



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	999 647 308
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	HANSEN PROTECTION ASA
Forretningsadresse:	Tykkemyr 27 1597 MOSS

Regnskapsår

Årsregnskapets periode:	01.01.2017 - 31.12.2017
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tonje Braathen
Dato for fastsettelse av årsregnskapet:	18.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.10.2019



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Kostnader			
Honorarer		753 060	479 220
Andre driftskostnader		994 321	274 615
Sum kostnader		1 747 381	753 835
Driftsresultat		-1 747 381	-753 835
Finansinntekter og finanskostnader			
Annen renteinntekt		4 280	327
Annen finansinntekt	10	5 713 336	524 330
Sum finansinntekter		5 717 616	524 657
Annen rentekostnad		11 223 233	499 747
Andre finanskostnader	10	24 531 041	2 997 225
Sum finanskostnader		35 754 274	3 496 972
Netto finans		-30 036 658	-2 972 315
Ordinært resultat før skattekostnad		-31 784 039	-3 726 150
Skattekostnad	4	-1 710 455	2 097 056
Ordinært resultat etter skattekostnad		-30 073 584	-5 823 206
Årsresultat		-30 073 584	-5 823 206
Overføringer og disponeringer			
Overført fra annen egenkapital		-30 073 584	-5 823 206
Sum overføringer og disponeringer		-30 073 584	-5 823 206



Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	2,3	612 035 001	529 250 610
Sum finansielle anleggsmidler		612 035 001	529 250 610
Sum anleggsmidler		612 035 001	529 250 610
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	1,3	3 000 000	3 026 031
Sum fordringer		3 000 000	3 026 031
Bankinnskudd, kontanter og lignende			
Bankinnskudd og kontanter		6 716 049	39 153 700
Sum bankinnskudd, kontanter og lignende		6 716 049	39 153 700
Sum omløpsmidler		9 716 049	42 179 731
SUM EIENDELER		621 751 050	571 430 341
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		66 725 219	61 900 000
Beholdning av egne aksjer		78 800	
Overkurs		371 556 781	337 100 000
Sum innskutt egenkapital		438 360 800	399 000 000
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2017	2016
Annen egenkapital			
Udekket tap		37 845 039	7 771 457
Sum opptjent egenkapital		-37 845 039	-7 771 457
Sum egenkapital		400 515 761	391 228 543
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4	1 856 601	2 847 056
Sum avsetninger for forpliktelser		1 856 601	2 847 056
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	218 254 723	169 863 267
Sum annen langsiktig gjeld		218 254 723	169 863 267
Sum langsiktig gjeld		220 111 324	172 710 323
Kortsiktig gjeld			
Leverandørgjeld		139 288	6 754 973
Annen kortsiktig gjeld		984 677	736 502
Sum kortsiktig gjeld		1 123 965	7 491 475
Sum gjeld		221 235 289	180 201 798
SUM EGENKAPITAL OG GJELD		621 751 050	571 430 341
POSTER UTENOM BALANSEN			
Pantstillelser	11	612 035 001	529 250 610



Konsernets resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Driftsinntekter	1	307 979 000	299 218 000
Sum inntekter		307 979 000	299 218 000
Kostnader			
Varekostnader		64 928 000	48 593 000
Lønns- og personalkostnader	13,14, 15	71 128 000	72 250 000
Ordinære avskrivninger	3,4	99 726 000	106 016 000
Andre driftskostnader	13,16, 17	62 665 000	62 504 000
Sum kostnader		298 447 000	289 363 000
Driftsresultat		9 532 000	9 855 000
Finansinntekter og finanskostnader			
Annen renteinntekt		136 000	263 000
Andre finansinntekter		8 694 000	6 304 000
Sum finansinntekter		8 830 000	6 567 000
Annen rentekostnad	9	53 527 000	50 476 000
Amortisering av låneopptakskostnader	9	8 811 000	7 218 000
Andre finanskostnader		28 028 000	13 484 000
Sum finanskostnader		90 366 000	71 178 000
Netto finans		-81 536 000	-64 611 000
Ordinært resultat før skattekostnad		-72 004 000	-54 756 000
Årets skattekostnad	11	447 000	10 458 000
Ordinært resultat etter skattekostnad		-72 451 000	-65 214 000
Årsresultat		-72 451 000	-65 214 000
Overføringer og disponeringer			
Overført fra annen egenkapital		-72 451 000	-65 214 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2017	2016
Sum overføringer og disponeringer		-72 451 000	-65 214 000



Konsernets balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varemerke	3	50 850 000	33 793 000
Patenter	3	1 425 000	4 275 000
Kunderelasjoner	3	94 460 000	91 299 000
Goodwill	3	824 608 000	795 476 000
Sum immaterielle eiendeler		971 343 000	924 843 000
Varige driftsmidler			
Maskiner og annet utstyr	4	76 511 000	61 834 000
Sum varige driftsmidler		76 511 000	61 834 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		1 353 000	1 353 000
Andre fordringer		291 000	
Sum finansielle anleggsmidler		1 644 000	1 353 000
Sum anleggsmidler		1 049 498 000	988 030 000
Omløpsmidler			
Varer			
Varelager	5	114 301 000	46 131 000
Sum varer		114 301 000	46 131 000
Fordringer			
Kundefordringer	6	36 060 000	28 077 000
Andre kortsiktige fordringer		9 889 000	10 287 000
Sum fordringer		45 949 000	38 364 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd og kontanter	7	47 482 000	84 092 000
Sum bankinnskudd, kontanter og lignende		47 482 000	84 092 000
Sum omløpsmidler		207 732 000	168 587 000



Konsernets balanse

Beløp i: NOK	Note	2017	2016
SUM EIENDELER		1 257 230 000	1 156 617 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		66 725 000	61 900 000
Beholdning av egne aksjer		79 000	
Overkurs		371 557 000	337 100 000
Sum innskutt egenkapital		438 361 000	399 000 000
Opptjent egenkapital			
Udekket tap		194 437 000	128 399 000
Sum opptjent egenkapital		-194 437 000	-128 399 000
Sum egenkapital		243 924 000	270 601 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12	479 000	509 000
Utsatt skatt	11	37 084 000	35 265 000
Sum avsetninger for forpliktelser		37 563 000	35 774 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	868 710 000	795 920 000
Annen langsiktig gjeld		19 261 000	
Sum annen langsiktig gjeld		887 971 000	795 920 000
Sum langsiktig gjeld		925 534 000	831 694 000
Kortsiktig gjeld			
Neste års avdrag på langsiktig gjeld	9	40 497 000	5 000 000
Leverandørgjeld		14 662 000	23 501 000
Betalbar skatt	11	9 127 000	9 195 000
Skattetrekk og andre trekk		5 221 000	2 245 000
Annen kortsiktig gjeld		18 265 000	14 381 000
Sum kortsiktig gjeld		87 772 000	54 322 000



Konsernets balanse

Beløp i: NOK	Note	2017	2016
Sum gjeld		1 013 306 000	886 016 000
SUM EGENKAPITAL OG GJELD		1 257 230 000	1 156 617 000
POSTER UTENOM BALANSEN			
Pantstillelser	10	139 496 000	126 550 000



**Protection Holding AS
and subsidiaries**

Annual Financial Statements 2017

Board of Directors' Report
Income Statement
Balance Sheet as at 31 December
Statement of Cash Flows
Accounting Policies
Notes
Audit opinion



Protection Holding AS and subsidiaries

Directors' report for 2017

General information

The Group was established on 9 July 2013. On this date, Protection Holding AS acquired all the shares in Hansen Protection Group Holding AS, which subsequently merged with Hansen Protection AS. Protection Holding AS is the Norwegian parent company in the group. The group also encompasses the subsidiaries Protection AS (NO), Hansen Protection AS (NO), Biardo Survival Suits BV (NL), Lyngsøe Rainwear ApS (DK), Divilife AB (SE) and Hansen Protection Canada Ltd (CA). The statutory accounts of Protection Holding AS for and its subsidiaries for 2017 are available in the English language only. The company in Canada is currently a dormant entity.

