
Loss for the year	(41)	(49)	(20)	(19)
Loss for the year is attributable to:				
Owners of BidCo RelyOn Nutec A/S	(39)	(52)	(23)	(22)
Non-controlling interests	(2)	3	3	3
Total	(41)	(49)	(20)	(19)

Statement of comprehensive income

DKKm	Q4 2019	2019	Q4 2018	2018
Loss for the period	(41)	(49)	(20)	(19)
Other comprehensive income				
<i>Items that will be subsequently reclassified to profit or loss</i>				
Exchange rate adjustments of foreign entities	-	-	(2)	(2)
Total comprehensive income for the period	(41)	(49)	(22)	(21)
Total comprehensive income for the period is attributable to:				
Owners of BidCo RelyOn Nutec A/S	(41)	(54)	(25)	(24)
Non-controlling interests	(0)	5	3	3
Total	(41)	(49)	(22)	(21)

Supplementary information

BidCo RelyOn Nutec A/S was established on 30 March 2018, and acquired RelyOn Nutec on 20 September 2018, and due to this only limited comparable figures are available. However, we have in note 1 prepared pro-forma adjusted comparables for the same periods last year. The comparables have been prepared in accordance with the international accounting standards at that time, i.e. before adoption of IFRS 16.

Balance sheet

DKKm	31 December 2019	31 December 2018	DKKm	31 December 2019	31 December 2018
Goodwill	190	136	Share capital	2	2
Brands	57	55	Foreign currency translation reserve	(6)	(2)
Customer contracts	58	60	Retained earnings	293	277
Knowhow	24	27	Total equity attributable to owners of the parent company	289	277
Software	53	-	Non-controlling interests	27	27
Other intangible assets	8	8	Total equity	316	304
Property and plant	196	205			
Equipment	107	117	Bond	371	326
Leasehold improvement	38	30	Provisions	21	92
Asset under construction	1	17	Lease liabilities	301	36
Right-of-use assets	242	-	Deferred tax liabilities	10	-
Deferred tax asset	17	13	Other payables	34	15
Other non-current assets	4	4	Total non-current liabilities	737	469
Total non-current assets	997	672			
			Provisions	0	12
Trade receivables	170	162	Credit facility	42	12
Contract assets	13	19	Trade payables	97	93
Prepayments	15	18	Deferred consideration	3	50
Other receivables	31	24	Lease liabilities	29	-
Cash and cash equivalents	77	106	Other payables	80	61
Total current assets	306	329	Total current liabilities	250	228
Total assets	1,303	1,001	Total liabilities	987	697
			Total equity and liabilities	1,303	1,001

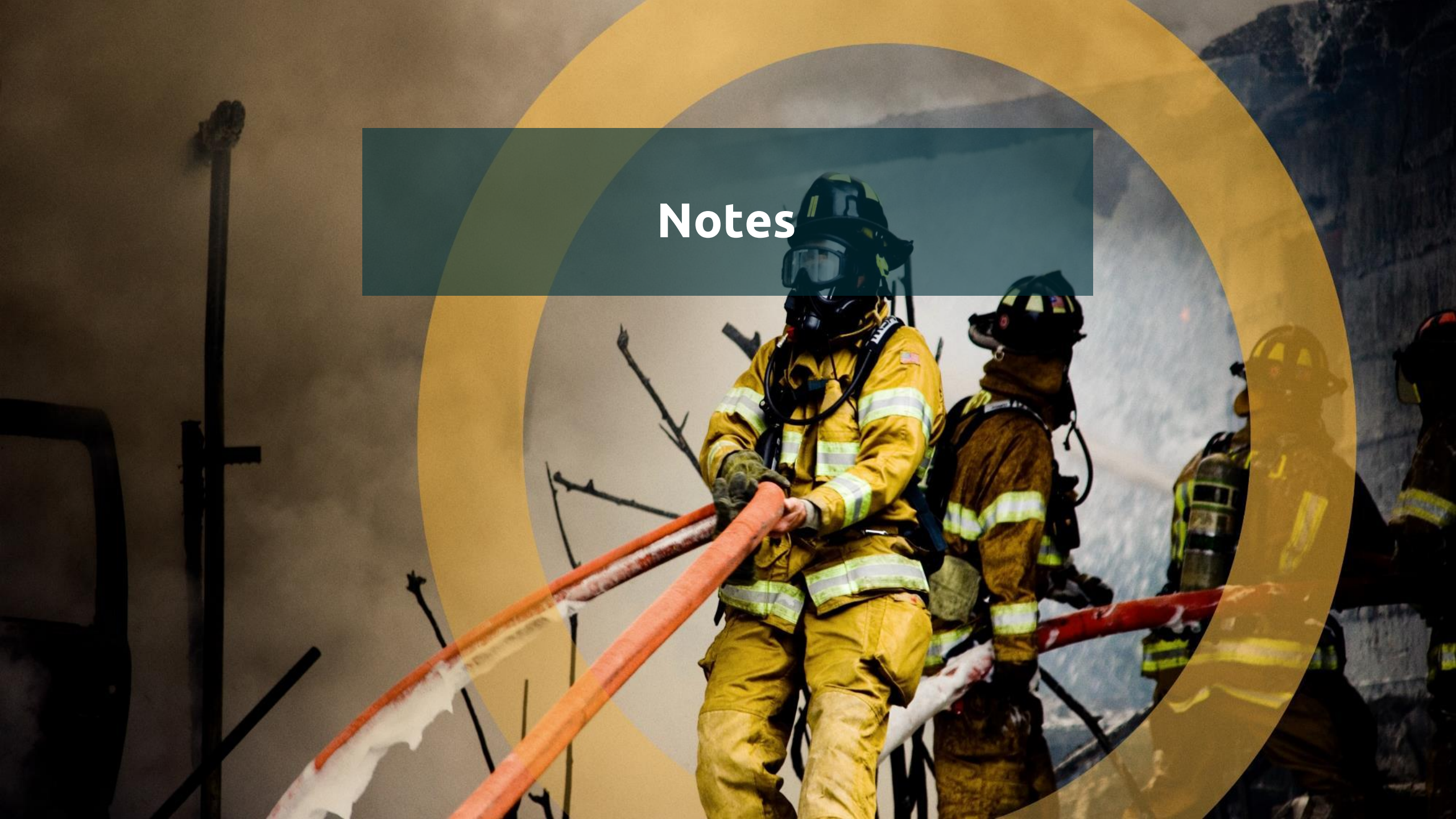
Statement of change in equity

DKKkM	Share capital	Foreign currency translation reserve	Proposed dividend	Retained earnings	Total equity attributable to owners of Bidco RelyOn Nutec A/S	Non-controlling interests	Total
Equity at 30.03.2018	0	-	-	0	0	-	0
Profit for the period	-	-	-	(22)	(22)	3	(19)
Other comprehensive income	-	(2)	-	-	(2)	-	(2)
Total comprehensive income for the period	0	(2)	0	(22)	(24)	3	(21)
<i>Transactions with owners in their capacity as owners</i>							
Capital increase	2	-	-	274	276	-	276
Non-controlling interests on acquisition of subsidiary	-	-	-	-	0	29	29
Group contribution	-	-	-	25	25	-	25
Dividend	-	-	-	-	0	(5)	(5)
Total transactions with shareholders	2	0	0	299	301	24	325
Equity at 31.12.2018	2	(2)	0	277	277	27	304
Equity at 01.01.2019	2	(2)	0	277	277	27	304
Profit for the period	-	-	-	(52)	(52)	3	(49)
Other comprehensive income	-	(4)	-	-	(4)	1	(3)
Total comprehensive income for the period	0	(4)	0	(52)	(56)	4	(52)
<i>Transactions with owners in their capacity as owners</i>							
Capital increase	-	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-
Group contribution	-	-	-	68	68	-	68
Dividend	-	-	-	-	-	(4)	(4)
Total transactions with shareholders	0	0	0	68	68	(4)	64
Equity at 31.12.2019	2	(6)	0	293	289	27	316

Cash flow statement

DKKm	Q4 2019	2019	Q4 2018	2018
Operating profit before depreciation, amortization, and impairment losses (EBITDA)	29	153	29	35
Changes in net working capital	(1)	5	32	12
Income taxes paid	(5)	(25)	(3)	(2)
Special items paid	(15)	(31)	(39)	(46)
Net cash flow from operating activities	8	102	20	(1)
Purchase of property, plant and equipment	(10)	(47)	(13)	(19)
Purchase of intangible assets	(4)	(9)	(2)	(2)
Proceeds from sale of property, plant and equipment	-	-	2	2
Purchase of shares from minority shareholders	-	-	(42)	(42)
Purchase of subsidiaries, net of cash	(46)	(67)	(413)	(413)
Change in other investment activities	-	(0)	(9)	(9)
Net cash flow from investing activities	(60)	(123)	(478)	(483)
Interests paid	(23)	(52)	(10)	(10)
Proceeds from borrowings	47	47	200	336
Drawdown on credit facilities	(2)	30	4	12
Installments on lease liabilities	20	(40)	-	-
Capital increase	-	-	276	276
Dividend paid, non-controlling interests	0	(4)	(5)	(5)
Change in other financing activities	7	1	(20)	(20)
Cash flow from financing activities	49	(18)	445	589
Net cash flow for the period	(3)	(39)	(13)	105
Cash and cash equivalents, beginning of the period	81	106	119	-
Effects of exchange rate changes on cash and cash equivalents	(1)	10	-	1
Cash and cash equivalents at end of the period	77	77	106	106