Group operations

For 2017, the operations of Protection Holding AS and its subsidiaries primarily took place in the subsidiary Hansen Protection AS (NO) and includes the production, rental and sale of survival suits for offshore operations. Hansen Protection AS also manufactures and sells textile-based equipment for agricultural and commercial use, and boat coverings for the leisure craft market. In 2017 Hansen Protection AS acquired 100% of the shares in Lyngsøe Rainwear ApS (DK) and Divilife AB (SE), the operation of these companies are included in the accounts for 2017 with one month and nine months, respectively. Lyngsøe Rainwear ApS is located in Denmark and sells protective rainwear for harsh environments, primarily to the professional market in Europe. Divilife AB sell and distributes diving suits and equipment to both the consumer and the professional market. The group's operations in the Netherlands include the sale and rental of suits in these markets.

a) Production and sales of survival suits, boat coverings and special textile products

Important product groups for which the company is responsible for production and sales include survival suits for offshore activities and shipping, boat coverings and textiles for agricultural and commercial use.

Within these segments, Protection Holding AS and subsidiaries operate in both Norway and international markets.

Production takes place in Moss, Kristiansand and through foreign subcontractors, while the sale of suits and other equipment takes place in Moss, Kristiansand and the Netherlands.

b) Integrated Services

Integrated services includes the rental and servicing of transportation suits from heliports in Norway, Denmark and the Netherlands.

Hansen Protection AS manufactures the suits that are used for Integrated Services.

In addition to the production of survival suits in Moss, the company also has a maintenance department in Bergen.

c) Rainwear

From December 2017 the product range also includes protective rainwear for the professional market through Lyngsøe Rainwear ApS, a company located in Herning, Denmark, and which Hansen Protection AS acquired 30 November, 2017.

Lyngsøe Rainwear ApS operates mainly in the European market.



d) Diving suits and equipment

The acquisition of Divelife AB in 2017 added sale of suits and equipment for diving to the group's operations to both the professional and consumer market.

Market conditions

Hansen Protection AS primarily operates in the Norwegian market, with an increasing share of export sales. Biardo Survival Suits BV, Lyngsøe Rainwear ApS and Divelife AB operates in their domestic markets as well as the larger European market.

The general opinion in the market is that the level of offshore and shipping activities in Europe the coming years will increase compared to 2017, and the higher level of activity is expected to have a positive impact on the company's revenues.

The market conditions for protective rainwear are favourable and it is expected that these markets will show a positive sales trend in the coming years.

Research and development activities

To the extent that the company has development expenses related to new and improved products, these are recognised as an expense in their entirety. The company is continuously engaged in several exciting development projects that are expected to give a positive market position and contribute to earnings growth in the future.

Result of operations

The result for the year was NOK -72.5 million in 2017 (2016: NOK -65.2 million). The negative result in the group is affected by the amortisation of goodwill for accounting purposes that arose in connection with the acquisition of the shares in Hansen Protection Group Holding AS in 2013. Amortisation of the goodwill values related to this acquisition and the acquisitions in 2017 amounted to NOK 80.9 million (2016: NOK 86.8 million).

Assets and liabilities at the end of the year

Of the total assets of NOK 1,257.2 million (2016: 1,156.6 million) in the group, long-term items accounted for NOK 1,049.5 million (2016: NOK 988.3 million). In connection with the acquisitions during the year, the group raised new loans of NOK 80.4 million and repaid NOK 26.8 million in loans, bringing the long-term liabilities before deferred tax and pension but including deferred payment for shares, to NOK 888.0 million at the end of the year (2016: NOK 795.9 million).

Working capital amounted to NOK 122.1 million and is calculated as follows:

	31/12/2017	31/12/2016
Trade receivables and receivables due within 12 months:	NOK 45.9 million	NOK 37.0 million
Inventories	NOK 114.3 million	NOK 46.1 million
- Trade payables and other current items	NOK (38.1 million)	NOK (39.0 million)
<u>Working capital</u>	<u>NOK 122.1 million</u>	<u>NOK 44.0 million</u>

Group equity as at 31 December 2017 amounted to NOK 243.9 million (2016: NOK 270.6 million). The group's equity ratio was 19.2% at the end of 2017 (2016: 23.4%).

Statement of cash flows

Cash flow from the group's operating activities amounted to NOK 32.4 million (2016: NOK 33.6 million). Inventory in Lyngsøe Rainwear amounted to NOK 59.9 million at 31 December 2017. Depreciation of



capital equipment in the operating companies and amortisation in the group comprise the essential difference between the cash flow from operating activities and the operating result.

The investment in Integrated Services, including capital equipment in new companies in the group, amounted to NOK 30.6 million in 2017 (2016: NOK 25.2 million) and the investment in other capital equipment amounted to NOK 4.1 million (2016: 2.3 million). Investments in other capital equipment were primarily related to production equipment, equipment for the heliports for use in Integrated Services and costs related to IT. NOK 1.5 million of the new equipment was net booked value of assets in Lyngsøe Rainwear ApS, Divilife AB and the related activity in Norway at the time of acquisition.

Personnel, health, the environment and organisation

There were 157 employees (2016: 134) in the group at the end of the year. The increase in the number of employees is primarily due to acquisitions.

Of the total number of employees in the group as at 31 December 2017, 59% were women (65% at the end of 2016). The companies in the group desire a balanced gender composition, and women and men have equal status for both internal and external recruitment. Employees in production are paid based on collective wage agreements, while other parts of the operations are paid on an individual basis. The companies in the group are concerned that no discrimination of any kind shall take place in connection with recruitment or adaptations for employees.

Cooperation with the employees' unions was positive also during the past year. The company monitor on an ongoing basis measures to reduce absence due to illness in production and service operations, where there are heavy lifting and challenging working positions. Job rotation has been arranged in this part of the operations, and there is an ongoing dialogue with individual employees.

No environmental disruption, serious workplace accidents or other accidents have occurred or been reported during the year.

The Board of Directors of Protection Holding AS consists of four persons.

Environment

The group has increased its focus on ESG and is working actively to reduce the amount of non-recyclable waste through source separation and recycling, among other means. Hansen Protection AS has also set specific environmental goals with respect to return schemes for boat coverings and the recycling of suit components in order to reduce the environmental footprint. Possible new measures are considered on an ongoing basis, and internal guidelines have been implemented to safeguard the area. See the special environmental report at www.hansenprotection.no. Hansen Protection AS was ISO 14001 certified in January 2013 and certification criteria are annually subject to review from external auditor.

Financial risk

Market risk: The group does not have any money market investments. Portions of the company's assets are financed through long-term loans. The interest rate on these loans are market-based.

Credit risk: Large oil installations account for a significant share of the customer base and the group's sales, the risk that they are unable to fulfil their obligations is considered low. Other customers represent low to moderate risk of loss. Good routines have been established to reduce the potential losses on receivables.

Liquidity risk: The group's earning capacity before depreciation for accounting purposes is positive, and there is no significant liquidity risk.

Outlook for 2018

In 2018 the level of activity in the oil and gas market is expected to increase compared to 2017, the group therefore expects to experience positive earnings growth in the coming year. The company will continue to have a strong focus on diversifying the groups' exposure by increasing its level of activities in other



market segments, and the Board of Directors is of the opinion that this will make the group more resilient towards potential volatility in the oil and gas market.

In the opinion of the Board of Directors, the company's financial resources are sufficient to cover the expected need for working capital. The accounts have been prepared under the going concern assumption.

Moss, 31 December 2017 / 20 March 2018
Board of Directors of Protection Holding AS

Amund Skarholt
Board Chairman

Thomas Klitbo
Board Member

Terje Gorm Hansen
Managing Director

Christopher Masek
Board Member

Peter Svarrer
Board Member



Protection Holding AS and subsidiaries

Income statement

(in NOK 1,000)

Operating revenues and operating costs	Note	2017	2016
Operating revenues	1	307 979	299 218
Total operating revenues		307 979	299 218
Cost of sales		64 928	48 593
Payroll and other personnel expenses	13, 14, 15	71 128	72 250
Ordinary depreciation	3, 4	99 726	106 016
Other operating costs	13, 16, 17	62 665	62 504
Total operating costs		298 447	289 363
Operating profit		9 532	9 855
Interest income		136	263
Other financial income		8 694	6 304
Interest expenses	9	53 527	50 476
Amortisation of borrowing costs	9	8 811	7 218
Other financial costs		28 028	13 484
Net financial costs		-81 536	-64 611
Profit before tax		-72 004	-54 756
Income tax expense	11	447	10 458
Profit/loss for the year		-72 451	-65 214



Protection Holding AS and subsidiaries

Balance sheet as at 31 December

(in NOK 1,000)

Assets	Note	2017	2016
<i>Non-current assets</i>			
Intangible assets			
Trademarks	3	50 850	33 793
Patents	3	1 425	4 275
Customer relationships	3	94 460	91 299
Goodwill	3	824 608	795 476
Total intangible non-current assets		971 343	924 843
Property, plant and equipment			
Machinery, operating and other equipment	4	76 511	61 834
Total tangible non-current assets		76 511	61 834
Financial assets			
Investments in other enterprises		1 353	1 353
Other long-term receivables		291	-
Total non-current asset investments		1 644	1 353
Total non-current assets		1 049 498	988 030
<i>Current assets</i>			
Inventories	5	114 301	46 131
Receivables			
Trade receivables	6	36 060	28 077
Other receivables		9 889	10 287
Total receivables		45 949	38 364
Bank deposits, cash, etc.	7	47 482	84 092
Total current assets		207 732	168 587
Total assets		1 257 230	1 156 617

**Protection Holding AS and subsidiaries**

Balance sheet as at 31 December

(in NOK 1,000)

Equity and liabilities	Note	2017	2016
<i>Equity</i>			
Total paid-in capital			
Share capital	8	66 725	61 900
Own shares	8	79	-
Share premium reserve	8	371 557	337 100
Total paid-in capital	8	438 361	399 000
Retained earnings			
Uncovered losses	8	-194 437	-128 399
Total retained earnings		-194 437	-128 399
Total equity		243 924	270 601
<i>Liabilities</i>			
Non-current liabilities			
Deferred tax	11	37 084	35 265
Pension obligations	12	479	509
Mortgage loans	9	868 710	795 920
Other long term liabilities		19 261	-
Total non-current liabilities		925 534	831 694
Current liabilities			
Trade payables		14 662	23 501
Tax payable	11	9 127	9 195
Public duties payable		5 221	2 245
Next year's instalments on long-term liabilities	9	40 497	5 000
Other current liabilities		18 265	14 381
Total current liabilities		87 772	54 322
Total liabilities		1 013 306	886 016
Total liabilities and equity		1 257 230	1 156 617

Moss, 31 December 2017 / 20 March 2018

Amund Skarholt
Board ChairmanChristopher Masek
Board MemberThomas Klitbo
Board MemberPeter Svarrer
Board MemberTerje Gorm Hansen
General Manager



Protection Holding AS and subsidiaries

Statement of Cash Flows - indirect model

(in NOK 1,000)

	2017	2016
Cash flows from operating activities		
Profit before income tax	-72 004	-54 756
Income tax paid during the period	-14 889	-30 953
Gain (-) / loss on sale of non-current assets	-3 269	-1 601
Accrued, unpaid interest	842	608
Amortised refinancing costs	8 811	13 696
Ordinary depreciation	99 726	106 016
Change in inventories	-10 832	-327
Change in trade receivables	10 593	-80
Change in trade payables	-9 447	10 468
Difference between pension charges and payments to/from the pension schemes	-34	-26
Effect of foreign exchange fluctuations on loans denominated in foreign currencies	20 353	-623
Change in other accrual items	2 582	-8 817
Net cash generated from operating activities	32 432	33 605
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	6 836	2 236
Payments for purchase of property, plant and equipment	-33 550	-27 503
Acquisition of shares in subsidiaries, net of cash acquired	-87 231	-12 054
Acquisition of shares and investments in other businesses	-	-1 105
Net cash used in investing activities	-113 945	-38 426
Cash flows from financing activities		
New long-term debt to credit institutions	80 360	208 604
Repayment of long-term debt	-37 305	-180 342
Paid borrowing costs	-908	-7 114
Net cash from financing activities	42 147	21 148
Net change in cash and bank deposits	-39 366	16 327
Conversion differences	2 756	-1 478
Cash and cash equivalents as at 1 January	84 092	69 243
Cash, cash equivalents and bank deposits at the end of the period	47 482	84 092



Protection Holding AS and subsidiaries

Protection Holding AS and subsidiaries

Protection Holding AS owns all the shares in Protection AS and is the ultimate Norwegian parent company.

At the end of the year, the group consists of the ultimate parent company Protection Holding AS, Protection AS, Hansen Protection AS and the companies Hansen Protection Canada Ltd, Biardo Survival Suits BV, Lyngsøe Rainwear ApS and Divelife AB. The operations of Hansen Protection AS and this company's foreign subsidiaries encompass the rental and sales of transport and work suits to offshore activities, etc. In addition, Hansen Protection AS manufactures immersion suits, equipment for agricultural and commercial use, as well as boat coverings and other textile-based equipment for the leisure craft market. In 2017 Hansen Protection AS acquired all shares in Lyngsøe Rainwear ApS, a company selling protective rainwear and other technical apparel for working in wet and cold environments, and Divelife AB, a company located in Sweden selling diving equipment to the professional market as well as the consumer market. The Norwegian part of the diving business that used to be a part of the Swedish operation has been integrated into the activities of Hansen Protection AS.

Lyngsøe Rainwear ApS is included in the group accounts from 1 December, 2017 while Divelife AB is included with 9 months of operation, from 1 April, 2017.

Accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Consolidation of companies in the group

Subsidiaries are consolidated from the point in time when control is transferred to the group (acquisition date).

In the consolidated financial statements, the shares in subsidiaries item is replaced by the subsidiary's assets and liabilities. The consolidated financial statements have been prepared on the basis of the Group being one financial unit. Transactions and unrealised earnings and receivables between the companies in the group have been eliminated.

The balance sheet of foreign subsidiaries is converted at the rate in effect on the date of the balance sheet on 31 December, while the profit or loss in these companies is translated at a weighted average rate based on the revenues in the individual currencies.