Notes



Note 1 – Extract of income statement

DKKm	Q4 2019	Q4 2019	Q4 2018	2019	2019	2018
	incl IFRS 16	excl IFRS 16	excl IFRS 16	incl IFRS 16	excl IFRS 16	excl IFRS 16
Revenue	213	213	220	870	870	831
Operating profit before depreciation, amortization, and impairment losses (EBITDA)	29	18	29	153	108	97
Depreciation and impairment losses on property, plant and equipment	(23)	(7)	(11)	(79)	(47)	(47)
Operating profit before amortization and special items (EBITA)	6	11	18	73	61	50
Amortization of intangible assets	(3)	(3)	(2)	(13)	(13)	(2)
Operating profit before special items	3	8	16	60	48	48
Special items	(15)	(15)	(36)	(34)	(34)	(37)
Operating profit (EBIT)	(12)	(8)	(20)	26	14	11

Note 2 – Group companies

Region	Country	Legal name	Equity interest	Region	Country	Legal name	Equity interest
Middle East and Africa	Azerbaijan	RelyOn Nutec Azerbaijan LLC	100%	Europe	Norway	Oiltec Solutions AS	100%
Europe	Belgium	RelyOn Nutec Belgium BVBA	100%	Europe	Norway	RelyOn Nutec Norway AS	100%
Americas	Brazil	RelyOn Nutec Brasil Participacoes Ltda	100%	Middle East and Africa	Oman	Aberdeen Drilling International Co. LLC	70%
Americas	Brazil	RelyOn Nutec Brasil Treinamentos em Segurança Marítima Ltda	100%	Middle East and Africa	Qatar	RelyOn Nutec (Safety Training & Services) LLC *	49%
Americas	Canada	RelyOn Nutec Canada Incorporated	68%	Middle East and Africa	Saudi Arabien	Aberdeen Drilling School LLC Co.	100%
Americas	Canada	RelyOn Nutec Canada (NL) Incorporated	68%	Asia	Singapore	MSTS Asia (S'pore) Pte. Ltd.	100%
Americas	Canada	RelyOn Nutec Canada (LA) Incorporated	68%	Asia	Thailand	RelyOn Nutec Thailand Holding Ltd. *	49%
Europe	Denmark	Bidco RelyOn Nutec A/S	100%	Asia	Thailand	RelyOn Nutec (Thailand) Ltd	65%
Europe	Denmark	RelyOn Nutec Holding A/S	100%	Europe	The Netherlands	RelyOn Nutec Holding B.V.	100%
Europe	Denmark	RelyOn Nutec Denmark A/S	100%	Europe	The Netherlands	RelyOn Nutec Netherlands B.V.	100%
Europe	Denmark	RelyOn Nutec Digital A/S	100%	Europe	The Netherlands	Rider International B.V.	100%
Europe	Germany	RelyOn Nutec Germany GMBH	100%	Americas	Trinidad & Tobago	RelyOn Nutec Services Limited	100%
Asia	Malaysia	MSTS Asia Sdn. Bhd.	60%	Americas	Trinidad & Tobago	Haztec Services Trinidad, Ltd.	100%
Asia	Malaysia	Risktec (M) Sdn. Bhd.	60%	Middle East and Africa	UAE	RelyOn Nutec Safety Services LLC *	49%
Asia	Malaysia	RelyOn Bestari Healthcare Sdn Bhd	60%	Middle East and Africa	UAE	Aberdeen Drilling International Limited	100%
Asia	Malaysia	RelyOn Nutec Malaysia Sdn. Bhd.	60%	Europe	United Kingdom	RelyOn Nutec Ltd.	100%
Asia	Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	100%	Europe	United Kingdom	Aberdeen Drilling School Ltd	100%
Americas	Mexico	RelyOn Nutec Holding de México, S.A. de C.V.	100%	Europe	United Kingdom	RelyOn Nutec Digital Ltd. (formerly Red Oak Ltd.)	100%
Americas	Mexico	RelyOn Nutec de México, S.A.P.I. de C.V.	60%	Americas	USA	RelyOn Nutec USA Holdings, LLC	100%
Middle East and Africa	Nigeria	Falck Safety Services Nigeria Limited *	49%	Americas	USA	RelyOn Nutec Services, Inc.	100%
Middle East and Africa	Nigeria	Falck Prime Atlantic Limited *	49%	Americas	USA	RelyOn Nutec USA, LLC	100%

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

Note 3 – Basis of preparation

The interim report for BidCo RelyOn Nutec A/S is based on recognition and measurement criteria in International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied by the Group are consistent with those applied by the Group in its Annual Report 2019.

The interim report has been prepared under the historical cost convention, except that derivatives and financial instruments are measured at fair value. The annual report is presented in Danish kroner (DKK) rounded to the nearest million.



Practical training in Oostende, Belgium



Additional information

Statement by the Executive Board

The interim report for Q4 2019, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IFRS as adopted by the EU.

However, in our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's operations and cash flows for the period ended 31 December 2019.

Furthermore, in our opinion the management's review gives a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report 2019.

Executive board

Torben Harring
Group CEO

Company information

The company

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Municipality of headquarter; Copenhagen

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Executive Management

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