Subsidiaries that are acquired are accounted for in the consolidated financial statements based on the historical cost to the parent company. The historical cost is allocated to identifiable assets and liabilities in the acquired enterprise, so that they are included in the consolidated financial statements at fair value, including deferred tax calculated in accordance with the local tax rates at the time of the acquisition. Excess value beyond that which can be attributed to identifiable assets and liabilities is recognised on the balance sheet as goodwill. Goodwill is treated as a residual value, and it is recognised on the balance sheet at the proportion observed in the acquisition transaction. Goodwill is amortised over the anticipated economic life of the acquired assets.

Operating revenue

The sale of goods and services is recognised at the time of delivery. Rental income from suits is recognised based on the rental days accrued. Value-added tax, discounts and bonuses are deducted from operating revenue.

Pension costs

Two types of pension schemes are included in the consolidated financial statements. Hansen Protection AS, which is a Norwegian company, is required to have a pension scheme pursuant to the Mandatory Occupational Pension Act, and the collective scheme in this company was converted from a defined benefit to a defined contribution plan in 2014. Those who were sick or partially disabled at the time of the conversion were not transferred to the new scheme, and the company has the original defined benefit plan for these individuals. The obligation recognised on the balance sheet is the net present value of the defined benefits on the balance sheet date, less the fair value of the pension fund assets (amount paid to the insurance company). The pension obligation is calculated annually by independent actuaries using the projected unit credit method. Pension costs are calculated in accordance with the Norwegian accounting standard for pension costs. The net pension cost for the period is included in "payroll costs, etc." and is made up of the pension benefits earned during the period, the interest costs on the estimated pension obligation and the estimated return on pension fund assets. The effect of changes in estimates and pension plans are recognised directly in the company's equity. The estimated pension obligations and the fair value of the pension fund assets are presented on a gross basis in the accounts.

Research and development expenses

Costs associated with the ongoing development of new and improved solutions, as well as the maintenance of existing technical solutions, are recognised in the income statement in the year they are incurred.

Income tax

The income tax expense in the income statement encompasses the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the nominal rate of 23% on the basis of temporary differences that exist between the financial accounting and accounting for tax purposes, in addition to any tax loss carryforward at the end of the financial year in the group companies, as well as the book value of intangible assets at the group level, with the exception of goodwill. Tax-increasing and tax-reducing temporary differences that reverse or may reverse during the same period are offset and the tax effect of the net amount is calculated. Deferred tax assets attributed to net tax-reducing differences that are not offset and the tax loss carryforward are based on estimated future earnings. Deferred tax and tax assets that can be recognised on the balance sheet are recognised on a net basis on the balance sheet.

Classification and assessment of balance sheet items

Current assets and current liabilities include items that relate to the company's business cycle or other items that fall due for payment within one year after the date of the balance sheet. Non-current assets include assets intended for permanent ownership or use. Non-current liabilities are liabilities that fall due for payment later than one year after the date of the balance sheet.



Protection Holding AS and subsidiaries

Current assets are valued at the lesser of historical cost or fair value. Non-current assets are valued at historical cost less depreciation for use and wear, unless the fair value is lower and the impairment in value is not expected to be of a temporary nature. Non-current assets are written down to fair value in such cases.

Intangible assets

Intangible assets in the accounts are related to business acquisitions, and the allocation of excess value to the various assets is carried out on the basis of an acquisition analysis. Customer relationships are amortised degressively over 5 to 10 years in the consolidated financial statements, while excess value related to agreements entered into and time-limited rights are depreciated over the remaining economic life of the agreements and rights. Goodwill in the consolidated financial statements has arisen as a result of established and reputable operations in the companies invested in, as well as a return and investment profile that extends over a long-term perspective. Goodwill is thus amortised on a linear basis over 20 years. Trademarks are not amortised. The book value of the intangible assets is assessed on a regular basis for any indication of impairment in value. If there is any indication of impairment, the asset will be written down in the accounts to the replacement value.

Depreciation of property, plant and equipment

Property, plant and equipment are recognised on the balance sheet and depreciated over the life of the capital asset. Significant improvements are added to the cost of the capital asset and depreciated accordingly, while maintenance and repair expenses are recognised on an ongoing basis under operating costs.

Inventories

Inventories of raw materials and purchased finished products are valued at the lesser of historical cost and fair value. Self-manufactured finished goods are valued at the full production cost. Any obsolete goods are valued at fair value at the end of the financial year.

Receivables

Trade and other receivables are recognised on the balance sheet at the nominal value, less a provision for estimated losses. Provisions for losses are made on the basis of individual assessments of the individual items.

Assets and liabilities in foreign currencies

Monetary items, receivables and liabilities in foreign currencies are translated at the exchange rate in effect at the close of the financial year.

Statement of cash flows

The statement of cash flows has been prepared in accordance with the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can be converted immediately without any significant exchange rate risk for a known cash amount, and the remaining term to maturity must be less than three months from the purchase date.

Interest rate hedging

The company has entered into an interest rate hedge agreement. Realised and unrealised gains and losses on the hedging instrument are recognised in the income statement when the underlying hedged item affects the income statement. Changes in the value of the hedging instrument are not accounted for provisionally in the equity prior to this point in time. The effect of the hedging instrument on the income statement is presented together with the hedged risk from the hedged item.

Notes (amounts in NOK 1,000)

1 Operating revenues	2017	2016
Norway	231 204	225 482
Europe, excluding Norway	59 115	50 884
Rest of the world	17 661	22 852
Total operating revenues	307 979	299 218

Proforma sales including full year operation of Lyngsøe Rainwear ApS, Divelife AB and sales of diving equipment in Norway was NOK 394,7 mill in 2017 and NOK 409,8 mill in 2016.

2 Companies included in the group accounts

Company	Country	Stake	Share capital	Profit for the year	Equity as at 31/12/2017
Protection Holding AS	Norway	Parent	NOK 66 725	-NOK 30 074	NOK 400 516
Protection AS	Norway	100 %	NOK 70 596	-NOK 31 090	NOK 451 046
Hansen Protection AS	Norway	100 %	NOK 6 000	NOK 3 245	NOK 992 997
Hansen Protection Canada Ltd	Canada	100 %	CAD 1 400	CAD -158	CAD 361
Biardo Survival Suits BV	Netherlands	100 %	EUR 18	EUR 442	EUR 1 728
Lyngsøe Rainwear Aps	Denmark	100 %	DKK 125	DKK 685	DKK 46 700
Divelife AB	Sweden	100 %	SEK 50	-SEK 199	SEK 2 514

Lyngsøe Rainwear AS

Hansen Protection AS acquired 100% of the shares in Lyngsøe Rainwear Aps 30 November 2017 at DKK 123,204 millions. Full settlement of the purchase price is conditional on certain earnings in Lyngsøe in 2017 and 2018 and fall due in 2018 and 2019. In the accounts full settlement of the purchase price is assumed.



Protection Holding AS and subsidiaries

Divelife AB

The company's operations in Sweden and Norway was acquired by Hansen Protection AS on 1 April 2017 and the accounts for 2017 includes 9 months of the operations. Purchase price for the Swedish company including the operation in Norway was NOK 14.9 millions. Full settlement of the purchase price is conditional on certain earnings in the combined diving business in the period 01 April 2017 to 31 March 2020 and fall due in 2018, 2019 and 2020. In the accounts full settlement of the shares are assumed.

3 Intangible assets

	Customer				Total
	Trademarks	Patents	relationships	Goodwill	
Historical cost as at 1 January	33 793	22 800	222 823	972 102	1 251 518
Aquisition of Lyngsøe Rainwear ApS	16 501	-	29 698	65 819	112 018
Aquisition of Divelife AB	-	-	-	10 470	10 470
Translation difference - historical cost	557	-	3 632	2 446	6 635
Historical cost as at 31 December	50 851	22 800	256 153	1 050 837	1 380 641
Acc. depreciation as at 1 January	-	18 525	131 524	176 626	326 675
Depreciation and write-downs for the year	-	2 850	28 616	49 423	80 889
Depreciation on translation differences	-	-	1 556	178	1 733
Accumulated depreciation as at 31 December	-	21 375	161 696	226 227	409 297
Book value as at 31 December	50 851	1 425	94 457	824 610	971 343
Depreciation rates 2017	0 %	13 %	11 %	5 %	

Excess values in the accounts are related to acquisitions. The distribution of the purchase price is based on the acquisition analysis prepared, in which goodwill represents the portion of the purchase price that could not be allocated to other assets.

4 Property, plant and equipment

	Rental	Other non-	Total
	suits	current assets	
Historical cost as at 1 January	104 849	19 630	124 480
Additions from acquisitions during the year	-	1 552	1 552
Other additions during the year	30 590	2 564	33 154
Disposals during the year	-5 011	-1 200	-6 211
Translation difference for historical cost	949	110	1 060
Historical cost as at 31 December	131 377	22 657	154 034
Accumulated depreciation as at 1 January	51 292	12 003	63 294
Depreciation/write-downs for the year	15 352	3 483	18 835
Accumulated depreciation on disposals during the year	-3 818	-1 626	-5 444
Translation differences related to depreciations	702	134	836
Accumulated depreciation as at 31 December	63 528	13 994	77 522
Book value as at 31 December	67 849	8 662	76 511
Depreciation rates	14% to 20%	20% to 25%	

5 Inventories

	2017	2016
	Raw materials	25 651
Work in progress	3 437	3 869
Finished products	91 779	24 689
Total inventories (gross)	120 867	52 619
Allowance for obsolete inventory:		
Raw materials and finished goods	-6 566	-6 488
Book value as at 31 December	114 301	46 131

6 Trade receivables

	2017	2016
	Trade receivables at their nominal value	37 621
Allocated to cover doubtful receivables	-1 561	-700
Book value as at 31 December	36 060	28 077



Protection Holding AS and subsidiaries

7 Restricted bank deposits

As at 31 December 2017, restricted tax withholdings amounted to NOK 2,296,495. At the end of 2016, the corresponding restricted bank deposits amounted to NOK 2,311,537.

8 Equity

	Share capital	Own shares	Share premium reserve	Uncovered losses	Total
Equity as at 1 January	61 900	-	337 100	-128 399	270 601
New shares issued in the year	4 825	-	34 457	-	39 282
Purchase of own shares during the year	-	-1 421	-	-	-1 421
Sale of own shares during the year	-	1 500	-	-	1 500
Translation difference	-	-	-	6 413	6 413
Result for the year	-	-	-	-72 451	-72 451
Total equity as at 31 December	66 725	79	371 557	-194 437	243 924

Following the emission that took place in December 2017, the share capital of Protection Holding AS consists of 11,089,317 A shares and 55,635,902 B shares, both classes of shares having equal voting rights and unequal rights to dividends in accordance with the company's Articles of Association.

Shareholder composition of Protection Holding AS as at 31 December 2017:

Protection International Sari (Luxembourg)	90,0 %
Lyngsøe Holding Aps (Denmark)	7,2 %
Hansen Protection management	2,8 %

9 Mortgage loans

Creditor	Designation	Principal as at 31/12/2016	Maturity	Average interest rate for 2017	Principal as at 31/12/2017	
					LC	NOK
investec	Long-term loan	181 726	2019	5,5%	EUR 23 000	226 327
DnB/Nordea	Facility A/A1	100 000	2021	5,2%	NOK 95 000	95 000
DnB/Nordea	Facility B/B1	478 657	2022	5,7%	NOK 478 657	478 657
DnB/Nordea	Facility C	77 515	2022	1,2%	EUR 6,500 /	111 802
					NOK 47,348	
Total		837 899				911 786

Repayments on DNB/Nordea facilities during the year amounted to NOK 26,825.

In connection with Hansen Protection AS acquisition of Lyngsøe Rainwear Aps the group raised NOK 80,360 in new debt in 2017.

Principal as at 31 December	911 786
Book value of capitalised borrowing costs	-29 076
Total mortgage loans on the balance sheet as at 31 December	882 710
instalments in 2018 presented as current liabilities on the balance sheet as at 31 December	-14 000
Total mortgage loans on the balance sheet as at 31 December	868 710



Protection Holding AS and subsidiaries

In connection with the establishment of long-term financing with an external bank, borrowing costs have been capitalised on the group's balance sheet. The item is amortised over the term of the loan, and amortisation totalled to NOK 8,811,000 in 2017.

Repayment profile for mortgage loans:

Facility A/A1 loan has the following maturity structure:

Year	Instalments	Remaining principal
2018	14 000	81 000
2019	24 000	57 000
2020	34 000	23 000
2021	23 000	-

Facility B/ B1 loan with a principal of 478,657,000 as at 31 December 2017 matures in its entirety in 2022.

Facility C loan has the following maturity structure:

Year	Instalments	Remaining principal
2018	-	111 802
2019	10 000	101 802
2020	10 000	91 802
2021	10 000	81 802
Thereafter	81 802	-

The loan from Investec falls due in its entirety in 2019.

Interest rate hedging:

NOK 439 million of the long-term loan from DnB/Nordea has been hedged with interest rate instruments that expire 2018. During the interest rate period, the company will pay a nominal interest rate of NIBOR 2.315% and 2.09%, respectively. The average interest rate for 2017 is described in the above table. The fair value of the liability related to the interest rate hedge on the balance sheet date is NOK 4,062,118. The liability is not recognised on the balance sheet.

Conditions related to the financing

The group's loan agreements include certain conditions related to ratios for the interest cover rate, net interest-bearing liabilities / EBITDA, debt servicing capacity of the cash flow and investments. These ratios are measured quarterly on a 12-month rolling basis for Protection AS, Hansen Protection AS and its subsidiaries. In addition, there are covenants related to the value of the IK VII fund for the Investec facility. The company met all the loan covenants as at 31 December 2017.

The loan agreement with DNB/Nordea was amended and extended in 2016, and the terms and conditions for the interest cover rate, net interest bearing liabilities / EBITDA and investments were modified. In addition, the parent company entered into a loan agreement with Investec Bank PLC with a limit of EUR 30 million. The company had drawn down EUR 23 million on the facility as at 31 December 2017.

10 Pledged assets and guarantee commitments

Assets in Hansen Protection AS have been pledged as security for external long-term debt.

Book value of these assets:

	2017	2016
Trade receivables	20 731	25 965
Inventories	50 152	44 968
Machinery, fixtures/fittings and other equipment	68 613	55 617
Total	139 496	126 550

**Protection Holding AS and subsidiaries****11 Income tax**

Deferred tax is calculated on the basis of temporary differences between financial reporting and tax values at year end:

Deferred tax on temporary differences:

	31.12.2017	31.12.2016
Receivables	-691	-621
Inventories	-4 883	-3 946
Non-current assets	-5 600	-11 841
Pension obligations	-479	-510
Development expenses – capital assets	-735	-1 104
Capitalised borrowing costs	29 076	36 979
Trademarks	48 225	31 216
Patents	1 425	4 275
Customer relationships	94 375	91 298
Basis for calculation of deferred tax / (-) tax asset in the balance sheet	160 713	145 746
Deferred tax / (-) deferred tax asset	36 964	34 979
Adjustment for local tax rates	120	286
Deferred tax / (-) tax assets in the balance sheet	37 084	35 265

Deferred tax not recognised in the balance sheet:

Tax loss carryforward	-34 110	-25 918
Temporary differences related to carryforward of non-deductible interest expenses:	-84 527	-72 568
Basis for deferred tax / (-) deferred tax asset	-118 637	-98 486
Deferred tax / (-) deferred tax asset not recognised in the balance sheet	-27 287	-23 637
Tax rate used for the calculation	23 %	24 %

In accordance with the generally accepted accounting principles, deferred tax asset may only be recognised to the extent that it is more likely than not that such asset will be realised in future periods.

Basis for tax payable:

	2017	2016
Profit before income tax	-72 004	-54 756
Amortisation of goodwill without a tax deduction	49 422	52 743
Change in temporary differences recognised on the balance sheet	27 749	10 539
Change in temporary differences not recognised on the balance sheet	24 993	42 900
Transactions at the group level	5 709	5 723,00
Other permanent differences	-538	-2 898
Tax basis for the year	35 331	54 251
Tax payable:	8 479	13 563
Tax rate used for calculation of tax payable	24 %	25 %
Tax payable	8 479	13 563
Adjustment for local tax rates	61	-
Tax payable Lyngsøe Rainwear ApS related to the period before 30.11.2017	5 035	-
Tax receivable Canada from 2016	-2 387	-
Reimbursement schemes for development expenses	-	-658
Paid earlier	-2 061	-3 710
Tax payable on the balance sheet	9 127	9 195



Protection Holding AS and subsidiaries

The income tax expense for the financial year consists of the following items:

23%/24% of net income before tax	-17 281	-13 689
Tax effect of permanent differences and changes in temporary differences not recognised in the balance sheet	17 730	23 186
Effect on deferred tax and deferred tax asset of reduced tax rate, from 24% to 23%	-2 045	-1 031
Effect of local tax rates	181	286
Effect of transactions at the group level	1 370	1 431
Tax expense related to previous years	384	-
Tax paid on source income	-	190
Other	107	85
Income tax expense for the year	447	10 458

12 Pensions

The employees of Hansen Protection AS are members of collective occupational pension schemes, and there were 117 employees in these schemes as at 31 December 2017. The main scheme was converted from a defined benefit plan to a defined contribution plan in 2014. In connection with the transition to a new scheme, certain employees remained in the original plan due to statutory requirements, and the group has thus two types of collective pension schemes. The obligations related to the collective schemes are covered through an insurance company. The other subsidiaries in which there are employees have defined contribution schemes in accordance with the local rules and agreements.

Hansen Protection AS also has a contractual early retirement scheme (AFP). The new AFP scheme, which entered into force on 1 January 2011, is to be regarded as a defined benefit multi-company scheme, but it is accounted for as a defined contribution scheme until reliable and adequate information is available, so that the group can post its proportional share of the pension costs, pension obligations and pension fund assets in the scheme in its accounts. The company's obligations are thus not recognised on the balance sheet as liabilities.

The net pension obligations in the company include, in addition to the above, one-off compensation related to the discontinuation of an uninsured pension agreement. This obligation consists of an accrued ABO at the time of the agreement, as well as the interest accrued on this, corresponding to the 10-year government bond yield.

The pension costs for the year for the remaining portion of the defined benefit plan in Norway have been calculated for the 2017 calendar year by an independent actuary based on the company's information:

	2017	2016
<u>The following assumptions have been used:</u>		
Discount rate	2,3 %	2,6 %
Annual salary growth	2,5 %	2,5 %
Annual basic amount adjustment	2,3 %	2,3 %
Return on pension fund assets	4,0 %	3,6 %
<u>Composition of the 's net pension costs:</u>		
	2017	2016
Present value of pension benefits accrued during the year (including payroll tax)	-	-
Interest expenses on pension obligations	16	13
Expected return on pension fund assets	-32	-26
Payroll tax	2	2
Net pension costs	-14	-11
Premiums for defined contribution scheme	2 632	2 690
Premium for contractual early retirement scheme (AFP)	818	843
Uninsured individual pension agreements charged as an expense	12	9
Total pension costs	3 448	3 531
Pension costs recognised in the income statement	3 448	3 531



Protection Holding AS and subsidiaries

Composition of the net pension obligations:

Gross pension obligations	1 489	1 430
Pension fund assets	-965	-884
Net pension liability	524	546
Payroll tax	46	37
Book value of net pension obligations as at 31 December	478	509

Gross presentation on the balance sheet:

Pension premium fund	366	295
Pension obligations	841	804
Book value of net pension obligations as at 31 December	-478	-509

Composition of pension fund assets:

	2017	2016
Money market investments	135	209
Bonds	127	108
Lending	588	443
Shares	105	59
Real estate	10	65
Total pension fund assets	965	884

13 Other operating costs	2017	2016
Sales and distribution costs	25 293	27 152
Advertising and marketing costs	3 183	3 638
Rent and other costs related to leased facilities	15 147	13 846
External service provider fees	4 086	2 604
Costs for travel and means of transport	3 266	3 290
Bad debts	831	96
Restructuring costs	2 259	4 213
Other operating costs	8 600	7 665
Total other operating costs	62 665	62 504

14 Payroll costs, etc.	2 017	2016
Payroll, etc.	57 692	59 041
Payroll tax	8 015	7 626
Pension costs	3 044	3 068
Other payroll costs	2 377	2 515
Total payroll costs	71 128	72 250

Average number of employees 146 150

15 Remuneration of executive personnel	Payroll	Pension
Pay and other remuneration of the CEO	2 789 632	163 528

The pension costs for the year consist of payments to the collective scheme and accrual in the earlier scheme that was frozen in 2007 when the CEO waived his right to a special pension scheme. Bonus to the CEO is calculated on the basis of the results achieved.

16 Remuneration of auditor excl. value added tax	2017	2016
Audit fees	721	464
Assurance engagements	54	-
Tax advice and other assistance	92	108
Total	867	677

17 Remuneration of Board of Directors	2017	2016
Directors' fees	753	479
Total	753	958

18 Credit facilities
The group has a credit facility with DnB limited to a maximum of NOK 40,000,000. None of this facility has been used as at 31 December 2017.



To the General Meeting of Protection Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Protection Holding AS showing a loss of NOK 30 073 584 in the financial statements of the parent company and loss of NOK 72 451 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Protection Holding AS

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We 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

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Independent Auditor's Report - Protection Holding AS

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group'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 Company or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group 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 achieves fair presentation.
- 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 the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

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Independent Auditor's Report - Protection Holding AS



Oslo, 20 March 2018
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

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Protection Holding AS

Annual Financial Statements 2017

Board of Directors' Report
Income Statement
Balance Sheet as at 31 December
Statement of Cash Flows
Accounting Policies
Notes
Audit opinion



Protection Holding AS

Directors' report for 2017

Business summary

Protection Holding AS was established on 28 January 2013. The company owns all the shares in Protection AS. The head office is located in Moss. The company does not have any employees and does not pollute the external environment.

Result of operations

The result for the year was a loss of NOK 30,073,584 (2016: loss of NOK 5,823,206), which the Board of Directors proposes be transferred from other reserves. The lower income compared to 2016 is due to higher interest expenses related to a new loan in late 2016.

Assets and liabilities at the end of the year

Total assets at the end of the year amounted to NOK 621.8 million (2016: NOK 571.4 million), and long-term items accounted for NOK 612.0 million of this amount (2016: NOK 529.3 million). Equity at the end of the year amounted to NOK 400.5 million (2016: NOK 391.2 million). In 2017 the company received new equity of NOK 39.3 million.

Statement of cash flows

Cash flow from the company's operating activities amounted to NOK -18.6 million (2016: NOK -0.9 million). Amortisation of refinancing costs and accrued interest expenses essentially accounted for the difference between the cash flow from operating activities and the operating result.

Financial risk

Market risk: Most of the company's assets are financed by equity capital.

Liquidity risk: The company has limited liquidity risk.

The company has no external sales and no credit risk.

Outlook for 2018

Interest expenses will account for a significant amount in the coming year, and the Board of Directors expects that the company will generate a loss.

In 2018 the level of activity in the oil and gas market is expected to increase compared to 2017, the group therefore expects to experience positive earnings growth in the coming year. The integration of the newly acquired Lyngsøe Rainwear ApS will also increase the earnings of Hansen Protection AS and its subsidiaries in the coming years.

In the opinion of the Board of Directors, the company's financial resources are sufficient to cover the expected need for working capital. The accounts have been prepared under the going concern assumption.



Moss, 31 December 2017 / 20 March 2018

Board of Directors of Protection Holding AS

Amund Skarholt
Board Chairman

Christopher Masek
Board Member

Thomas Klitbo
Board Member

Peter Svarrer
Board Member

Terje Görm Hansen
Managing Director



Protection Holding AS
Income Statement

	Note	2017	2016
Operating costs			
Fees	7	753 060	479 220
Other operating costs	6	994 321	274 615
Total operating costs		1 747 381	753 835
Operating profit		-1 747 381	-753 835
Interest income		4 280	327
Other financial income	10	5 713 336	524 330
Interest expenses		11 223 233	499 747
Other financial costs	10	24 531 041	2 997 225
Net financial costs		-30 036 658	-2 972 315
Profit before income tax		-31 784 039	-3 726 150
Income tax expenses	4	-1 710 455	2 097 056
Profit/loss for the year		-30 073 584	-5 823 206
<i>Allocation and distribution of profit</i>			
Transferred from other reserves		-30 073 584	-5 823 206



Protection Holding AS
Balance Sheet

Assets	Note	2017	2016
<i>Non-current assets</i>			
<u>Financial assets</u>			
Investments in subsidiaries	2, 3	612 035 001	529 250 610
Total non-current asset investments		612 035 001	529 250 610
Total non-current assets		612 035 001	529 250 610
<i>Current assets</i>			
<u>Receivables</u>			
Other receivables	1, 3	3 000 000	3 026 031
Total receivables		3 000 000	3 026 031
Bank deposits, cash, etc.		6 716 049	39 153 700
Total current assets		9 716 049	42 179 731
Total assets		621 751 050	571 430 341



Protection Holding AS

Balance Sheet

Equity and liabilities	2017	2016
<u>Total paid-in capital</u>		
Share capital of 66,725,219 shares of NOK 1 each	66 725 219	61 900 000
Own shares	78 800	-
Share premium reserve	371 556 781	337 100 000
Total paid-in capital	5 438 360 800	399 000 000
<u>Retained earnings</u>		
Other reserves	-37 845 039	-7 771 457
Total retained earnings	5 -37 845 039	-7 771 457
Total equity	400 515 761	391 228 543
<u>Liabilities</u>		
<u>Non-current liabilities</u>		
Deferred tax	4 1 856 601	2 847 056
Mortgage loans	9 218 254 723	169 863 267
Total non-current liabilities	220 111 324	172 710 323
<u>Current liabilities</u>		
Trade payables	139 288	6 754 973
Other current liabilities	8 984 677	736 502
Total current liabilities	1 123 965	7 491 475
Total liabilities	221 235 289	180 201 798
Total liabilities and equity	621 751 050	571 430 341

Moss, 31 December 2017 / 20 March 2018

Amund Skarholt
Board Chairman

Christopher Masek
Board Member

Thomas Klitbo
Board Member

Peter Svarrer
Board Member

Terje Gorm Hansen
General Manager



Protection Holding AS Statement of Cash Flows - indirect model

	2017	2016
<u>Cash flows from operating activities</u>		
Profit before income tax	-31 784 039	-3 726 150
Accrued, unpaid interest	622 380	499 747
Reduction of investments in subsidiaries upon receipt of group contributions, net after tax	2 280 000	2 250 000
Amortised refinancing costs	4 138 821	205 462
Change in trade payables and other short term liability	-6 615 685	6 754 973
Effect of foreign exchange fluctuations on long term loan in EUR	15 413 900	2 787 800
Change in other accrual items	-2 628 174	-9 700 267
Net cash generated from operating activities	-18 572 797	-928 435
<u>Cash flows from investing activities</u>		
Paid in new capital Protection AS	-85 064 390	-135 000 000
Net gain on sales of own shares	78 800	-
Net cash used in investing activities	-84 985 590	-135 000 000
<u>Cash flows from financing activities</u>		
New long-term debt	29 187 000	178 938 200
Paid borrowing costs	-348 264	-5 368 146
New equity	39 282 000	-
Received group contributions	3 000 000	1 468 570
Net cash used in financing activities	71 120 736	175 038 624
Net change in cash and bank deposits	-32 437 651	39 110 189
Cash and cash equivalents as at 1 January	39 153 700	43 511
Cash, cash equivalents and bank deposits at 31 December	6 716 049	39 153 700



Protection Holding AS

Accounting Policies

The company owns all the shares in Protection AS. Separate consolidated financial statements showing the combined operations of Protection Holding AS and its subsidiaries have been prepared. The consolidated financial statements are available from the Register of Company Accounts in Brønnøysund. The company has no employees.

Accounting Policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Investments in subsidiaries

Investments in subsidiaries are valued in accordance with the cost price method in the company accounts.

Taxes

The income tax expense in the income statement encompasses the tax payable for the period, tax effect of group contributions paid and the change in deferred tax. Deferred tax is calculated at the rate of 23% on the basis of temporary differences that exist between the financial accounting and tax-related values, in addition to the tax loss carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse during the same period are offset and the tax effect of the net amount is calculated. Deferred tax assets attributed to net tax-reducing differences that are not offset and the tax loss carryforward are recognised in the balance sheet only if estimated future earnings make it reasonable to believe in full utilization of the tax advantage. Deferred tax and tax assets recognised on the balance sheet are presented on a net basis on the balance sheet. Tax payable related to the group contributions received that exceed the accumulated profit of the relevant subsidiary during the ownership period are netted against a reduction of the book value of the shares in this company.

Classification and assessment of balance sheet items

Current assets and current liabilities include items that relate to the company's business cycle or other items that fall due for payment within one year after the date of the balance sheet. Non-current assets include assets intended for permanent ownership or use. Non-current liabilities are liabilities that fall due for payment later than one year after the date of the balance sheet.

Current assets are valued at the lesser of historical cost or fair value. Non-current assets are valued at historical cost less depreciation for use and wear, unless the fair value is lower and the impairment in value is not expected to be of a temporary nature. Non-current assets are written down to fair value in such cases.

Receivables

Trade and other receivables are recognised on the balance sheet at the nominal value, less a provision for estimated losses. Provisions for losses are made on the basis of individual assessments of the individual items.

Long-term items in foreign currencies

Monetary items, receivables and liabilities in foreign currency are translated at the exchange rate in effect at the close of the financial year.



Protection Holding AS

Notes

1 Other current receivables	2017	2016
Group contribution	3 000 000	3 000 000
Other receivables for group company	-	26 031
Total other receivables	3 000 000	3 026 031

2 Investments in subsidiaries

	Business office as at 31/12/2017	Company's share capital	Profit for the year	Equity 31.12.2017
Protection AS	Norway	NOK 70 596 000	-31 090 106	451 045 960
Total				451 045 960

Book value of the shares in Protection AS as at 1 January	529 250 610
New paid-in capital for Protection AS	85 064 391
Group contributions received from Hansen Protection AS	-3 000 000
24% tax on group contributions recognised as a reduction in the shareholding	720 000
Book value of shares in Protection AS as at 31 December	612 035 001

3 Material transactions with related parties

The company has received a group contribution of NOK 3,000,000 from Hansen Protection AS in 2017 (NOK 3,000,000 in 2016). The group contribution has been treated in its entirety as a reduction in shares in subsidiaries.

4 Income tax

Deferred tax is calculated on the basis of temporary differences that exist at the end of the accounting year between the financial and tax-related values:

Temporary differences that have been recognised on the company's balance sheet at the end of the year.

	31.12.2017	31.12.2016	Change
Temporary differences concerning capitalised borrowing costs	8 072 177	11 862 733	3 790 556
Basis for deferred tax liabilities /(-) deferred tax assets	8 072 177	11 862 733	3 790 556
Deferred tax liabilities / (-) deferred tax assets	1 856 601	2 847 056	-990 455
Tax rate used for calculation of deferred tax:	23 %	24 %	

Temporary differences that have not been recognised at the end of the year.

	31.12.2017	31.12.2016	Change
Temporary differences related to loss carryforwards	-25 515 403	-12 089 136	13 426 267
Temporary differences related to interest expenses that may be carried forward	-12 066 966	-499 747	11 567 219
Basis for deferred tax liabilities /(-) deferred tax assets	-37 582 369	-12 588 883	24 993 486
Deferred tax liabilities / (-) deferred tax assets	-9 019 769	-3 021 332	-5 998 437
Tax rate used for calculation of deferred tax:	23 %	24 %	



Protection Holding AS

Explanation of change in deferred tax for the year

	2017
Change for the year recognised in the income statement	-990 455
Deferred tax as at 31 December	1 856 601

The difference between the accounting profit before tax and the tax basis for the year is specified below:

	2017	2016
Profit before income tax	-31 784 039	-3 726 150
+/- Permanent differences	3 000 000	3 000 000
+/- Temporary differences	3 790 556	-11 862 733
Tax basis for the year	-	-
Tax payable	-	-
Tax rate used	24 %	25 %

The company has received a group contribution with a tax effect of NOK 3,000,000 from Hansen Protection AS.

The income tax expense for the financial year consists of the following items:

	2017	2016
Income tax payable	-	-
Change in deferred tax	-871 828	2 847 056
Effect of the reduced tax rate from 24% to 23% on temporary differences as at 31 December 2017 and 25% to 24% as at 31 December 2016	-118 627	
Tax effect of group contributions posted against shareholdings in subsidiaries (no	-720 000	-750 000
Income tax expense for the year	-1 710 455	2 097 056

5 Equity

	Share capital	Share premium		Other reserves	Total equity
	Own shares	reserve			
Equity as at 01/01/2017	61 900 000	-	337 100 000	-7 771 457	391 228 543
Purchase of own shares	-	-1 421 200	-	-	-1 421 200
Sales of own shares	-	1 500 000	-	-	1 500 000
Emission	4 825 219	-	34 456 781	-	39 282 000
Profit/loss for the year	-	-	-	-30 073 584	-30 073 584
Equity as at 31/12/2017	66 725 219	78 800	371 556 781	-37 845 039	400 515 761

After the emission that took place in December 2017, the company's share capital consists of 11,089,317 A shares and 55,635,902 B shares, both classes of shares having equal voting rights and unequal rights to dividends in accordance with the company's Articles of Association.

Shareholder composition as at 31/12/2017:

Protection International Sarl (Luxembourg)	90,0 %
Lyngsøe Holding Aps (Denmark)	7,2 %
Hansen Protection management	2,8 %

6 Remuneration of auditor

<i>Inclusive of value-added tax</i>	2017	2016
Audit fees	98 750	96 250
Other confirmations	-	54 925
Total	98 750	151 175



Protection Holding AS

7 Remuneration of Board of Directors		2017	2016
Directors' fees		753 060	479 220
Total		753 060	479 220
8 Other current liabilities		2017	2016
Debt to group companies		342 300	216 755
Other current liabilities		642 377	519 747
Total other current liabilities		984 677	736 502

9 Mortgage loans in euros

Creditor	Designation	Principal (EUR)		Average interest rate 2017	Principal (NOK) 31.12.2017
		31.12.2017	Maturity		
Investec	Long-term 1	23 000 000	2019	5,50 %	226 326 900
Total					226 326 900

Norges Bank's official rate for 31 December 2017 has been used for conversion to NOK on the date of the balance sheet.

The limit of the loan granted under the loan agreement with creditor is EUR 30,000,000. In December 2017 the company draw up another EUR 3,000,000 under the existing agreement and loan principal at year end 2017 is EUR 23,000,000. The loan will fall due in its entirety in 2019.

Principal amount	226 326 900
Book value of capitalised borrowing costs	-8 072 178
Total mortgage loans on the balance sheet as at 31 December 2017	NOK 218 254 722

The borrowing costs have been capitalised on the company's balance sheet in connection with the establishment of long-term financing. The item is amortised over the term of the loan, and the amortisation totalled NOK 205,462 in

Conditions related to the financing

The company's loan agreement contains certain covenants related to the value of the IK VII Fund. They are measured quarterly. The company met these conditions as at 31 December 2017.

10 Other financial income and other financial costs

Other financial income and other financial costs include unrealised foreign exchange gain and loss on long-term loans. Total currency gain recorded in 2017 was NOK 5,713,335 while total loss was recorded at NOK 19,335,493.

11 Pledged assets and guarantee commitments

The company's shares have been pledged as security for its own debt and debt in the parent company.

Book value as at 31 December:

Shares in subsidiaries	2017
	612 035 001
Total	612 035 001



To the General Meeting of Protection Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Protection Holding AS showing a loss of NOK 30 073 584 in the financial statements of the parent company and loss of NOK 72 451 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Protection Holding AS

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We 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

(2)



Independent Auditor's Report - Protection Holding AS

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group'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 Company or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group 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 achieves fair presentation.
- 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 the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(3)



Independent Auditor's Report - Protection Holding AS



Oslo, 20 March 2018
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 31.01.2018	Vår dato 12.02.2018
Telefon 22078139	Deres referanse Tonje Braathen	Vår referanse 2018/112324

HANSEN PROTECTION AS
Postboks 218
1501 MOSS

15 FEB. 2018

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 31. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Protection Holding AS	org.nr. 999 647 308
Protection AS	org.nr. 999 647 359

Skattedirektoratet gir på bakgrunn av en konkret vurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Protection Holding AS er eid med 90 % av selskapet Protection International Sarl som er hjemmehørende i Luxembourg. Dette selskapet er igjen kontrollert av IK Investment Fund med sete i London. Protection Holding AS sin eneste aktivitet er å eie Protection AS. Protection AS eier selskapet Hansen Protection AS. 88 % av omsetningen finner sted i Hansen Protection AS. Konsernet har også selskaper i Nederland, Canada, Danmark og Sverige. Konsernets virksomhet er utleie og salg av overlevelsesdrakter og arbeidstøy til internasjonal offshorevirksomhet. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318 E-post: skatteetaten.no/sendepost	Sentrallbord 800 80 000 Telefaks 22 17 08 60
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”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernspissen er et utenlandsk selskap. Eierkretsen er begrenset. Selskapets virksomhet er internasjonal med datterselskaper i flere land. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer